

# NICHING INDUSTRIAL CORPORATION

## 2024 Annual Report

### Notice to readers

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

For more information on the Annual Report, please visit :

TWSE Website : <http://mops.twse.com.tw>

Niching Industrial Corporation Website : <https://www.niching.com.tw/>

Printed Date: March 16, 2025

- I. Spokesman or acting spokesman of the Company
- |   |   |
|---|---|
| Spokesman   | Acting Spokesman  |
| Name : Lu Hsiu Man  | Name : CHIU,CHIH-FANG   |
| Title : Director of Administration  | Title : Director of Financial & MIS                                     |
| Division  | Division  |
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- II. Address and telephone number of the company's headquarters, branch offices and factories
- Headquarters Address :
- Room 5E, No. 767, Sec. 4, Taiwan Blvd., Taichung, 40755, Taiwan  
Tel : (04)2358-8966
- Hsinchu Plant Address :
- 2F-2, No. 20, Tai Yuen Street, Chupei City, Hsinchu County, Taiwan  
Tel : (03)611-6888
- Kaohsiung Plant Address :
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Tel : (07)861-8808
- III. Shares Transfer Agency
- Name : SinoPac Securities Ltd. Register & Transfer agency Dept.  
Address : 3F., No. 17, Bo'ai Rd., Zhongzheng Dist., Taipei City 100, Taiwan  
Website : <http://www.sinotrade.com.tw/>  
Tel : (02)2381-6288
- IV. The certified public accountants who duly audited the annual financial report for the most recent fiscal year
- CPA : HSU JUI LUNG 、 SU TING CHIEN  
Accounting Firm : Deloitte & Touche  
Address : 20F., No.100, Songren Rd., Xinyi Dist., Taipei City  
Website : <http://www.deloitte.com.tw>  
Tel : 02-27259988
- V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities : N/A
- VI. Company's website address : <http://www.niching.com.tw>

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# One. Letter to Shareholders

## I · Operating results

Thousands of NTD, Except Earnings Per Share

Items	2024	2023
Sales	1,009,564	838,853
Service revenue	143,922	137,544
Total operating revenue	1,153,486	976,397
GROSS PROFIT	284,926	255,756
Operating expenses	206,633	180,477
OPERATING INCOME	65,185	36,565
INCOME BEFORE INCOME TAX	143,478	111,844
NET INCOME	107,452	93,545
EARNINGS PER SHARE (EPS)	2.39	2.16

1. Overview 2024, consumer product demand declined, and automotive demand remained flat. However, AI shone brightly, leveraging the advantages of integrated material suppliers. Niching capitalized on the strong market changes in AI chips and advanced packaging demand, as well as the rising demand for large-size panels in China, electronic labels, and automotive panels. Revenue from the three main product lines—testing and packaging-related products, driver IC-related products, and semiconductor substrates—increased by 28%, 13%, and 8% respectively. Overall revenue and gross profit both showed double-digit growth.
2. The increase in operating expenses was mainly due to higher sales expenses. To strengthen the depth and breadth of cooperation with supplier Simmtech, the STN team was established, moving the FAE function to Taiwan to quickly respond to customer needs. Overall operating expenses increased by 14%.
3. The adjustment of the value-added investment strategy and the recovery of the Chinese market led to an increase in investment income. Additionally, the appreciation of the US dollar resulted in increased foreign exchange gains. Overall non-operating income increased by 78%.
4. Net profit after tax increased by 15%, and EPS increased by 13% to reach NT\$2.39.
5. The net profit after tax budget achievement rate for the fiscal year 113 was 64%, mainly due to the recovery of the semiconductor market outside of AI and the value-added investment contributions not meeting expectations.

Item	2024	2023
Debt ratio (%)	29%	24%
Current ratio (%)	235%	292%
Quick ratio (%)	218%	268%
Days sales outstanding	158 day	183 day
Days inventory outstanding	28 day	33 day
Return on Total Assets (%)	7%	7%
Return on Equity (%)	10%	9%
Net Margin (%)	9%	10%
Earnings per share (NT\$)	\$ 2.39	\$ 2.16

Research and development status.

Item	Technical Features and Product Applications	Future effectiveness
Nano sintered silver glue	We have developed low-temperature sintering silver glue with ultra-high thermal conductivity using our own technology, which can achieve lower sintering temperatures and is suitable for large-size chip packaging. It is used in high-end packaging products such as high-power components, high-speed computing components, and new energy vehicle semiconductor components.	In 2024, it has passed the certification of many customers, and is in the process of small-scale trial production, and actively expands to more domestic and foreign customer application products to expand the market and product line.
High thermal conductivity silver paste	High heat dissipation solid chip and interface thermal conductive materials used in LED/semiconductor packaging. With high heat dissipation (>30W/mK) and high bonding strength, it provides packaged components to meet high life and high reliability requirements, such as automotive, HPC chips, etc.	It has been verified by Taiwan LED and power component factory. Actively promote the introduction of client mass production to strive for more profits.
Customized silver paste	Based on many years of silver paste development experience, we can quickly develop customized products in response to customer needs. And continue to explore new application markets and transform them into future business sports. Currently, we have successfully developed a number of silver pastes for automotive electronics and sensing components, all of which have entered the mass production stage.	In 2024, it entered the supply chain of major American manufacturers and is in the process of final product verification. It is expected to continue to expand its product line and supply.

II · Summary of 2025 Business Plan

Operating strategy

Based on integrity and innovation, we build a trustworthy and mutually beneficial enterprise that realizes our dreams.

Expected sales quantity and its basis.

Due to the large variety of products and the large impact of product mix on sales volume, the product sales volume in 2025 is expected to be approximately 65,057,000 pcs.

Important production and marketing policies

The operation layout has integrated channel agents, self-owned advanced materials and value-added reinvestment for integrated material supply. It is expected that terminal demand will recover, AI chip demand will be strong, and the demand for high-power and heat dissipation

market will be booming. The company invests the necessary resources to transform and grow. The production and marketing policies focus on the following:

1. Silver Paste Development Strategy:

The development of sintered silver paste, conductive silver paste, and customized silver paste will focus on key customers and concentrate resources on markets with growth potential. The company will focus on high heat dissipation, high thermal conductivity, and rapid curing technologies to develop value-added products.

2. Heat Spreader Expansion Strategy:

The growth in the heat dissipation-related market is driven by new AI applications and the demand for advanced packaging. Niching will focus on IC heat dissipation solutions, striving for technological innovation and breakthroughs in its own products, such as thermal conductive silver paste and sintered silver paste. Additionally, the company will continue to pursue mergers or alliances to master the three major manufacturing technologies (stamping, metal processing, and electroplating), extending the product line to high-end markets with the goal of becoming a member of the CoWoS supply chain.

3. Substrate Growth Strategy:

The STN team combines sales capabilities and local technical services, enhancing customer adhesion with the three major memory manufacturers and developing next-generation graphics memory substrates (GDDR7) for AI servers. Strategic cooperation agreements with logic IC packaging and testing plants will increase overall revenue contributions. The strategic deployment of resources in the logic IC field, along with significant growth in new products and project introductions in recent years, will continue to drive revenue growth and increase the proportion of logic ICs.

4. Other Product Growth Strategies:

The main operational products, including driver IC-related, packaging-related, OLED, and various new agency products, will capitalize on the recovery of end-user demand and the opportunities presented by the AI boom. The company will also continue to expand into the fields of electronic labels, automotive panels, and new AR/VR applications, aiming to further boost performance in 2025.

### III 、 Future company development strategy

The global demand for artificial intelligence (AI) and high-performance computing (HPC) continues to rise, and the semiconductor industry will once again usher in a new prosperity as major application markets from cloud data centers and terminal devices to specific industry categories face a trend of specification upgrades. Driven by the continuous increase in demand for high-end logic process chips driven by AI, the overall semiconductor market is expected to continue to grow. The semiconductor supply chain includes design, manufacturing, packaging and testing, advanced packaging and other industries, and under the vertical and horizontal cooperation of upstream and downstream, a new wave of growth opportunities will be created.

The company will strengthen the marketing function, focus on the latest technology development and market demand in the semiconductor industry, in addition to continuing to introduce agent products, strengthen the technological innovation and breakthrough of its own research and development of silver paste products, and take advantage of the trend.

IV 、Affected by the external competitive environment, regulatory environment and overall operating environment

The Trump administration is newly inaugurated, the global technology factory is de-Sino, the United States withdraws from the OECD global tax agreement, and aggravates China Tariffs and levies have affected the global semiconductor supply chain. Major countries around the world are actively supporting the semiconductor industry, offering semiconductor revitalization policies, shaping industrial development advantages, and striving to enhance the capacity of local industries and the autonomy of key technologies. For Taiwanese enterprises, this is both a challenge and an opportunity, and they must pay close attention to the changes in the international political and economic situation, and flexibly deploy the supply chain to cope with potential risks and opportunities.

Chairman : CHANG CHUN HUI

Manager : HUANG DAO JING

## Two. Corporate Governance Report

### I. Information of Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

#### (I) Director

##### 1. Director

April 14, 2025

Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Chairman	R.O.C. (Taiwan)	Chun-Hui Chang	Male 71~80 years old	2022.6.15	3	1999.3.15	1,040,081	2.66%	1,234,872	2.74%	48,193	0.11%	0	0%	Department of Law, Fu Jen Catholic University Chairman, Qing Qian Construction Co., Ltd. Supervisor, Niching Industrial Corp. Vice Chairman, Niching Industrial Corp.	Chairman of the Company Ri Chu Tong Hong Investment Consulting Co., Ltd. Chairman, Director, Niching Trading (Suzhou) Ltd. Chairman, Yung Chi Corp.	Director	Hung-Chi Chang	Brothers	-
Vice Chairman	R.O.C. (Taiwan)	Wei-Sen Chang	Male 31~40 years old	2022.6.15	3	2019.6.25	434,000	1.11%	487,949	1.08%	0	0%	0	0%	Hotel Institute Montreux, Postgraduate Diploma, Hospitality Business Management Wynn Palace, F&B, Server Team Lead, Paris Hall, Landis Taipei	None	-	-	-	-

Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Director	R.O.C. (Taiwan)	Hung-Chi Chang	Male 61~70 years old	2022.6.15	3	1993.5.7	1,516,794	3.88%	1,834,866	4.08%	777,164	1.73%	0	0%	Master in Industrial Engineering, New Jersey Institute of Technology Manager of Golf Business Division, TOPKEY CORPORATION Assistant Vice President of Sales Department, Taiwan Hi-Tech Corporation Director, APET Co., Ltd. President, Niching Industrial Corp. Enplas Niching Technology Corporation Director	CEO of the Company Chairman, Niching Trading (Suzhou) Ltd. Director, Advanced Corporation Chairman, Ju Tai Investment Co., Ltd. Director, CC Biotechnology Corporation Director, TONG SENG APPLIED MATERIALS INC. Chairman, Xintaili Machinery (Suzhou) Trading Co., Ltd. Ju Xiang Investment Co., Ltd. Director, STNC Hong Kong Holdings Limited	Chairman	Chun-Hui Chang	Brothers	-

Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Director	South Korea	Simmtech Holdings Co., Ltd.	-	2022.6.15	3	2007.6.28	1,738,408	4.44%	1,954,506	4.34%	0	0%	0	0%	-	-	-	-	-	-



Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Independent Director	R.O.C. (Taiwan)	Chia-Hsing Chang	Male 51~60 years old	2022.6.15	3	2007.6.28	0	0%	0	0%	0	0%	0	0%	Department of Public Finance and Taxation, National Chengchi University EMBA, National Chiao Tung University Credit Extension Specialist, CTBC Bank Deputy Manager of Underwriting Department, Grand Cathay Securities Corporation Manager of Underwriting Department, MasterLink Securities Corporation Senior Specialist of Chairman's Office and Business Management Office, Forhouse Corporation Executive Director/Chief Financial Officer, Global Material Science Taiwan Co. Ltd.	Independent Director, Shian Yih Electronic Industry Co., Ltd. Independent Director, Axman Enterprise Co., Ltd. Responsible Person, Tong Xing Zhi Yuan Management Consulting Ltd. Responsible Person, Ding Cheng Investment Co., Ltd. Independent Director, YU-CHEN SYSTEM TECHNOLOGY CORP.	-	-	-	-

Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Independent Director	R.O.C. (Taiwan)	Ming-Tsung Shih	Male 51~60 years old	2022.6.15	3	2016.6.21	0	0%	0	0%	0	0%	0	0%	Master, College of Accounting, National Chengchi University Equipped with CPA qualification Manager, Deloitte Taiwan Adjunct Lecturer, Department of Accounting, Tunghai University Assistant Vice President of Financial Department, CHIN YI FUNG ENTERPRISES CO., LTD. Manager of Financial Department and Special Assistant to CEO, SUNSPRING METAL CORPORATION Assistant Vice President of Financial Department, Special Assistant to Chairman, Vice President of President's Office, Taiwan Paiho Limited Chairman, San Ho Hsin Products Corp.	Director, PT. Paiho Indonesia Special Assistant to Chairman, Taiwan Paiho Limited	-	-	-	-

Job title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of first election and job assumption	Shareholding when elected		Number of shares currently held		Current shareholding of spouse and minor children		Shareholding by nominee arrangement		Main experience (educational background)	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Independent Director	R.O.C. (Taiwan)	Tu-Ming Tsai	Male 61~70 years old	2022.6.15	3	2007.6.28 Note 2	0	0%	0	0%	3,581	0.01%	0	0%	Bachelor of Industrial Engineering, Tunghai University Master of Industrial Engineering, Iowa State University, USA Ph.D., Industrial Engineering, Iowa State University, USA Principal Engineer, Digital Equipment Corporation Professor of Department of Industrial Engineering and Management, Yuan Ze University	None	-	-	-	-

Note 1: Chairman and President or person of an equivalent position (the highest managerial officer) being the same person, spouses, or relatives within the first degree of kinship: None.

Note 2: After being elected on June 28, 2007 Released from duty, he was re-elected for the current term of office on June 15, 2022.

2. Major Shareholders of Corporate Shareholders

December 31, 2024

Name of corporate shareholder	Major shareholder of corporate shareholder	
Simmtech Holdings Co.,Ltd.	Chun Se Ho	39.9%
	LIGHTMAC PTE.LTD	15.8%
	Simmtech Holdings co.,ltd.	4.1%
	Song Chan Young	1.5%
	Kim Tae-sul	1.3%
	Hyun Seung-won	1.3%
	Lim Sung Hyuk	1.2%
	Others	34.9%
Total		100.0%

3. Major shareholders of corporate shareholders as the major shareholders:

December 31, 2024

Name of corporate shareholder	Major shareholder of corporate shareholder	
LIGHTMAC PTE.LTD	CHUN SE HO	57.0%
	PARK EUNKYUNG	2.1%
	CHUN JETERY E	25.7%
	CHUN MICHELLE EUN	8.5%
	JAAR INVESTMENT CO., LTD.	6.7%
	Total	

Name of corporate shareholder	Major shareholder of corporate shareholder	
JAAR INVESTMENT CO., LTD.	Hung-Chi Chang	65%
	Ting-Yu Chang	10%
	Shao-En Chang	10%
	Ya-Li Liu	15%
	Total	

4. Disclosure of professional qualification of directors and independence of independent directors

Name \ Criteria	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
Director Chun-Hui Chang	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Chairman of Ri Chu Tong Hong Investment Consulting Co., Ltd., Director of Niching Trading (Suzhou) Ltd., Chairman of Yung Chi Corp.</li> </ul>	<p>(1) Not a director, supervisor or employee of other company not controlled by the same parties holding a majority of the number seats of directors of the Company or a majority of shares with voting rights.</p> <p>(2) Not a director (managing director), supervisor (managing supervisor) or employee of other company or institution being the same person holding the position of Chairman, President or equivalent position in the Company or a spouse thereof.</p>	0
Director Wei-Sen Chang	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as the Chairman of the Company.</li> </ul>	<p>(3) Not a director, supervisor, managerial officer, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business dealings with the Company.</p>	0
Director Hung-Chi Chang	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as the CEO of the Company, Chairman of Niching Trading (Suzhou) Ltd., Chairman of Ju Tai Investment Co., Ltd., Director of CC Biotechnology Corporation, Director of TONG SENG APPLIED MATERIALS INC., Director of Advanced Corporation, Chairman of JAAR INVESTMENT CO., LTD., Xintaili Machinery (Suzhou) Trading Co., Ltd. Chairman, Director of STNC Hong Kong Holdings Limited.</li> </ul>	<p>(4) Not a professional individual who, or an owner, partner, director (managing director), supervisor (managing supervisor), or managerial officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, who provides auditing or obtains an</p>	0

Criteria Name	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
<p>Director Simmtech Holdings Co., Ltd. Representative: Ching-Chu Lee</p>	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as Director of Finance Division, SIMMTECH HOLDINGS CO.,LTD.</li> </ul>	<p>accumulated remuneration amount in the last two years not exceeding NT\$500,000; (5) Not a person subject to any conditions defined in Article 30 of the Company Act.</p>	<p>0</p>
<p>Independent Director Chia-Hsing Chang</p>	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as Independent Director of Shian Yih Electronic Industry Co., Ltd., Independent Director of Axman Enterprise Co., Ltd., Responsible Person of Tong Xing Zhi Yuan Management Consulting Ltd., Responsible Person of Ding Cheng Investment Co., Ltd., Independent Director of YU-CHEN SYSTEM TECHNOLOGY</li> </ul>	<p>(1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the Company or any of its affiliates. (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders. (4)Not a spouse, relative within second degree of kinship or direct blood relative within third degree of kinship of personnel listed in the preceding three subparagraphs. (5)Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or of a corporate shareholder that rank among the top five in shareholdings, or of a proxy appointed according to Paragraph 1 or Paragraph 2 of Article 27 of the Company Act. (6)Not a director, supervisor or employee of other company not controlled by the same parties holding a majority of the number seats of directors of the Company or a majority of shares with voting rights.</p>	<p>3</p>
<p>Independent Director Ming-Tsung Shih</p>	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as Director of PT. Paiho Indonesia, Special Assistant to Chairman of Taiwan Paiho Limited.</li> </ul>	<p>(7)Not a director (managing director), supervisor (managing supervisor) or employee of other company or institution being the same person holding the position of Chairman, President or equivalent position in the Company or a spouse thereof. (8)Not a director, supervisor, managerial officer, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business dealings with the Company</p>	<p>0</p>

Name \ Criteria	Professional qualification and experience	Independence status	Number of companies for adjunct independent directors of other public offering companies
Independent Director Tu-Ming Tsai	<ul style="list-style-type: none"> <li>● Equipped with work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.</li> <li>● Currently serving as Director of the Company.</li> </ul>	<p>(9)Not a professional individual who, or an owner, partner, director (managing director), supervisor (managing supervisor), or managerial officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, who provides auditing or obtains an accumulated remuneration amount in the last two years not exceeding NT\$500,000.</p> <p>(10)The member is not of the relationship of spouse or relative within second degree of kinship with other directors.</p> <p>(11)The member doesn't have any of the circumstances set forth in Article 30 of the Company Act.</p> <p>(12)The member is not elected due to government agency, juristic person or their representative acting as shareholders described in Article 27 of the Company Act.</p>	0

#### 5. Diversity and independence of Board of Directors:

##### (1) Diversity policy, goal and achievement status of board of directors

###### Diversity policy:

The Company's diversity policy on composition of board members has been established in the "Corporate Governance Best Practice Principles", and the content is as follows:

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to and its the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders' meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as the Company's officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture, and the ratio of female directors shall reach one-third of the total number of directors.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the entirety of the board of directors shall possess the following abilities:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.

5. Knowledge of the industry.
6. International market perspective.
7. Leadership.
8. Decision-making ability.

Specific management objective of diversity policy and implementation status:

Management goal	Implementation status
Addition of one new female director	Not yet achieved To be elected during the full re-election of next term of the board
Independent director not assuming the term of office consecutively	Not yet achieved To be elected during the full re-election of next term of the board
Adequate and diverse professional knowledge and skills (enhanced expertise in finance, accounting and risk management)	Not yet achieved To be elected during the full re-election of next term of the board
Number of independent directors exceeding one-third of the total number of directors	Achieved
Number of directors concurrently acting as the managerial officers not exceeding 1/3 of the total number of directors	Achieved

Implementation status of board member diversity policy is as follows:

The Company has 7 directors, including 3 independent directors. The ratio of directors equipped with the identity of employees is 14%, the ratio of foreign directors is 14%, and the ratio of independent directors is 43%. The seniority of the term of office of the 3 independent directors is 1 year, 6 years and 15 years respectively. 1 director at the age above 70 years old, 3 directors at the age between 60-70 years old, 2 directors at the age between 50-60 years, and 1 director at the age below 40 years old. All directors have different expertises in various fields. Directors Chun-Hui Chang and Hung-Chi Chang are equipped with the expertise in leadership, decision making, operation judgment, business management, accounting and financial analysis, crisis handling and equipped with the industry knowledge and international market perspective. Simmtech is a publicly listed company in Korea, and its representative is the CFO, and the CFO is equipped with the expertise of operation judgment, accounting and financial analysis, crisis handling, industry knowledge and international market perspective. Independent director Chia-Hsing Chang has the experience of acting as senior managerial officer in banking, securities and related industries as well as the experience of factory establishment project in China. Presently, he operates a business consulting company and is equipped with all of the aforementioned expertises. Independent director Ming-Tsung Shih is equipped with the experience of CPA, university instructor and special assistant to chairman, director of Indonesian company, etc.. In addition, he also has the expertise of operation judgment, accounting and financial analysis, business management and international market perspective. Independent director Tu-Ming Tsai has the experience of acting as a university professor as well as extensive research experience and professional skills. In addition, he is able to effectively convey complicated concepts and thoughts, thereby promoting corporate innovation development.

Diversity core		Basic composition							Industry experience and professional competence							
		Nationality	Gender	Concurrently serving as an employee of the Company	Age				Seniority of Independent Director (Less than 3 years)	Accounting and financial analysis	Business management	Crisis management	Knowledge of the industry	International market perspective	Leadership	Decision making
					50 years old and less	51 to 60 years old	61 to 70 years old	71~								
Name of Director																
Director	Chun-Hui Chang	Taiwan R.O.C.	Male				V		V	V	V	V	V	V	V	
	Wei-Sen Chang	Taiwan R.O.C.	Male	V							V		V			
	Hung-Chi Chang	Taiwan R.O.C.	Male	V		V			V	V	V	V	V	V	V	
	Simmtech Holdings Representative: Ching-Chu Lee	South Korea	Male			V			V	V	V	V	V			
Independent Director	Chia-Hsing Chang	Taiwan R.O.C.	Male		V				V	V	V	V	V	V	V	
	Ming-Tsung Shih	Taiwan R.O.C.	Male		V				V	V			V			
	Tu-Ming Tsai	Taiwan R.O.C.	Male			V		V				V	V			

(2) Independence of Board of Directors

The Company has a total of 7 directors, including 3 independent directors, accounting for 43% of the total number of directors. The qualification and election of independent directors of the Company shall comply with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. In addition, all directors and independents are not subject to matters described in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

## (II) President, Vice President, Associate Vice President, Heads of Departments and Branches:

April 14, 2025

Job title	Nationality	Name	Gender	Date of job assumption	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at other companies	Managerial officer with relationship of spouse or within second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
CEO	R.O.C. (Taiwan)	Hung-Chi Chang	Male	1993.4.15	1,834,866	4.08%	777,164	1.73%	0	0%	Master in Industrial Engineering, New Jersey Institute of Technology Manager of Golf Business Division, TOPKEY CORPORATION Assistant Vice President of Sales Department, Taiwan Hi-Tech Corporation Director, APET Co., Ltd. Director, Enplas Niching Technology Corporation President of the Company	CEO of the Company Chairman, Niching Trading (Suzhou) Ltd. Chairman Xintaili Machinery (Suzhou) Trading Co., Ltd. of Advanced Corporation Director, STNC Hong Kong Holdings Limited Chairman, Ju Tai Investment Co., Ltd. Chairman of . JAAR INVESTMENT CO., LTD. Director, CC Biotechnology Corporation Director, TONG SENG APPLIED MATERIALS INC.	-	-	-	-
President	R.O.C. (Taiwan)	Tao-Ching Huang	Male	1995.3.9	61,142	0.14%	0	0%	0	0%	Department of Chemistry, Chinese Culture University Section Manager of Sales Department, Taiwan Hi-Tech Corporation Senior Vice President of Channel Business Department of the Company	President of the Company Director and President, Niching Trading (Suzhou) Ltd.	-	-	-	-

Job title	Nationality	Name	Gender	Date of job assumption	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at other companies	Managerial officer with relationship of spouse or within second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
											Director, Enplas Niching Technology Corporation					
Senior Vice President	R.O.C. (Taiwan)	Chia-Lung Chih	Male	2024.7.4	0	0%	0	0%	0	0%	Department of Manufacturing Engineering and Management, Yuan Ze University EMBA, National Chiao Tung University Director, Powertech Technology Inc. Senior Director, KINSUS INTERCONNECT TECHNOLOGY CORP.	None	-	-	-	-
Vice President	R.O.C. (Taiwan)	Yu-Chien Shen	Male	2011.4.1	164,492	0.37%	0	0%	0	0%	Department of Industrial Engineering, Hsiuping University of Science and Technology EMBA, National Sun Yat-sen University Sales Section Manager, YH HAO INDUSTRIAL CO., LTD. Sales Manager, QUEEN-YOUNG CO., LTD.	None	-	-	-	-
Financial Information Division Assistant Vice President	R.O.C. (Taiwan)	Chih-Fang Chiu	Female	2001.5.1	40,000	0.09%	0	0%	0	0%	Department of Accounting, Tunghai University EMBA, National Chiao Tung University Senior Leader, EnWise CPAs & Co. Accounting Section Manager, Chu Tang Electric Corporation	Supervisor, Niching Trading (Suzhou) Ltd. Chairman, SIMMTECH TAIWAN CO., LTD.	-	-	-	-
Operation Support Division Assistant Vice President	R.O.C. (Taiwan)	Hsu-Man Lu	Female	2003.7.1	7,660	0.02%	0	0%	0	0%	Department of Social Sciences, Tunghai University Assistant Manager of Administration Department, San Tsai Construction Co., Ltd. Assistant Manager of Administrative	None	-	-	-	-

Job title	Nationality	Name	Gender	Date of job assumption	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Main experience (educational background)	Current adjunct positions at other companies	Managerial officer with relationship of spouse or within second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
											Department, Etronic Co., Ltd.					
Corporate Governance Officer	R.O.C. (Taiwan)	Hsien-Ling Chen	Female	2020.4.1	34,105	0.08%	0	0%	0	0%	Department of International Trade, Feng Chia University Chief Accountant, Enplas Niching Technology Corporation	None	-	-	-	-

## II. Remuneration paid to Directors, Presidents and Vice Presidents, etc., in the most recent fiscal year

### i. Remuneration of directors:

December 31, 2024 Unit: NT\$ thousand

Job title	Name	Remuneration of directors								Total of four items of A+B+C+D as a percentage of net income after tax		Remuneration received for serving as an employee concurrently								Total of seven items of A+B+C+D+E+F+G as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company			
		Remuneration (A)		Pension or severance pay (B)		Remuneration of directors (C)		Business execution expenses (D)				Salary, bonus and special allowance (E)		Pension and severance pay (F)		Remuneration of employees (G)									
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements						
Director	Chairman	Chun-Hui Chang																							
	Director	Wei-Sen Chang																							
	Director	Hung-Chi Chang																							
	Director	Simmtech Holdings Representative: Ching-Chu Lee	3,120	3,120	0	0	1,894	1,894	0	0	5,014	5,014	4.67%	4.67%	6,990	6,990	52	52	892	0	892	0	12,948	12,948	0
Independent	Independent Director	Chia-Hsing Chang	900	900	0	0	1,420	1,420	0	0	2,320	2,320			0	0	0	0	0	0	0	0	2,320	2,320	0
	Independent Director	Ming-Tsung Shih																							
	Independent Director	Tu-Ming Tsai																							

1. Please describe the payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.:

Matters related to the duties of the independent directors of the Company shall be handled in accordance with the "Articles of Incorporation" and the "Rules Governing the Scope of Powers of Independent Directors" of the Company. The Company may pay the directors for performing the duties of the Company, regardless of the Company's operating profit or loss. The Board of Directors is authorized to determine the remuneration of the directors based on their participation level in the Company's operations and their contribution value to the Company, which shall not exceed the common remuneration standard adopted in the same industry. If the Company has earnings, no more than 3% of the earnings shall be appropriated as remuneration of directors and supervisors, and the appropriation may be adjusted based on the evaluation score of the directors.

2. In addition to the disclosure of the table above, , the remuneration collected in by directors of the Company for providing services (such as acting as non-employee consultant of the parent company/companies/investees indicated in the financial report): None.

Remuneration range table

Range of remunerations to each director of the Company	Name of Director			
	Total of first four items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements H	The Company	All companies included in the financial statements I
Less than NT\$1,000,000	Directors Hung-Chi Chang, Simmtech Holdings Representative Ching-Chu Lee Independent Directors: Tu-Ming Tsai, Chia-Hsing Chang, Ming-Tsung Shih	Directors Hung-Chi Chang, Simmtech Holdings Representative Ching-Chu Lee Independent Directors: Tu-Ming Tsai, Chia-Hsing Chang, Ming-Tsung Shih	Directors Simmtech Holdings Representative Ching-Chu Lee Independent Directors: Tu-Ming Tsai, Chia-Hsing Chang, Ming-Tsung Shih	Directors Simmtech Holdings Representative Ching-Chu Lee Independent Directors: Tu-Ming Tsai, Chia-Hsing Chang, Ming-Tsung Shih
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Directors Wei-Sen Chang	Directors Wei-Sen Chang	Directors Wei-Sen Chang	Directors Wei-Sen Chang
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Directors Chun-Hui Chang	Directors Chun-Hui Chang	Directors Chun-Hui Chang	Directors Chun-Hui Chang
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Directors Hung-Chi Chang	Directors Hung-Chi Chang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Above NT\$100,000,000	-	-	-	-
Total	7 people	7 people	7 people	7 people

ii. Remuneration of Presidents and Vice Presidents

December 31, 2024; Unit: NTD thousand

Job title	Name	Salary (A)		Pension or severance pay (B)		Bonus and special disbursement (C)		Remuneration of employees (D)				Total of four items of A+B+C+D as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company	
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements		
								Cash amount	Stock amount	Cash amount	Stock amount				
CEO	Hung-Chi Chang														
President	Tao-Ching Huang	12,708	13,657	400	400	11,800	11,800	2,395	0	2,395	0	27,303	28,252	0	
Senior Vice President	Chia-Lung Chih											25.41%	26.29%		
Senior Vice President	Hua-Hsing Hsia														
Vice President	Yu-Chien Shen														

Remuneration range table

Remuneration brackets for the Company's President and Deputy Presidents	Name of the President and Deputy President	
	The Company	All companies included in the financial statements E.
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Hua-Hsing Hsia	Hua-Hsing Hsia
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Yu-Chien Shen, Chia-Lung Chih	Yu-Chien Shen, Chia-Lung Chih
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Hung-Chi Chang, Tao-Ching Huang	Hung-Chi Chang, Tao-Ching Huang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Above NT\$100,000,000	-	-
Total	5 people	5 people

iii. Name of Managerial officers for Distribution of Remuneration of Employees and Distribution Status:

December 31, 2024 Unit: NT\$ thousand

	Job title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managerial officer	CEO	Hung-Chi Chang	0	3,713	3,713	3.46%
	President	Tao-Ching Huang				
	Vice President	Yu-Chien Shen				
	Senior Vice President	Chia-Lung Chih				
	Senior Vice Assistant President	Chih-Chung Su				
	Assistant Vice President	Chih-Fang Chiu				
	Assistant Vice President	Hsu-Man Lu				
	Manager	Hsien-Ling Chen				

iv. Analyze and describe the total remuneration, as a percentage of the parent company only net income, as paid by the Company and by all companies included in the parent company only or individual financial statements in the most recent two years to directors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of remuneration of Directors, Supervisors, Presidents, and Vice Presidents in the most recent two years:

Unit: NT\$ thousand

Item		2023	2024
The Company	Total remuneration	25,337	34,637
	As a percentage of net come	27.09%	32.24%
All companies included in the consolidated statements	Total remuneration	28,070	35,586
	As a percentage of net come	30%	33.12%

2. Policy, standard and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk:

- (1) The remuneration of directors of the Company is based on Article 30 and Article 31 of the Articles of Incorporation. The Company may pay the remuneration regardless of the operating profit or loss of the Company. The Board of Directors is authorized to determine the remuneration based on the level of participation and contribution value to the Company's operations, which shall not exceed the common remuneration standard adopted in the same industry. If the Company makes a profit in a year, it shall allocate no more than 3% of the profit as remuneration of directors and supervisors. Furthermore, according to the provisions of the Remuneration Committee Charter, the common remuneration standard adopted in the same industry is considered, along with the consideration of the personal performance evaluation result, time of contribution, job duty handled, personal goal achievement status, performance of other job positions, and remuneration paid to personnel at the same job rank of the Company are also considered, along with the Company's short and longer term business goal achievement, financial status, etc., in order to evaluate the association reasonableness among the personal performance, company operational performance and future risks.

The correlation and reasonableness of the remuneration and performance evaluation result of directors and managerial officers are as follows:

- 1) According to the Regulations for Performance Evaluation of the Board of Directors, the performance evaluation includes six major aspects: Understanding of the objectives and missions of the Company, director responsibilities and authorities, level of participation in the operation of the Company, internal relationship management and communication, expertise and continuing education of director, and internal control. The average score of self-evaluation of individual directors is between 3.87~4.96 points/total of 5 points. Accordingly, in general, the operation is ranked as good.
- 2) Remuneration of directors (monthly), including two parts:
  - Basic compensation: Regarding the individual director's performance evaluation result, except for the Korean directors, receiving lower scores due to language, law and distance factors, the other directors have no significant difference in their scores; therefore, the monthly basic remuneration is generally the same.
  - Additional compensation payment: For directors at special positions, the amount of compensation is determined based on their responsibilities, legal liabilities and the difference in time commitment; therefore, additional remuneration is provided based on their positions.
- 3) Remuneration of directors (annual): Similar to the basic compensation, the remuneration is distributed on an average basis based on the number of days of service.

(2) The remuneration of the Company's Presidents and Vice Presidents includes job position salary and performance compensation, etc. Policy for remuneration payment to managerial officers of the Company is as follows:

Remuneration item	Legal basis	Calculation method	Calculation parameters
Position remuneration	Salary Standard Table for Job Ranks and Positions	The monthly fixed salary is determined based on the job position and job rank of the managerial officer on-board of the internal job positions in the Company and according to the "Salary Standard Table for Job Ranks and Positions" and market salary standard.	<ol style="list-style-type: none"> <li>1. Salary Standard Table for Job Ranks and Positions</li> <li>2. Job category</li> <li>3. Market standard</li> </ol>
Performance compensation	Remuneration of employees of employees Management Regulations	<ol style="list-style-type: none"> <li>1. Distribution method of employee remuneration of the Company with a profit distribution rate less than 3% (inclusive): Employee remuneration = Basic distribution (65%) + Profit distribution (10%) + Management distribution (15%) + CEO special distribution (5%) + Chairman special distribution (5%)</li> </ol>	<ol style="list-style-type: none"> <li>1. Basic distribution: Evaluation, seniority, job position, job rank</li> <li>2. Profit distribution: According to the profit generating amount of each department</li> <li>3. Management distribution: According to the job rank, job position, and profit generating amount</li> <li>4. Special distribution: Special rewards for those with outstanding contributions</li> </ol>
		<ol style="list-style-type: none"> <li>2. Distribution method of employee remuneration of more than 3% of the Company's profit: Each department head reports personnel with outstanding performance for the year and future development potential, to the Chairman and CEO for approval and determination of the distribution according to their performance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual performance evaluation</li> <li>2. Profit generating value</li> <li>3. Annual substantial special contribution</li> </ol>
	Annual performance bonus	<ol style="list-style-type: none"> <li>1. Regulations Governing Remuneration of Directors and Managerial Officers</li> <li>2. (Regular Employees)</li> </ol>	Annual performance bonus = Personal total monthly salary (excluding meal allowance) × (Average number of monthly performance bonus for the department in the current year + Number of extra months for Tier 1 managers

	Performance Bonus Management Regulations	+ Number of months adjusted by the CEO + Number of months adjusted by the Chairman)	2. Number of extra months for Tier 1 supervisor: Determined according to the net income before tax per share for the whole year and the job position, and based on the comparison table. 3. Special adjustment: The Chairman and the CEO may adjust (increase or decrease) the upper limit according to the annual performance of each manager.
Year-end bonus	Regulations Governing Remuneration of Directors and Managerial Officers	The distribution standard is two months of monthly salary (with deduction of meal allowance).	1. When the Company's earnings per share before tax is positive 2. When the manager has not made any major frauds
Other remunerations	None	The performance bonus arising from the special operation performance is submitted to the Remuneration Committee for evaluation and approved by the Board of Directors for implementation.	Approved via signing process

(3) The remuneration of managerial officers includes salaries and bonuses. The payment policy is as shown in the table above. The performance evaluation standard, annual and long-term performance goals of the managerial officers of the Company as well as the policy, system, standard and structure for the remuneration are as follows:

- 1) The Company's managerial officer performance evaluation standard: The Company has established a performance evaluation system, and the performance is evaluated once every six months. Each managerial officer shall set an evaluation goal at the beginning of each period, and after the self-evaluation of the current period is conducted at the end of the period, it is submitted to the officers above the rank of President for evaluation. The evaluation content shall include the operational performance, management performance and future career development.
- 2) Annual and long-term performance goals: Managerial officers are required to incorporate relevant items into annual performance evaluation in line with the Company's business policy annually.

- (4) Procedure for remuneration payment: The payment of remuneration shall be handled in accordance with the Company's Remuneration Committee Charter. The job position remuneration shall be regularly reviewed during the first meeting of the Remuneration Committee of each year for its reasonableness and market competitiveness. The performance remuneration shall be reviewed and approved by the Remuneration Committee before distribution of such remuneration.
- (5) Correlation between remuneration and business performance and future risks: According to the analysis of the remuneration paid over the years, the performance remuneration accounts for approximately 35% to 45% of the total remuneration, which is highly correlated to the business performance. In addition, the salary survey provided by the Company's consulting company is compared, and the comparison result indicates that the salaries of the Company's Presidents and Vice Presidents are normal and considered to be reasonable and at low risk.

### III. Corporate Governance Status

#### (I) Board Meeting Operation Status

A total of 6 Board meetings (A) were held in 2024, and the directors' attendance status is as follows:

Job title	Name	Actual number of attendance (B)	Number of attendance by proxy	Actual attendance rate (%) [B/A]	Remarks (A)
Chairman	Chun-Hui Chang	6	0	100%	2022.6.15 Consecutive term of office after re-election and required 6 times of attendance
Director	Wei-Sen Chang	6	0	100%	2022.6.15 New assumption of position after re-election and required 4 times of attendance
Director	Hung-Chi Chang	6	0	100%	2022.6.15 Consecutive term of office after re-election and required 6 times of attendance
Director	Simmtech Holdings Representative: Ching-Chu Lee	1	5	17%	2022.6.15 Consecutive term of office after re-election and required 6 times of attendance

Independent Director	Chia-Hsing Chang	6	0	100%	2022.6.15 Consecutive term of office after re-election and required 6 times of attendance
Independent Director	Ming-Tsung Shih	6	0	100%	2022.6.15 Consecutive term of office after re-election and required 6 times of attendance
Independent Director	Tu-Ming Tsai	6	0	100%	2022.6.15 New assumption of position after re-election and required 6 times of attendance

Other matters required to be recorded:

- I. The Board of Directors shall state the date and session of the meeting, the content of the proposal, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors if any of the following circumstances apply to the operation of the Board of Directors:
- (I) Matters specified in Article 14-3 of Securities and Exchange Act: The Company has established the Audit Committee; therefore, this is not applicable.
- (II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. For the execution status of recusal of directors due to conflicts of interest, the name of directors, proposal content, reasons of recusal and participation in voting shall be described.

Board of Directors Date/Session	Proposal content	Director for recusal due to conflict of interest	Reason for recusal of conflict of interest	Voting participation status
2024.03.07 16th term 11th meeting	1. Proposal for 2023 distribution of remunerations of directors, managerial officers and employees. 2. 2024 remuneration structure and payment amount to directors and managerial officers.	1. All Directors  2. All Directors	Due to individual conflict of interest	Individual recusal from exercise of voting rights
2024.12.26	1. Proposal for 2024	Director	Due to	Director Hung-Chi

16th term 16th meeting	year-end bonus of managerial officers.	Hung-Chi Chang	individual conflict of interest	Chang concurrently acting as a managerial officer such that he shall not participate in the discussion and voting and shall recuse himself from such proposal.
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III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content, etc. of the self-evaluation of the board of directors, and the board evaluation execution status shall be described:

Evaluation cycle	Once annually	Evaluation period	2024.01.01 ~ 2024.12.31
Nature	Evaluation scope	Evaluation method	Evaluation content
Individual director	individual board member	Self-evaluation of individual director	Understanding of the objectives and missions of the Company, director responsibilities and authorities, level of participation in the operation of the Company, internal relationship management and communication, expertise and continuing education of director, and internal control.
Board of Directors	Board of Directors	Internal self-evaluation of Board of Directors	Participation level in company's operation, increase of decision making quality of board of directors, composition and structure of the board of directors, election and continuing education of directors, and internal control.
Audit Committee	Audit Committee and individual Audit Committee member	Internal self-evaluation of Audit Committee and self-evaluation of Audit Committee members	Participation level in the Company's operations, understanding of responsibilities and authorities of the Audit Committee, improvement of decision making quality of the Audit Committee, composition of the Audit Committee and its member selection, and internal control.
Remuneration Committee	Remuneration Committee and individual Remuneration Committee member	Internal self-evaluation of Remuneration Committee and self-evaluation of Remuneration Committee members	Participation level in the Company's operations, understanding of responsibilities and authorities of the Remuneration Committee, improvement of decision making quality of the Remuneration Committee, composition of the

			Remuneration Committee and its member selection
Risk Management Committee	Risk Management Committee and individual Risk Management Committee member	Internal self-evaluation of Risk Management Committee and self-evaluation of Risk Management Committee members	Participation level in the Company's operations, understanding of responsibilities and authorities of the Risk Management Committee, improvement of decision making quality of the Risk Management Committee, composition of the Risk Management Committee and its member selection

Evaluation result:

In general, the Board of Directors and all functional committees are operating well. According to the "Regulations Governing the Board Performance Evaluation", the results of the performance evaluation of the Board of Directors of the Company shall be used as a reference for the selection or nomination of directors, and the results of the performance evaluation of each director shall be used as a reference for determining their individual remuneration. The aforementioned performance evaluation of the Board of Directors will be submitted to the Remuneration Committee on March 13, 2025, and reported to the Board of Directors on March 13, 2025, in order to be used as the basis for review and improvement.

The results of the evaluation are as follows: (1 means extreme poor; 2 means poor; 3 means fair; 4 means good; 5 means excellent)

- individual Board member performance evaluation

Among the 23 indicators in the evaluation, the average score of each aspect is 4.77 points/total score of 5 points.

Evaluation item	Question No.	Average score
A. Alignment of the goals and mission of the Company	3	5.00
B. Awareness of the duties of a director	3	4.90
C, Participation level in the operation of the Company	8	4.61
D, Management of internal relationship and communication	3	4.48
E. Director's professionalism and continuing education	3	4.90
F. Internal control	3	5.00
Total/average score	23	4.77

- Board of Directors' performance evaluation

Among the 45 indicators in the evaluation, the average score of each aspect is 4.90 points/total score of 5 points.

Evaluation item	Question No.	Average score
A. Participation level in the operation of the Company	12	4.80

B. Improvement of the quality of the board of directors' decision making	12	4.92
C. Composition and structure of the board of directors	7	4.96
D. Election and continuing education of directors	7	4.92
E. Internal control	7	5.00
Total/average score	45	4.90

■ **Audit Committee**

Among the 21 indicators in the evaluation, the average score of each aspect is 4.98 points/total score of 5 points.

Evaluation item	Question No.	Average score
A. Participation level in the operation of the Company	4	4.92
B. Awareness of the duties of the functional committee	4	5.00
C. Improvement of quality of decisions made by the functional committee	7	5.00
D. Composition of the functional committee and election of its members	3	5.00
E. Internal control	3	5.00
Total/average score	21	4.98

■ **Remuneration Committee**

Among the 18 indicators in the evaluation, the average score of each aspect is 4.98 points/total score of 5 points.

Evaluation item	Question No.	Average score
A. Participation level in the operation of the Company	4	4.92
B. Awareness of the duties of the functional committee	4	5.00
C. Improvement of quality of decisions made by the functional committee	7	5.00
D. Composition of the functional committee and election of its members	3	5.00
Total/average score	18	4.98

■ **Risk Management Committee**

Among the 18 indicators in the evaluation, the average score of each aspect is 4.87 points/total score of 5 points.

Evaluation item	Question No.	Average score
A. Participation level in the operation of the Company	4	4.75
B. Awareness of the duties of the functional committee	4	4.75
C. Improvement of quality of decisions made by the functional committee	7	5.00
D. Composition of the functional committee and election of its members	3	4.89
Total/average score	18	4.87

IV. Goals (such as establishment of Audit Committee, improvement of information transparency etc.) for establishment of and execution status evaluation on the enhancement of functions of the Board of Directors for the current year and the most recent year: For the 11th Corporate Governance Evaluation of TWSE/TPEX listed companies, the Company is ranked in the top 21% - 35% of TPEX listed companies.

(II) Audit Committee Implementation Status:

There were 6 (A) meetings of the Audit Committee convened in 2024, and the attendance status is as follows:

Job title	Name	Actual number of attendance (B)	Number of attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Independent Director	Chia-Hsing Chang	6	0	100%	
Independent Director	Ming-Tsung Shih	6	0	100%	
Independent Director	Tu-Ming Tsai	6	0	100%	

Other matters required to be recorded:

I. Where the operation of Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company's handling with respect to the opinions of the Audit Committee shall be described.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Date/Session of the Audit Committee Meeting	Proposal content	Audit Committee Resolution Result	Response of the Company to Opinions of Audit Committee
2024.03.07 1st Term 10th meeting	1. Internal audit report of the internal audit officer. 2. Proposal for distribution of 2023 remunerations of employees and directors. 3. 2023 Business Report and Financial Statements. 4. 2023 earnings distribution proposal.	After the chairperson inquired opinions of all	Not applicable

	<ol style="list-style-type: none"> <li>5. Proposal for 2023 capital increase by retained earnings with issuance of new shares.</li> <li>6. Approved the 2023 Statement of Internal Control System of the Company</li> <li>7. Proposal for the Company's 2024 CPA independence and competency evaluation and appointment.</li> <li>8. Proposal for purchase of corporate operation headquarters.</li> </ol>	<p>attending members on this proposal, no dissenting opinion was raised and the proposal was passed as proposed, and submitted to the Board of Directors' meeting for discussion.</p>	
<p>2024.05.10 1st Term 11th Meeting</p>	<ol style="list-style-type: none"> <li>1. Internal audit report of the internal audit officer.</li> <li>2. 2024 Q1 consolidated financial statements.</li> <li>3. Proposal for designated custodian of the seal of the Company registered with the Ministry of Economic Affairs.</li> </ol>		
<p>2024.07.04 1st Term 12th Meeting</p>	<ol style="list-style-type: none"> <li>1. Establishment of the ex-dividend and ex-right base dates for the 2023 distribution of earnings and related matters.</li> <li>2. Invested in MING CHUN YUAN MICRO PRECISE TECHNOLOGY CO., LTD.</li> </ol>		

Date/Session of the Audit Committee Meeting	Proposal content	Audit Committee Resolution Result	Response of the Company to Opinions of Audit Committee
<p>2024.08.07 1st Term 13th Meeting</p>	<ol style="list-style-type: none"> <li>1. Internal audit report of the internal audit officer.</li> <li>2. 2024 Q2 consolidated financial statements.</li> </ol>	<p>After the chairperson inquired opinions of all attending members on this proposal, no dissenting opinion was raised and the proposal was passed as proposed, and submitted to the Board of Directors' meeting for discussion.</p>	<p>Not applicable</p>
<p>2024.11.06 1st Term 14th Meeting</p>	<ol style="list-style-type: none"> <li>1. Internal audit report of the internal audit officer.</li> <li>2. Proposal for replacement of CPAs and re-evaluation of the independence and competence of the Company's CPAs.</li> <li>3. 2024 Q3 consolidated financial statements.</li> <li>4. Establishment of the 2025 audit plan.</li> <li>5. Proposal for amendment to parts of the provisions of the "Audit Committee Charter" of the Company.</li> <li>6. Proposal for amendment to the "Risk Management Regulations" of the Company.</li> </ol>		
<p>2024.12.26 1st Term 15th Meeting</p>	<ol style="list-style-type: none"> <li>1. 2025 budget proposal.</li> <li>2. Proposal for 2025 financing bank and financing limit.</li> <li>3. Proposal for disposal of the investee Enplas Niching Technology Corporation.</li> <li>4. Proposal for revision of the "Internal Control System" and "internal Audit System".</li> </ol>		

(II)	In addition to the aforementioned matters, other motions without approval by the Auditing Committee but passed by the board of the directors with the consents of more than two-thirds of the directors: None.
II.	Regarding recusal of independent directors from voting due to conflicts of interests, the names of independent directors, details of the relevant agendas, reasons for recusal, and the results of voting: None.
III.	The communications between the independent directors, the internal auditors, and the independent auditors are listed in the table below (shall include major events, methods and results et. communicated in relation to the company's financial and business status).
1.	The Company's internal audit officer regularly communicates with the members of the Audit Committee on the audit report, and communicates the audit report results and the follow-up reports on implementation status with the Committee members. In addition, the Company's independent directors and internal audit officers maintain proper communication with each other.
2.	The Company's CPAs communicate with the Company's independent directors on the results of the audit or review of financial statements, major matters, and other matters required by relevant laws, regulatory updates or requirements irregularly. The communication between the Company's independent directors maintain proper communication with the CPAs.
3.	For the communication between the Company's independent directors and the internal audit officer and the CPAs, please refer to the Company's website for details.

(III) Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the company established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the “Corporate Governance Best Practice Principles” and has disclosed these Principles on the Market Observation Post System (MOPS) website and the Company’s website.	No major difference
II. Company's shareholding structure and shareholders' equity (I) Has the Company established the internal procedures for handling shareholders’	V		(I) The Company has appointed dedicated personnel for spokesperson, deputy spokesperson, and stock affairs unit to handle external information disclosure, shareholders' suggestions or disputes. (II) The Company has retained a stock affairs agency to update the shareholders’ roster and the list of major shareholders on a regular basis, in order to fully manage and	No major difference

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>proposals, doubts, disputes, and litigation matters; in addition, have the procedures implemented accordingly?</p> <p>(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?</p> <p>(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?</p> <p>(IV) Has the company established internal policies that prevent insiders from trading securities against non-public information?</p>	V		<p>control the list of major shareholders and ultimate controllers of major shareholders of the Company.</p> <p>(III) The Company has established the "Regulations Governing the Supervision and Management of Subsidiaries" and the "Regulations Governing the Financial and Business Matters With Related Parties" to regulate related matters and for proper compliance. Each subsidiary performs various routine operations in accordance with the internal control system and regulations, and the audit unit, the finance department and the commissioned CPAs regularly conduct audits. All of the personal computers accessing the internal network and the firewall control are implemented in accordance with the internal control "Electronic Data Processing Cycle".</p> <p>(IV) The Company has established the "Procedures for Handling Material Inside Information" to prohibit insiders from trading securities using non-public market information. When a new director/insider is elected, the Company shall provide a manual on relevant securities market regulations, together with the notice of convention of Board of Directors' meeting, to the new director/insider. In addition, regular education on insider trading prevention is organized for all employees and directors quarterly.</p>	No major difference
<p>III. Composition and Responsibility of Board of Directors</p> <p>(I) Has the board of directors established diversity policy, specific management goal and has executed properly?</p> <p>(II) Apart from the Remuneration</p>	V		<p>(I) Please refer to page 9 of this annual report for details.</p> <p>(II) The Company has established the Risk Management Committee on August 2, 2022.</p> <p>(III) The evaluation results have been submitted to the Board of Directors on March 13, 2025,</p> <p>(IV) and use them as reference in determining remuneration for individual directors, their nomination and consecutive term of</p>	

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons														
	Yes	No	Summary															
<p>Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?</p> <p>(III) Has the Company established a set of policies and assessment tools to evaluate the board's performance? Is performance evaluated regularly at least on an annual basis? In addition, has the result of the performance assessment been submitted to the board of directors' meeting and used as reference for the remuneration and nomination or reelection of individual director?</p> <p>(IV) Does the Company assess the independence of Certified Public Accountant (CPA) on a regular basis?</p>	V		<p>(V) office.</p> <p>1. The Company regularly evaluates the independence and competence of the CPAs based on the Auditing Quality Index (AQIs) annually (once a year), and submits the evaluation to the Board of Directors for approval. The evaluation mechanism is as follows: The "Audit Quality Indicator (AQI)" provided by the CPAs and the "Declaration of Independence" issued by the CPAs, and with reference to Article 47 of the Certified Public Accountant Act, Audit Quality Indicators (AQI), and the Code of Ethics for Professional Accountants No. 10 "Integrity, Objectivity and Independence", the evaluation items for the independence and competence of the CPAs are determined as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation item</th> <th>Evaluation result</th> </tr> </thead> <tbody> <tr> <td>1. CPAs have no direct or material financial interest with the Company.</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> <tr> <td>2. CPAs are not in any direct or indirect major close business relationship with the Company.</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> <tr> <td>3. CPAs are not in any potential employment relationship with the Company during the audit of the Company.</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> <tr> <td>4. CPAs are not engage in any loan borrowing/lending with the Company.</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> <tr> <td>5. CPAs do not receive gifts or gifts of great value from the Company and from the Company's directors and managers (the value of which exceeds the general social custom).</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> <tr> <td>6. CPAs have not provided the audit service to the Company</td> <td> <input checked="" type="checkbox"/>Yes  <input type="checkbox"/>No </td> </tr> </tbody> </table>	Evaluation item	Evaluation result	1. CPAs have no direct or material financial interest with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. CPAs are not in any direct or indirect major close business relationship with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	3. CPAs are not in any potential employment relationship with the Company during the audit of the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	4. CPAs are not engage in any loan borrowing/lending with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	5. CPAs do not receive gifts or gifts of great value from the Company and from the Company's directors and managers (the value of which exceeds the general social custom).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6. CPAs have not provided the audit service to the Company	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>No major difference</p> <p>No major difference</p>
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Evaluation item	Implementation status		Summary	Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
			<p>for seven years consecutively.</p> <p>7. CPAs do not hold the Company's shares. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>8. CPAs, their spouses or dependents, and their audit team are not directors, managerial officers, or positions having significant influence on the audit case during the audit period or the most recent two years, and the relevant positions will not be held in the future audit period. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>9. CPA shall request its assisting personnel to properly comply with the requirements for integrity, fairness and independence. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>10. Up to the present day, there has been no sanction or violation of the principle of independence. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>11. CPA does not concurrently operate other business that may cause the loss of his/her independence. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>12. Has the CPAs complied with the requirements of relevant independence specified in the Norm of Professional Ethics for Certified Public Accountant No. 10, and has obtained the "Independence Declaration" issued by the accountant? <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>13. After reviewing the audit quality index (AQI) of the CPA firm, no material impact on the audit quality has been found in each aspect. <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>2. After the evaluation on CPA Jui-Lung Hsu and CPA Ting-Chien Su of Deloitte Taiwan, the Company considers that they have complied with the independence and</p>	

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>competence evaluation standard, such that they are qualified to act as the independent auditors for the Company. The most recent evaluation was approved by the Audit Committee on March 13, 2025, and submitted to the Board of Directors on March 13, 2025 for approval.</p> <p>3. In addition, in response to the amendments to the International Code of Ethics for Professional Accountants (IESBA Code) announced by International Ethics Standards Board for Accountants (IESBA), the Audit Committee shall approve all non-assurance services provided by the CPA firm and its global alliance members (hereinafter collectively referred to as "CPAs") in the financial statements in advance. On March 13, 2025, the Audit Committee has approved that the service does not pose a threat to self-evaluation, and other independent threats have been reduced to an acceptable level.</p>	
IV. Has the publicly listed company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, convention of board meetings and shareholders' meetings, company registration and changes, preparation of board meeting and	V		<p>The Company's Board of Directors has approved the appointment of Manager of the Finance Department, Hsien-Ling Chen, as the Corporate Governance Officer in accordance with the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of the Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" on March 26, 2020. Hsien-Ling Chen has more than 3 years of experience in finance and management of public companies and continues to receive trainings annually in accordance with the laws and regulations. The main responsibilities and authorities are as follows:</p> <p>(I) Handle matters relating to board meetings and shareholders meetings according to laws.</p> <p>(II) Handle company registration and change registration.</p>	No major difference

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
shareholders' meeting minutes etc.)?			<p>(III) Prepare meeting minutes of board meetings and shareholders meetings.</p> <p>(IV) Assist in the implementation and reinforcement of corporate governance.</p> <p>(V) Provide documents necessary for directors' execution of duties.</p> <p>(VI) Assist the assumption of duty of directors, legal compliance and continuing education of directors.</p> <p>(VII) Other matters required by laws and regulations.</p>	
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	V		<p>(I) In order to strengthen the communication with stakeholders, the Company has designated the contact person and the communication channels with investors and consumers on the Company's website. The Company also actively communicates with the media and investment trusts entities to explain the Company's operating status. The dedicated personnel responsible for investor relations have been established, such that when suggestions, queries and responses are received from shareholders, they will then report to the Chairman, Vice Chairman and President.</p> <p>(II) The Company visits major customers regularly to understand product issues and future needs.</p> <p>(III) The Company convenes monthly management meetings to strengthen communication channels with employees.</p> <p>(IV) Currently, various information is placed on different sections of the Company's website, and a stakeholder section has been set up on the Company's website.</p>	No major difference
VI. Has the Company commissioned a professional stock agency institution to handle shareholders' meeting affairs?	V		The Company has retained the Shareholders Service Department of SinoPac Securities Corporation to handle various stock affairs.	No major difference

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
VII. Information Disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		(I) The Company has set up the website ( <a href="http://www.niching.com.tw">www.niching.com.tw</a> ) to disclose financial and business information and corporate governance information.	No major difference
(II) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)? (III) Has the Company made public announce and report the annual financial statements within a period of two months after the end of each fiscal year, and has the Company also made announcement and provided report of the first, second and third quarter financial statements as well as the monthly business operation status?	V  V		(II) The Company has appointed dedicated personnel to be responsible for the collection and disclosure of information relating to the Company, and has implemented a spokesperson system. The Company also discloses the summary reports of the investor conferences on the Company's website. (III) The Company's annual financial statements, first, second, and third quarter financial statements, and monthly operating status are all announced early before the prescribed deadline.	No major difference

Evaluation item	Implementation status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
VIII. Does the Company have other important information helpful for understanding its corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relationships, stakeholders' rights, directors' and supervisors' continuing education, implementation of risk management policies and risk measurement standards, execution of customer policies, and the Company's purchase of liability insurance for the directors and supervisors)?	V		The Company has declared various financial and business information on the MOPS regularly and irregularly according to the regulations, and has also set up the Company's website to provide information for the reference of shareholders and the public.	No major difference
<p>IX. Please provide explanation on the improvement status of the corporate governance evaluation announced by Taiwan Stock Exchange (TWSE) in the most recent year, and provide priority enhancement and measures for matters yet to be improved.</p> <p>The Corporate Governance Center has announced the 11th Corporate Governance Evaluation for TWSE/TPEX Listed Companies, in which the Company was ranked in the top 21% - 35% range of TPEX listed companies, demonstrating that the Company has already achieved certain effort in terms of corporate governance. The evaluation results and the evaluation items for the next year will be reviewed, and feasible improvement plans will also be formulated.</p>				

(IV) Formation, Responsibilities and Implementation Status of Remuneration Committee

1. Information of Remuneration Committee Members

Identity	Name	Criteria	Professional qualification and experience	Independence status	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Director (Convener)	Chia-Hsing Chang		Please refer to page 8 for the information of directors	Please refer to page 8 for the information of directors	3
Independent Director	Ming-Tsung Shih				0
Independent Director	Tu-Ming Tsai				0

2. Information on Implementation Status of Remuneration Committee

The Company's Remuneration Committee consists of three members, with term of office from June 15, 2022 to June 14, 2025.

The Committee convened 3 (A) meetings in 2024, and the attendance status of the committee members is as follows:

Job title	Name	Actual number of attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Chia-Hsing Chang	3	0	100%	Consecutive term of office on 2022.6.15
Committee member	Ming-Tsung Shih	3	0	100%	Consecutive term of office on 2022.6.15
Committee member	Tu-Ming Tsai	3	0	100%	Consecutive term of office on 2022.6.15

Other matters required to be recorded:

1. In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.
2. In case where any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, the entire members' opinions, and how their opinions were addressed: None.

(V) Deviation of the Company(s) actual promotion of sustainable development execution status from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause thereof

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Summary	
I. Has the Company established the governance structure for promoting the sustainable development, and set up a unit that specializes(or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such mater, and the supervision status of the board of directors?	V		<ol style="list-style-type: none"> <li>1. The Company has a management team that forms a Sustainable Development Promotion Team to be responsible for the formulation, review and cross-departmental communication of the Company's sustainable operation policy, system and management guidelines.</li> <li>2. The President acts as the convener of the Sustainable Development Promotion Team, and the Assistant Vice President of the Financial Information Division acts as the Executive Secretary. The business, administrative, factory affairs, finance, information and other units are organized to form various functional organizations according to environmental protection E, social responsibility S, and corporate governance G, and the implementation practices are executed in order to establish various tasks forces.</li> <li>3. The Board of Directors has established the Sustainable Development Committee during the second half of the year. The Board of Directors reviews the progress of the implementation of relevant tasks and objectives, and provides advice and direction to the promotion team for further adjustment.</li> </ol>	No major difference
II. Has the Company conducted risk assessments on environmental, social, and corporate governance topics related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	V		The Company's Sustainable Development Promotion Team has conducted risk assessment on material topics based on the principle of materiality, and the assessment boundary mainly refers to the Company and its subsidiaries in Taiwan and China. In addition, after risks are assessed according to the control processes of risk identification, analysis and measurement, risk response, supervision and review mechanism, etc., relevant risk strategies are established as follows:	No major difference

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause																		
	Yes	No	Summary																			
II. Has the Company conducted risk assessments on environmental, social, and corporate governance topics related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	V		<table border="1"> <thead> <tr> <th>Material topic</th> <th>Risk identification</th> <th>Risk strategy</th> </tr> </thead> <tbody> <tr> <td>Environment E</td> <td>Sustainability Report</td> <td>Commissioning of consultants for guidance</td> </tr> <tr> <td>Society S</td> <td>Inadequate talent pool</td> <td> <ol style="list-style-type: none"> <li>Maintain 2 reserved sales personnel at all time</li> <li>The department managers are trained and rotated among departments, in order to train them into cross-department and cross-product support personnel</li> </ol> </td> </tr> <tr> <td>Society S</td> <td>Successor planning</td> <td> <ol style="list-style-type: none"> <li>Establish talent selection standard and the succession plan</li> <li>Implement management knowledge and competence assessment of successors</li> </ol> </td> </tr> <tr> <td>Society S</td> <td>Mass production quality stability</td> <td> <ol style="list-style-type: none"> <li>Stable technical ability</li> <li>System necessary for the development preparatory factory affairs</li> </ol> </td> </tr> <tr> <td>Corporate Governance G</td> <td>Operational risk</td> <td> <ol style="list-style-type: none"> <li>Clearly define division of work and improve organizational efficiency.</li> <li>Provide immediate local support and improve the communication efficiency with local customers, improve reputation and increase market share.</li> <li>Establish a bridge between customers and internal teams to provide on-site support for technical and quality issues.</li> </ol> </td> </tr> </tbody> </table>	Material topic	Risk identification	Risk strategy	Environment E	Sustainability Report	Commissioning of consultants for guidance	Society S	Inadequate talent pool	<ol style="list-style-type: none"> <li>Maintain 2 reserved sales personnel at all time</li> <li>The department managers are trained and rotated among departments, in order to train them into cross-department and cross-product support personnel</li> </ol>	Society S	Successor planning	<ol style="list-style-type: none"> <li>Establish talent selection standard and the succession plan</li> <li>Implement management knowledge and competence assessment of successors</li> </ol>	Society S	Mass production quality stability	<ol style="list-style-type: none"> <li>Stable technical ability</li> <li>System necessary for the development preparatory factory affairs</li> </ol>	Corporate Governance G	Operational risk	<ol style="list-style-type: none"> <li>Clearly define division of work and improve organizational efficiency.</li> <li>Provide immediate local support and improve the communication efficiency with local customers, improve reputation and increase market share.</li> <li>Establish a bridge between customers and internal teams to provide on-site support for technical and quality issues.</li> </ol>	No major difference
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Society S	Inadequate talent pool	<ol style="list-style-type: none"> <li>Maintain 2 reserved sales personnel at all time</li> <li>The department managers are trained and rotated among departments, in order to train them into cross-department and cross-product support personnel</li> </ol>																				
Society S	Successor planning	<ol style="list-style-type: none"> <li>Establish talent selection standard and the succession plan</li> <li>Implement management knowledge and competence assessment of successors</li> </ol>																				
Society S	Mass production quality stability	<ol style="list-style-type: none"> <li>Stable technical ability</li> <li>System necessary for the development preparatory factory affairs</li> </ol>																				
Corporate Governance G	Operational risk	<ol style="list-style-type: none"> <li>Clearly define division of work and improve organizational efficiency.</li> <li>Provide immediate local support and improve the communication efficiency with local customers, improve reputation and increase market share.</li> <li>Establish a bridge between customers and internal teams to provide on-site support for technical and quality issues.</li> </ol>																				
III. Environmental Topics (I) Has the Company established environmental management system suitable for the Company's industrial characteristics?	V		(I) The Company has established dedicated personnel for environmental management, in order to promote environmental management operations and to implement environmental protection related regulations properly. In addition, the Company has established the "Product Packaging and Storage Management Procedures", "Green Product Management Regulations" and "Machine Equipment Management Procedures" in accordance with the industrial characteristics. Furthermore, the Company has obtained the "ISO 14001 Environmental Management System"	No major difference																		

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause								
	Yes	No	Summary									
<p>(II) Is the Company committed to enhance the efficiency of its use of energy, and to use renewable materials with lower environmental burden or impact?</p> <p>(III) Has the Company assessed the climate change on the present and future potential risks and opportunities of the corporation, and has the Company adopted relevant responsive actions?</p> <p>(IV) Has the Company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and does the Company establish policies for reduction of greenhouse gas emissions, reduction of water consumption or other waste management?</p>	V		<p>and "ISO 45001 Occupational Safety and Health Management System" certifications (valid until 2026).</p> <p>(II) The Company is committed to source improvement and to improve the efficiency of the use of various resource, in order to reduce waste generation. For example, for the waste recycle of silver paste wipe and packaged inks containing silver, the Company continues to promote waste reduction and implement actual actions for the care of our Earth.</p> <p>(III) In response to climate change, the Company has implemented the environmental policy of "Energy Saving and Carbon Reduction" through the system, allowing employees to develop the awareness of energy saving and carbon reduction from the work environment, in order to improve energy consumption efficiency, and to adopt natural resource consumption reduction action plans, such as waste management, product packaging reduction and recycling and reuse.</p> <p>(IV) The Company has started to conduct autonomous inventory inspection of greenhouse gas (GHG) emissions. The statistics on carbon emissions (ton) in 2024 are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Scope 1</th> <th>Scope 2</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>CO2e</td> <td>109.035</td> <td>304.729</td> <td>413.764</td> </tr> </tbody> </table> <p>The Company continues to promote water consumption management and optimization measures, and has reduced the water consumption of the factory to the minimum. The water consumption of the offices in each region is also included for the overall management, and the Company has established a database to realize the precise tracking and improvement of water consumption data.</p> <p>The Company's factories generate no waste, but general household wastes is generated only, and professional cleaning company is also contracted to perform waste disposal and treatment.</p>		Scope 1	Scope 2	Total	CO2e	109.035	304.729	413.764	No major difference
	Scope 1	Scope 2	Total									
CO2e	109.035	304.729	413.764									

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Summary	
<p>IV. Social Topics</p> <p>(I) Has the Company established related management policies and procedures in accordance with applicable laws and the international human rights conventions?</p> <p>(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?</p> <p>(III) Has the Company provided a safe and healthy work environment for employees, and education on occupational safety and health for employees at regular intervals?</p>	V	V	<p>(I) The Company supports and complies with important "International Bill of Human Rights" of the "Universal Declaration of Human Rights", the "International Covenant on Civil and Political Rights", and the "International Covenant on Economic, Social and Cultural Rights", as well as the "International Labor Conventions" approved by more than 2/3 of the members states of the International Labour Organization, and the "Global Compact" proposed by the Secretary General of the United Nations, Koffi Anan in the World Economic Forum on January 31, 1999, and other international basic human rights regulations and local laws and regulations in Taiwan and China. In 2020, the Company has established its human rights policy and has published it on the website with reference to international labor conventions, the UN's Universal Declaration of Human Rights, etc.</p> <p>(II) The Company has established and implemented reasonable employee welfare measures (including remuneration, leave and other benefits, etc.). For details, please refer to this annual report (Five. Operation Overview - V."Labor-Management Relations"). In addition, the Company's Articles of Incorporation also specify that if there is a profit in the year, no less than 2% of the profit shall be appropriated as employee remuneration. On March 13, 2025, the Board of Directors has approved the distribution of 7% of profit for the employee remuneration.</p> <p>(III) The Company has obtained the ISO 45001 Occupational Safety and Health Management System certification in 2023. A series of education and training have been planned for employees of different job positions based on the demands of employees, in order to cultivate employees with the ability to identify and prevent risks. It is also used as an internal self-examination of the organization for improvement, in order to provide employees with a safe and reliable working place, to reduce the possibility of accidents and diseases for employees, and to meet the requirements of laws and regulations. The Company has not experienced occupational incidents in the past.</p>	No major difference

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Summary	
<p>(IV) Has the Company established a plan for the training of effective career development and planning of employees?</p> <p>(V) Has the Company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?</p>	V		<p>(IV) 1. Online learning platform: The learning platform and online course recording tools have been introduced in 2022. In addition to self-organized online courses, external online resources are also introduced. Through systematic management and mixed learning method, the Company provides employees with diverse, timely, and flexible learning programs to improve their functions and strengthen employee quality. In addition, the Company also effectively integrates training resources and preserves work knowledge and training records. In 2024, the learning resources will be expanded to the Suzhou Branch, in order to be used as the designated learning courses for specific employees. New recruits are provided with comprehensive and timely training upon their reporting to work.</p> <p>2. Organization of internal and external training courses (2024): Internal training: 32 hours for functional courses, 49 hours for orientation, 349.5 hours for general knowledge, and 22 hours for management courses. The total training hours was 452.5 hours. External training: In 2024, a total of 316.4 hours of professional competency training were provided.</p> <p>3. Equipment operation certification: To provide professional operation skills training, a certification mechanism was established in 2023, and video recordings of machine operation were also recorded to assist in learning. The online examination system is used for academic examination, and the examination and the list of certified candidates are systematically managed and preserved through the learning platform. The Company has established a comprehensive certification mechanism in place to ensure personnel safety, prevent occupational hazards, protect company assets, and reduce operational risks.</p> <p>4. Key talent development: The key talent list for 2024 is defined as the key personnel for mid-level and entry-level management positions. The management personnel performance evaluation has been conducted for the members of the talent pool during Q1 of 2025. The following will be used as the basis for planning and implementing personal development plans.</p> <p>(V) In terms of own products, the ISO9001 quality management system is introduced. The quality and services of the Company's own products are reviewed based on the standards set to maintain a certain quality management certification system. All of the Company's own products have passed ECHA &amp; RoHS inspections to meet environmental protection</p>	No major difference

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Summary	
(VI) Has the Company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights etc. and the implementation status thereof?	V		<p>requirements. Inspection equipment is purchased to enhance the quality inspection of IQC and OQC, and reliability test is simulated to strengthen product stability, in order to provide customers with high-quality products, and to reduce customer complaints.</p> <p>For the agency products, the original manufacturer is required to provide EU test report, in order to meet the customer's environmental protection or heavy metal standards. The Company's external website provides contact information, dedicated mailbox for customers to make contact, product inquiry and customer complaint services, etc., in order to ensure customers' rights and interests.</p> <p>(VI) For the ISO9001 quality management system introduced, the Company uses three main criteria of quality, delivery time and cooperation specified in the supplier evaluation management regulations to conduct on-site audit on a number of key cooperating suppliers via random inspection method.</p>	No major difference
V. Has the Company stipulated standards or guidelines according to the internationally accepted report, prepared sustainability report and reports for disclosing non-financial information of the Company? Have the	V		The Company has started the preparation of the Sustainability Report, which will be announced in August 2025.	No major difference

Implementation item	Implementation status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Summary	
aforementioned reports been confirmed or verified by a third-party certification unit?				
VI. If the Company has established its own sustainability development principles in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” please describe its current practices and any discrepancies from the Best Practice Principles: It is currently under planning.				
VII. Other important information to facilitate the understanding of the execution status of promotion of sustainable development: None.				

#### (VI) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	<ol style="list-style-type: none"> <li>The Board of Directors authorizes the senior management to summon the "Sustainable Development Team", in order to promote sustainable development, and to act as an inter-department communication platform with vertical and horizontal integrations.</li> <li>The GHG Inventory and Reduction Promotion Team has been established to be responsible for promoting energy saving and carbon reduction. The results are tracked quarterly and reported to the Board of Directors on a regular basis.</li> </ol>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Risk of the Company being affected by climate change related laws and regulations</p> <ol style="list-style-type: none"> <li>The government in Taiwan has established the "Greenhouse Gas Reduction and Management Act" and "Renewable Energy Development Act" to regulate the GHG emissions. The Company will gradually improve the GHG emissions in accordance with the national policy and fulfill its responsibility to protect the Earth.</li> <li>Substantial risk of the Company caused by climate change  Short-term substantive risk: Climate change may lead to typhoons, flooding, and droughts, which may affect equipment and operations in the plant site.  Mid- and long-term substantive risks: The extreme climate may cause a shortage of water, electricity, fuel and other energy and resources, which may result in a significant increase in the operating costs of the plant.</li> </ol>

Item	Implementation status		
<p>3. Describe the impacts of extreme weather and transformation actions on the financial position.</p>	<p>The Company's substantial risks associated with extreme weather events and transformation actions  Short-term substantive risks: Typhoon, flooding, drought and other extreme weather events may affect the operation of equipment in the plant site.  Mid- and long-term substantive risks: The extreme climate may cause the water, electricity, fuel and other energy and resource to be gradually depleted, which may lead to the shutdown of the factory operation.</p>		
	<p>Extreme weather impact</p>	<p>Financial impact</p>	<p>Response measures</p>
	<p>Personnel</p>	<p>Personnel are unable to perform their job duties or may suffer from injuries or even death, which can cause interruption of the ERP system maintenance and daily accounting workflow, affecting the provision of business information and capacity loss.</p>	<p>System remote backup and work-from-home mechanism is established to reduce the risk of operation interruption and financial impact.</p>
	<p>Assets</p>	<p>The loss or damage of land, building and equipment may affect the financial statements due to asset re-appraisal, and may also result in cash flow abnormalities and financial system deterioration due to the decrease in revenue caused by the reduction of production capacity.</p>	<p>The Group applies insurances for buildings and goods in each region against earthquake and fire accidents, in order to compensate possible losses of properties.</p>
	<p>Production</p>	<p>The extreme climate factors can cause the shutdown of power supply, resulting in significant impact on equipment usage and the quality of inventory.</p>	<p>The Company has established an UPS emergency support system for major equipment, in order to minimize equipment impact. The Company has also planned the establishment of a long-working hour and automatic power generation system, in order to maintain high-standard quality of materials at low temperature.</p>
<p>4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</p>	<p>Climate risk management and promotion unit  The Company has established the Risk Management Team to perform identification, analysis, assessment, and control of the Group's operational risks in accordance with the "Risk Management Policy and Procedure". In addition, the Company has also integrated climate risks into the risk management framework, and has identified and assessed risks according to the procedures. Once response strategies are established, each responsible unit is required to implement them</p>		

Item	Implementation status
	<p>accordingly, and the outcomes of which are also reported to the Board of Directors.</p> <p>Climate risk identification (Risk Identification) The Company adopts the questionnaire survey method to identify the climate risk based on the past experience and information, and takes into account the climate risk factors and the stakeholders' concerns, in order to be used as the basis for risk identification.</p> <p>Climate risk assessment (Risk Assessment) All departments engage in joint discussion on climate risk events identified, and also consult external experts to provide opinions on the probability, timing and severity of the event. Risk scores are calculated based on the questionnaire results and then sorted into a matrix of materiality, in order to prepare the risk matrix.</p> <p>Climate risk response (Risk Response) According to the climate risk appetite approved by the risk management unit, the cost-effectiveness of risk response, possibility and impact of risk response and other factors, an appropriate risk response plan is selected to achieve a balance between realization of the goals and cost effectiveness.</p> <p>Climate risk monitoring management (Risk Monitoring) The Risk Management Team reports to senior management and the Board of Directors on the implementation of climate risk management, the follow-up tracking and improvement matters, countermeasures, and strategic goals, etc. periodically on a yearly basis.</p> <p>Risk reporting and disclosure (Risk Report)</p> <p>The implementation process and results of the Risk Management Team shall be recorded, reviewed and reported via an appropriate mechanism. The Company's website or the MOPS also disclose information on climate risk management, in order to provide reference to external stakeholders, and such information is also updated continuously.</p>
<p>5. If the scenario analysis is used to assess the resilience against the climate change risks, then the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated.</p>	<p>Since the Company adopts the questionnaire survey method to assess the climate change risks, it is not applicable.</p>
<p>6. If transformation plan for managing climate-related risk is available, the plan content shall be explained, and the indicators and goals for identifying and managing physical risks and transformation risk shall be described.</p>	<p>In support of the government's 2050 Net Zero Emission Roadmap and the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" announced by Financial Supervisory Commissions (FSC), the Company has identified climate change risks and opportunities, assessed the impact of climate change on the Company's operations and finances, and has developed climate-related management and adaptation measures accordingly. The Company has also introduced climate-related international management standards, and invested manpower and capital in stages in accordance with the transformation plan, in order to head towards the goal of a green supply system.</p>
<p>7. If the internal carbon pricing is used as the planning tool, it is necessary to explain the price setting basis.</p>	<p>The Company has not used the internal carbon pricing as a planning tool.</p>
<p>8. If climate-related goal has been set up, it is necessary to describe the information of activity covered, greenhouse gas emissions scope, plan schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it</p>	<p>It is currently under planning.</p>

Item	Implementation status
is necessary to explain the carbon reduction source and quantity for the offset or the quantity of renewable energy certificates (RECs).	
9. GHG inventory inspection and assurance status, <u>and reduction goal, strategy and specific action plan</u>	It is currently under planning.

1-1 Greenhouse gas inventory (GHG) inspection and assurance status of the Company in the most recent two years: It is currently under planning.

1-2 GHG reduction goal, strategy and specific action plan: It is currently under planning.

(VII) Ethical Corporate Management Practices, and Discrepancies from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>I. Establishment of Ethical Management Policies and Plans</p> <p>(I) Has the company established ethical management policies approved by the Board of Directors' meeting and stated in its memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the Board of Directors and senior management committed in fulfilling this commitment?</p> <p>(II) Has the company established assessment mechanism for unethical conduct risk, performed periodic analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p>	V		<p>(I) The Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct for Directors and managers" and "Corporate Governance Best Practice Principles" approved by the Board of Directors, which are disclosed on the Company's website and MOPS. Integrity is the core value of the Company and the foundation of business operations. Such standards are applicable to all directors, managers, employees, or those with substantial control of the Company. To ensure relevant personnel's proper knowledge and compliance, the Company has set up the Xiaoli learning platform for tracking the viewing record of each employee at least once a year. In 2024, 68 people completed the Ethical Corporate Management Best Practice Principles (0.5 hour) and Human Rights Policy educational program (0.5 hour), with a completion rate of 100%.</p> <p>(II) The Company has specified ethics related regulations in the "Work Rules" and "Employment Contract", and has also established the "Procedures for Reporting Illegal (including corruption) and Unethical Conducts by Internal and External Personnel", in order to clearly and thoroughly regulate the operating procedures, code of conduct, education and training, disciplinary actions, and complaint system. In addition, when accessing the Company's files via BPM or remote connections, employees must first read and approve the confidentiality clauses before accessing the files, in order to ensure that the Company has fulfilled duty</p>	No major difference

Evaluation Item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		<p>of informing employees during their access of the Company's files.</p> <p>From 2024, the R&amp;D personnel are required to take one online trade secret course annually. In 2024, 12 people of the R&amp;D department completed the trade secret course, and the course hour was 1.5 hours, with 100% completion rate.</p> <p>(III) The Company has established the prevention programs for unethical conduct in the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" including operating procedures and conduct guidelines. In case of unethical conduct of employees, the Company also disposes disciplinary action according to the severity of the case.</p>	
<p>II. Implementation of Ethical Management</p> <p>(I) Has the Company evaluated the ethical records of its trading counterparties, and specified the ethical conduct clauses in the contracts signed with its trading counterparties?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors to promote corporate ethical management, and report the implementation of the ethical management policies and prevention programs against unethical behaviors to the Board of Directors on a regular basis (at least once a year)?</p> <p>(III) Has the Company established policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?</p> <p>(IV) Has the Company established effective accounting and internal accounting and control systems for the implementation of ethical corporate management policies, prepared audit plans according to the evaluation results of dishonesty risks, and have they results audited by internal</p>	V	V	<p>(I) The Company has established an evaluation mechanism for suppliers and customers, and the rights and obligations of both parties are specified in detail in the contracts and contract execution process. In addition, ethics related clauses such as confidentiality and anti-bribery are also included in the contracts.</p> <p>(II) The Company has designated the Operation Support Department as the full-time unit to promote corporate ethical management, and reports the results of the execution of ethical management to the Board of Directors during the fourth quarter of each year, in order to assist the Board of Directors to evaluate whether the preventive measures for ethical management established by the Company are implemented effectively.</p> <p>(III) The Company's "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct for Directors and Managerial Officers" clearly stipulate the conflict of interest policy and the situation/standards of conflicts, and require relevant personnel to recuse themselves. In addition, the Company has established the "Procedures for Reporting Illegal (including corruption) and Unethical Conducts by Internal and External Personnel", in order to provide timely and appropriate channels for reporting or whistleblowing, thereby implementing the prevention of conflicts of interest properly.</p> <p>(IV) The Company has established an effective accounting system and internal control system. Internal auditors perform audit on the compliance status of the aforementioned systems in accordance with the audit plans and regularly report to the Board of Directors.</p> <p>(V) The Company regularly provides the competent authorities with documents related to promotion and education of ethical management, and also organizes</p>	No major difference

Evaluation Item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
auditors or CPAs? (V) Has the Company provided internal and external training on ethical management regularly?	V		internal and external training on ethical management depending upon the actual condition. When new recruits or new directors are reported to work, the Company's rules and regulations and code of conduct are explained. The Company has uploaded relevant documents and teaching materials to the Xiaoli learning platform in the current year. The online examination was conducted in October 2024 to ensure that the employees have indeed understood the Company's regulations and laws and regulations. Those who do not pass the examination are required to receive further education.	No major difference
III. Implementation Status of the Company's Reporting System (I) Has the Company established a specific whistle-blowing and reward system, established a channel to facilitate reporting, and assigned appropriate dedicated personnel to handle the reported cases? (II) Has the Company established any investigation standard operation procedures for accepting reported misconducts, subsequent measures and relevant confidentiality measures required to be performed after the completion of the investigation? (III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistle-blowing?	V  V  V		(I) The Company's "Procedures for Reporting Illegal (including Corruption) and Unethical Conducts by Internal and External Personnel" specifies the responsible unit to handle complaints, and a customer service hotline has also be set up, in order to receive feedbacks and reports according to the procedures established. (II) The Company's "Procedures for Reporting Illegal (including Corruption) and Unethical Conducts by Internal and External Personnel" specify the reporting process and reviewing unit, and also ensures that the identity of the reporters and evidences submitted are kept confidential. (III) The Company's "Procedures for Reporting Illegal (including Corruption) and Unethical Conducts by Internal and External Personnel" specify that if the reporter is under any threat or revenge act from the party being reported, the Company shall impose disciplinary actions in accordance with relevant regulations.	No major difference
IV. Enhancement of Information Disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	V		The Company has established various ethical corporate management best practice principles and systems, and has also disclosed related information on the Company's website for the public's review at any time.	No major difference
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operation and the principles: The Board of Directors of the Company has approved the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on May 6, 2021, and the Company will perform operations according to these principles and procedures.				

Evaluation Item	Implementation status		Summary	Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
VI. Other important information that is helpful in understanding the ethical management operation of the Company: None.				

(VIII) Other important information to facilitate the understanding of the Company's corporate governance: Please visit the Company's website or the MOPS for more information.

(IX) Internal Control System Execution Status and Required Disclosure:

1. Statement of Internal Control:

Search path: MOPS > Single company > Corporate governance > Company regulations / Internal control > Internal control statement publication

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

2. If the internal control system was reviewed by CPA, the CPA's review report shall be disclosed: None.

(X) Material resolutions made by the shareholders' meetings and the board meetings during the most recent financial year and up to the printing date of the annual report

Date	Type	Major resolutions
2024.03.07 11th meeting of the 16th term	Board of Directors	<ol style="list-style-type: none"> <li>1. Proposal for distribution of 2023 remunerations of employees and directors.</li> <li>2. 2023 Business Report and Financial Statements.</li> <li>3. 2023 earnings distribution proposal.</li> <li>4. Proposal for 2023 capital increase by retained earnings with issuance of new shares.</li> <li>5. Approved the 2023 Statement of Internal Control System of the Company</li> <li>6. Proposal for the Company's 2024 CPA independence and competency evaluation and appointment.</li> <li>7. Proposal for convention of 2024 annual general shareholders' meeting.</li> <li>8. Period and location for accepting proposals from shareholders with shareholding percentage above 1% (inclusive) for the 2024 annual general shareholders' meeting.</li> <li>9. Proposal for purchase of corporate operation headquarters.</li> <li>10. Proposal for amendment to the "Regulations Governing Employee Remuneration".</li> <li>11. Assessment on correlation and reasonableness of 2023 remuneration and performance evaluation result of directors and managerial officers.</li> <li>12. Proposal for 2023 distribution of remunerations of directors, managerial officers and employees.</li> </ol>

Date	Type	Major resolutions
		13. 2024 remuneration structure and payment amount to directors and managerial officers.
2024.05.10 16th term 12th Meeting	Board of Directors	1. 2024 Q1 consolidated financial statements. 2. Proposal for designated custodian of the seal of the Company registered with the Ministry of Economic Affairs.
2024.06.13	General shareholders' meeting	1. Ratification of 2023 business report and financial statements. 2. 2023 earnings distribution proposal.
2024.07.04 13th meeting of the 16th term	Board of Directors	1. Establishment of the ex-dividend and ex-right base dates for the 2023 distribution of earnings and related matters. 2. Invested in MING CHUN YUAN MICRO PRECISE TECHNOLOGY CO., LTD. 3. Proposal for adjustment to the percentage of employee remuneration appropriation. 4. Proposal for appointment and remuneration of new managerial officers after the dismissal of the Company's managerial officers.
2024.08.07 14th meeting of the 16th term	Board of Directors	1. 2024 Q2 consolidated financial statements.
2024.11.06 15th meeting of the 16th term	Board of Directors	1. Proposal for replacement of CPAs and re-evaluation of the independence and competence of the Company's CPAs. 2. 2024 Q3 consolidated financial statements. 3. Establishment of the 2025 audit plan. 4. Proposal for amendments to parts of the provisions of the Company's "Corporate Governance Best Practice Principles", "Audit Committee Charter" and "Rules of Procedure for Board of Directors Meetings". 5. Proposal for amendment to the "Risk Management Regulations" of the Company.
2024.12.26 16th meeting of the 16th term	Board of Directors	1. 2025 budget proposal. 2. Proposal for 2025 financing bank and financing limit. 3. Proposal for disposal of the investee Enplas Niching Technology Corporation. 4. Proposal for revision of the "Internal Control System" and "internal Audit System". 5. Proposal for 2024 year-end bonus of managerial officers.
2025.03.13 16th term 17th meeting	Board of Directors	1. Proposal for distribution of 2024 remunerations of employees and directors. 2. Proposal for 2024 business report and financial statements. 3. 2024 earnings distribution proposal. 4. Approved the 2024 Statement of Internal Control System of the Company. 5. Proposal for the Company's 2025 CPA independence and competency evaluation and appointment.

Date	Type	Major resolutions
		6. Proposal for amendment to the “Articles of Incorporation”. 7. Proposal for re-election of Board of Directors. 8. Proposal for nomination and review of director (including independent director) candidates by the Board of Directors. 9. Proposal for removal of non-compete restriction of directors 10. Proposal for convention of 2025 annual general shareholders’ meeting. 11. 11. Period and location for accepting proposals from shareholders with shareholding percentage above 1% (inclusive) and period and location for the nomination of candidates of directors (including independent directors) for the 2025 annual general shareholders’ meeting. 12. Proposal for amendment to the “Regulations Governing Employee Remuneration”. 13. Assessment on correlation and reasonableness of 2024 remuneration and performance evaluation result of directors and managerial officers. 14. Proposal for 2024 distribution of remunerations of directors, managerial officers and employees. 15. 2025 remuneration structure and payment amount to directors and managerial officers. 16. Settlement of the old pension system for managerial officers.
2025.05.07 16th term 18th meeting	Board of Directors	1. 2025 Q1 consolidated financial statements. 2. Purchase of Digiwin T100 ERP and related modules. 3. Proposal for amendment to parts of the provisions of the “Rules of Procedure for Board of Directors Meetings”. 4. Proposal for removal of non-compete restriction of directors 5. Proposal for removal of non-compete restriction for managerial officers of the Company 6. Proposal for the dismissal of managerial officers.

(XI) Any other documented objections or qualified opinions raised by directors against Board of Directors’ resolutions during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report: None.

#### IV. Information on CPAs’ Fees

Unit: NT\$ thousand

Name of Accounting Firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Jui-Lung Hsu Ting-Chien Su	2024.01.01~ 2024.12.31	2,520	605	3,125	Non-audit fees mainly refer to tax fees.

(I) When the accounting firm is changed and the audit fees paid for the financial year in which the change took place are less than those paid for the financial year immediately

preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.

- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10% or more, the amount and percentage of and reason for the reduction in audit fees: None.

**V. Information on Change of CPAs:**

(I) Information relating to the former CPAs.

Date of change	The Board of Directors approved the replacement on November 6, 2024, and the CPAs have been changed starting in the third quarter of 2024.		
Reason of Change and Explanation	Cooperated with the internal shift of the accounting firm		
Explanation on whether the principal or CPA terminates or rejects the retention	Involving Party	CPA	Principal
	Status	Not applicable	
	Actively terminates the retention		
Rejects further (continuous) retention			
Audit report opinion other than unqualified opinion issued in the last two years and reasons thereof	Not applicable		
Any different opinions from the issuer	None	Accounting principle or practice	
	None	Disclosure of financial statements	
	None	Scope or step of audit	
	None	Others	
	Explanation: None		
Other Disclosures (Item 1-4 to Item 1-7 of Subparagraph 6 of Article 10 of these Rules required to be further disclosed)	None		

(II) Information relating to the succeeding CPA

Name of Accounting Firm	Deloitte Taiwan
Name of CPA	Jui-Lung Hsu, Ting-Chien Su
Date of Retention	The Board of Directors approved the replacement on November 6, 2024, and the CPAs have been changed starting in the third quarter of 2024.
Accounting method or accounting principle for specific transactions before the retention and consultation and result on possible opinions issued for the financial statements	Not applicable
Written opinions of successor CPAs on different opinions of former CPAs	Not applicable

(III) Reply letter from the former CPA regarding matters covered in items 1 and 2-3, subparagraph 5, Article 10 of these Regulations: Not applicable.

**VI. Any of the Company's Chairman, President, or any manager involved in financial or accounting affairs being employed by an accounting firm or any of its affiliated company within the most recent year:** None.

**VII. Transfer or pledge of shares owned by directors, managerial officers, shareholders with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report**

(I) Equity transfer and change status of directors, managerial officers and major shareholders

Job title	Name	2024		Up to April 14, 2025	
		Increase (decrease) of number of shares held	Increase (decrease) of pledged shares	Increase (decrease) of number of shares held	Increase (decrease) of pledged shares
Chairman	Chun-Hui Chang	24,213	0	0	0
Vice Chairman	Wei-Sen Chang	9,567	0	0	0
Director and CEO	Hung-Chi Chang	50,529	0	0	0
Director	KOREAN SIMMTECH HOLDINGS CO.,LTD.	38,323	0	0	0
Corporate representative of director	KOREAN SIMMTECH HOLDINGS CO.,LTD. Representative: Ching-Chu Lee	0	0	0	0
Independent Director	Chia-Hsing Chang	0	0	0	0
Independent Director	Ming-Tsung Shih	0	0	0	0
Independent Director	Tu-Ming Tsai	0	0	0	0
President	Tao-Ching Huang	5,120	0	0	0
Senior Vice President	Chia-Lung Chih	0	0	0	0
Vice President	Yu-Chien Shen	(5,775)	0	0	0
Assistant Vice President	Chih-Fang Chiu	7,000	0	0	0
Assistant Vice President	Hsu-Man Lu	(8,850)	0	0	0
Corporate Governance Officer	Hsien-Ling Chen	1,158	0	0	0

(II) Information on transfer or pledge of equity to related parties: None.

**VIII. Information of shareholders of top ten shareholding percentage for related parties or spouse, relative relationship within second degree of kinship among themselves:**

Unit: shares; April 14, 2025

NAME	SHAREHOLDING OF THE INDIVIDUAL		SHAREHOLDING OF SPOUSE OR MINOR CHILDREN		TOTAL SHAREHOLDING BY NOMINEE ARRANGEMENT		COMPANY NAME OR INDIVIDUAL NAME AND RELATIONSHIP OF RELATED PARTIES OR SPOUSE OR KINSHIP WITHIN THE SECOND DEGREE AMONG THE TOP TEN MAJOR SHAREHOLDERS.		REMARKS
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Ju Tai Investment Co., Ltd. Responsible Person: Hung-Chi Chang	3,867,071	8.6%	0	0%	0	0%	Hung-Chi Chang	Its Chairman is the Director and CEO of the Company	None
Korean Simmtech Holdings Co., Ltd. Responsible Person: PARK KWANG JOON	1,954,506	4.3%	0	0%	0	0%	Se Ho Chun	Major shareholder of Korean Simmtech Holdings	None
PARK KWANG JOON	0	0%	0	0%	0	0%	Korean Simmtech Holdings	Korean Simmtech Holdings Chairman	None
Se Ho Chun	1,954,505	4.3%	0	0%	0	0%	Korean Simmtech Holdings	Korean Simmtech Holdings Major shareholder	None
Hung-Chi Chang	1,834,866	4.1%	777,164	1.7%	0	0%	Chun-Hui Chang Shao-En Chang Ting-Yu Chang	Relative within the second degree of kinship	None
Ching-Wen Chang	1,778,500	4.0%	0	0%	0	0%	Kun-Hsiang Chang	Relative within the second degree of kinship	None
Shao-En Chang	1,543,213	3.4%	5,099	0%	0	0%	Hung-Chi Chang Ting-Yu Chang	Relative within the second degree of kinship	None
Ting-Yu Chang	1,391,486	3.1%	0	0%	0	0%	Hung-Chi Chang Shao-En Chang	Relative within the second degree of kinship	None
Kun-Hsiang Chang	1,274,149	2.8%	61,519	0.1%	0	0%	Ching-Wen Chang	Relative within the second degree of kinship	None
Wei-Ming Chan	1,242,000	2.8%	0	0%	0	0%	-	-	None
Chun-Hui Chang	1,234,872	2.7%	48,193	0.1%	0	0%	Hung-Chi Chang	Relative within the second degree of kinship	None

**IX. Number of shares held by the company, the company's directors, managerial officers and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the company, and calculating the consolidated shareholding percentage of the above categories**

December 31, 2024; Unit: thousand shares; %

Investee	Investment of the Company		Investment of the Directors, Supervisors, Managers and Direct or Indirect Controlled Entities		Consolidated investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Advanced Corporation	1,800	100%	0	0	1,800	100%
STNC Hong Kong Holdings Limited.	490	49%	510	51%	1,000	100%
Enplas Niching Technology Corporation	633	30%	0	0	633	30%
Advanced Processing Equipment Technology Co., Ltd.	283	6%	0	0	283	6%
ELITING TECHNOLOGY CORPORATION	336	12%	0	0	336	12%
Global Simmtech Co.,Ltd.	148	1%	0	0	148	1%
SAR technology Inc.	435	15%	0	0	435	15%
MING CHUN YUAN MICRO PRECISE TECHNOLOGY CO., LTD.	2,121	6%	0	0	2,121	6%
PRECISION CHEMTECH COMPANY LIMITED	1,360	17%	0	0	1,360	17%

## Three. Financing Status

### I. Capital and shares

#### (I) Source of share capital

April 14, 2025

Share type	Registered capital			Remarks
	Number of outstanding shares	Number of unissued shares	Total	
Common shares	44,996,877 shares	5,003,123 shares	50,000,000 shares	TPEX listed stocks

April 14, 2025; Unit: Thousand shares; NT\$ thousand

Month	Issued price (NT\$)	Registered capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use assets other than cash as capital contribution	Others
2024.08	10	50,000	500,000	44,997	449,968	Capital increase by retained earnings NT\$8,823 thousand	None	2024.8.5 Approved by Fu-Shou-Jing-Deng-Zi No. 11307489750 Letter

#### (II) List of major shareholders:

April 14, 2025

Name of major shareholder	Number of shares held	Shareholding percentage
Ju Tai Investment Co., Ltd.	3,867,071	8.6%
KOREAN SIMMTECH HOLDINGS CO., LTD.	1,954,506	4.3%
Se Ho Chun	1,954,505	4.3%
Hung-Chi Chang	1,834,866	4.1%
Ching-Wen Chang	1,778,500	4.0%
Shao-En Chang	1,543,213	3.4%
Ting-Yu Chang	1,391,486	3.1%
Kun-Hsiang Chang	1,274,149	2.8%
Wei-Ming Chan	1,242,000	2.8%
Chun-Hui Chang	1,234,872	2.7%

#### (III) Dividend policy and implementation status of the Company:

##### 1. Dividend policy specified in the Articles of Incorporation:

When the Company makes a profit after final account of a fiscal year, in addition to the payment of the income tax as required by law, the losses of previous years shall be compensated first, and 10% of the remaining balance shall be appropriated and plus the items other than the net profit after tax of the current period as the legal reserve; however, if the legal reserve has reached the total capital of the Company, the appropriation of legal reserve is not applicable. Next, the special reserve shall be appropriated or reversed in accordance with the law or regulations of

the competent authority. If there is still a remaining balance, the Board of Directors shall propose a distribution plan together with the accumulated undistributed earnings. If the distribution is to be made by way of new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. If the distribution is to be made in cash, it shall be resolved by the Board of Directors.

When all or a portion of the dividends and bonus or legal reserve and capital reserve distributed by the Company are made in the form of cash, the board of directors may be authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.

The Company's dividend policy is based on the current and future development plans, the investment environment, capital requirements, and domestic and foreign competition, and the interests of shareholders. During the distribution of dividends to shareholders, at least 40% of the distributable earnings for the year shall be appropriated as dividends to shareholders, which may be paid in cash or shares, and the cash dividends shall not be less than 10% of the total dividends.

2. Distribution of dividends proposed for resolution in the present shareholders' meeting

The 2024 earnings distribution was resolved by the Board of Directors on March 13, 2025 as follows: NT\$89,993,754 of cash dividends are to be distributed to shareholders, and NT\$2 per share is to be distributed. If the number of outstanding shares is affected by subsequent changes in the Company's capital, the shareholders' meeting is proposed to authorize the Board of Directors to handle such matter with full discretion.

(IV) Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earning per share: The Company has not disclosed the financial forecast for 2025, therefore, it is not applicable.

(V) Remunerations of employees and directors

1. Information on the percentage or range of remuneration of employees and remuneration of directors in the Articles of Incorporation:

Where the Company has a profit in a fiscal year, it shall appropriate no less than 2% of the profit as remuneration of employees and no more than 3% of the profit as the remuneration of directors and supervisors. However, when the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first.

The aforesaid employee remuneration may be in the form of stock or cash and may be made payable to employees of subordinate companies who satisfy such conditions as the Board may prescribe.

2. The estimation basis for calculation of the remunerations of employees and directors, the share calculation basis for distribution of remuneration of employees in the form of shares and the accounting treatment for any discrepancy between the actual distribution amount and the estimated value

The estimated employee remuneration for 2024 is NT\$11,049 thousand and the estimated director remuneration is NT\$3,315 thousand, which are estimated based on 7% and 2.1% of the aforementioned pre-tax profit, respectively.

If the amount in the annual consolidated financial statements still has any changes after the date it is approved and published, it is regarded as changes on accounting estimates and will be adjusted to the next year.

3. Remuneration distribution status approved by the board of directors meeting

(1) Amount of remuneration to employees and Directors in the form of cash or stock.

	Distribution amount (NT\$ thousand)
Employee cash remuneration	11,049
Remuneration of directors	3,315

(2) Employees' remuneration distributed in share and the ratio over the entity or individual financial report net profit in the current period and the employees' remuneration total amount: Not applicable.

4. Actual distribution status of remunerations of employees and directors, and remunerations in the last year (including the distributed number of shares, amount and share price), and any discrepancy with the employees', directors' and supervisors' remuneration recognized, and shall describe the difference amount, reason and handling status: None.

(VI) Shares repurchased by the Company: None.

**II. Issuance of corporate bonds:** None

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

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

**V. Issuance of employee stock options:** None

**VI. Issuance of new restricted employee shares:** None.

**VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:** None.

**VIII. Financing plans and implementation status:**

Up to the printing date of annual report of last quarter, any previous issuances or private placements of securities not yet been completed or those completed in the last three years with plan effectiveness not yet revealed: None.

## Four. Operation Overview

### I. Business Content

#### (I) Business scope

##### 1. Main business contents:

- (1) Sales of materials and equipment related to the semiconductor industry.
- (2) Sales of LCD and LED related materials and equipment in the optoelectronics industry.
- (3) Sales of materials related to emerging high-tech fields and green energy industries.
- (4) Manufacture and sale of materials related to nanotechnology.

##### 2. Revenue percentage:

Unit: NT\$ thousand

Main product	2024 operating revenue	Revenue percentage (%)
Semiconductor products	698,171	61%
Optoelectronic products	432,811	37%
Other products	22,504	2%
Total	1,153,486	100%

##### 3. Main product

##### (1) Semiconductor industry

###### A. Packaging and testing

Capillary for packaging, machine tool for packaging, lead frame, heat sink, etc.

###### B. Memory IC carrier

high-end DRAM flip chip packaging substrate (FC-BOC), memory card substrate (FMC), embedded multimedia card carrier/multi-chip stacking carrier (eMMC/eMCP), LGA, and POP, etc.

###### C. Logic IC carrier

Flip chip packaging substrate (FCSP), FBGA/MCP, LGA, SIP, high-end integrated large-size BT-base flip chip packaging substrate (SILM FCBGA), etc.

###### D. Others

Vacuum valve, cutting tool, special gas, etc.

##### (2) Optoelectronics industry

###### A. LCD - driving IC related

IC/Chip Tray for Wafer Die, Packaging, Shipping Reel for COF Tape packaging

Emboss for COF Tape Packaging, etc.

###### B. LCD - Other LCD

Metal target, LED lighting materials (O-LED), etc.

###### C. LED packaging and testing related

Capillary for packaging and testing, machine tools for packaging and testing, etc.

##### (3) Green energy and other industries:

###### A. Self-fabricated silver products

Screen Printing Ink, Customized Ag Paste, Sintering Ag Paste, Conductive Ag Paste, etc.

###### B. Others

Gas purifiers, etc.

4. New products (services) planned for development:  
Continue to develop various types of silver paste series of products for automotive electronics, power components, IoT, AI, 5G and other fields.

## (II) Industry Overview

1. The products sold by the Company mainly cover three industries of semiconductor, optoelectronics, and other industries.

Further details are described in the following:

### (1) Semiconductor Industry

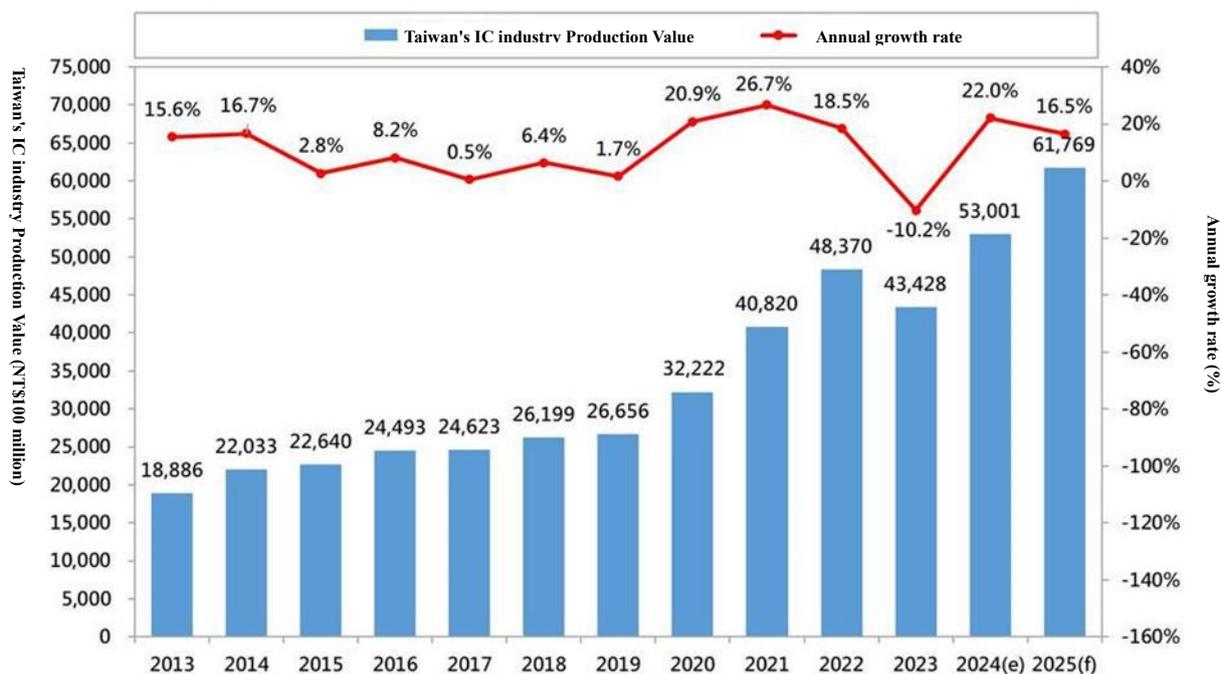
Taiwan plays a key role in the global semiconductor supply chain, and is one of the important hubs of the global semiconductor industry with great reputation. Taiwan has a series of enterprises in manufacturing, design and packaging and testing at leading positions worldwide, such that the country and local enterprises have competitive advantages. In 2024, Taiwan's IC industry production value reached NT\$5.351 trillion (USD\$16.56B), a growth of 22.4% compared to 2023. The global trade continues to expand; however, the policy uncertainty has also increased. The effective tariff has reached the highest level for the century. The geopolitical and supply chain aspects introducing great challenges to enterprises. Accordingly, the Company will adopt a flexible supply chain to implement key strategies, to strengthen the resilience and flexibility of the supply chain, in order to respond to future complex situations. Looking ahead to 2025, the continuous expansion of AI applications will drive the upgrade of related electronic products, and the logic and memory fields are expected to become the main growth momentum, which will further drive the technology R&D and market development of the semiconductor industry. It is estimated that the global semiconductor market will grow by 11.2% in 2025, and the overall market scale will reach US\$697.9 billion.

Taiwan's advanced packaging field is equipped with great technical advantages, comprehensive supply chain, industry clustering effect and government support. In addition, packaging business operators in Taiwan continue to invest in R&D, and has developed a variety of advanced packaging technologies, such as advanced system packaging (ASP), 3D packaging, Fan-Out packaging, InFO, and CoWoS, etc. All of these factors jointly promote the prosperous development of the advanced packaging industry. According to the statistical data of DIGITIMES, Taiwan's IC packaging and testing production value in 2024 is estimated to be NT\$580.7 billion, with an annual growth rate of 9.6%. The main reason for the growth of IC packaging and testing industry is the rapid increase of AI demand. With the rise of the generative AI technology, the demand for high-performance computing (HPC) and AI chips has increased significantly, which in turn directly promotes the growth of IC packaging and testing industry. All packaging and assembly business operators in Taiwan expect that products related to AI servers, AI mobile phones, and PCs will continue to grow, driving the overall operation performance. In addition, with the increase of high-end packaging demand, along with the advancement of technology, the high-end packaging technologies of anisotropic integration and high-efficiency packaging have also received great attention in the market. The application of these technologies not only improves the performance of products, but also promotes greater number of customers to choose the packaging and testing services provided by business operators in

Taiwan, in order to meet their high standard requirements.

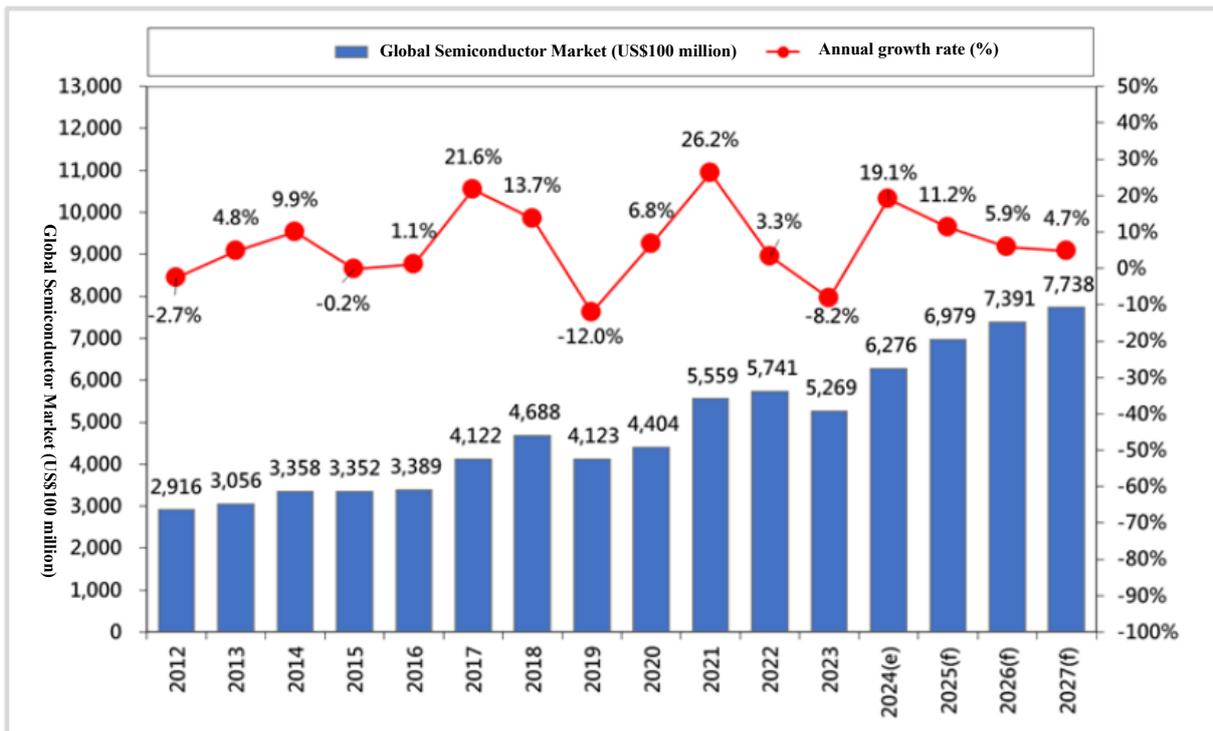
Looking ahead to 2025, for the IC packaging and testing industry, the demands for high-end chips of AI and HPC are expected to continue to grow, such that the importance of advanced packaging and testing interconnected performance will become more prominent. Under the rapid development of AI applications, leading packaging and testing business operators have actively entered such field. It is expected that the production value of IC packaging and testing industry in Taiwan will reach NT\$680.3 billion in 2025, with an annual growth rate of 9.1%.

Development trend of production value of Taiwan's semiconductor industry



Source of Information: Industry, Science and Technology International Strategy Center, ITRI

Development trend of production value of global semiconductor industry



Note: The source of data refers to the global semiconductor market forecast data published by WSTS in December 2024 and February 2025

(2) Optoelectronics industry

The application scope of photoelectric technology is wide, including solar energy, LED, laser diodes, image sensors, optical couplers and photoelectric cells, etc. The optoelectronics industry is currently facing multiple challenges and opportunities. Due to the instability of the global economy and the impact of inflation, the demand for optoelectronic products has indicated some fluctuation, and customers' demand has also slowed down. Furthermore, the uncertainty factor of the US reciprocal tariffs may also affect the growth momentum. However, with the increase in the demand for AI and high-performance computing (HPC), many optoelectronics companies are undergoing digital transformation to adapt to the new market environment. In addition, companies are planning their mass production systems for flip chip packaging, in order to improve the performance of semiconductors, to accelerate the computation and energy saving needs, thereby seizing the opportunities of future growth.

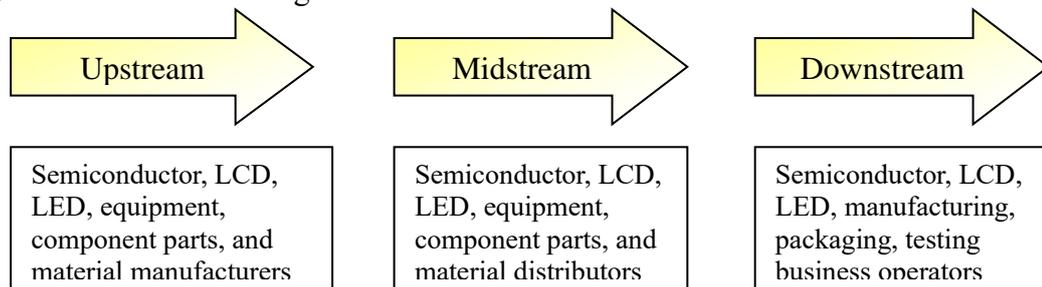
The total production value of Taiwan's optoelectronics industry in 2024 has reached NT\$15,585 billion, mainly benefiting from the promotion of image sensors, flat panel displays and optical communication fields. Among them, the flat panel display production value is expected to reach NT\$779.5 billion, and the optical communication production value is NT\$144.1 billion, and the solar photovoltaic production value is NT\$72.6 billion. In general, the optoelectronics industry is under a transition period. Although the industry is facing many challenges, through technological innovation and market strategy adjustments, it is expected to demonstrate potential

growth.

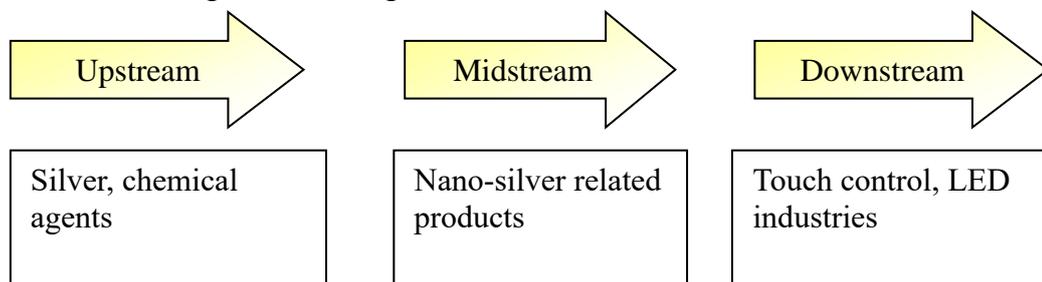
Looking ahead to 2025, with the increase in demand for large-size displays, the optoelectronics industry will continue to achieve innovations in display materials and technologies. Particularly, the application of high-end display technologies such as OLED, Mini LED and Micro LED, these technologies not only improve the display effect, but also promote the design of thinner and lighter products. The optoelectronics industry is currently moving towards a smarter and more diverse development direction, and new application opportunities in various industries are also sought actively, in order to adapt to the rapid change of market demand.

2. Correlation among upstream, midstream and downstream in the industry

① Channel Business Segment



② Manufacturing Business Segment



3. Various development trends of products:

The Company's main products are explained and analyzed as follows:

(1) Packaging and testing related (capillary, machine tool, lead frame, heat sink)

In recent years, under the trend of AI, many products (PC/servers/mobile phones) integrated with AI applications have been launched. It is expected that this will be a turning point for the current consumer electronics demand. The SPT Bonding Tool, to which Niching acts as the agent and distributor, has always been the best partner for customers with high-precision and high-reliability demand standards. The precision processing capability and stability of SPT Bonding Tool is able to assist customers to shorten their research and development schedule and to deploy their planning early in order to gain business opportunities.

The development trends of 5G, AIoT, high-efficiency computing (HPC), and automotive electronics continue to excel, which in turn drives up the demand for peripheral packaging materials. The etching Dual Row QFN lead frame produced by DNP with Niching as its agent and distributor, is able to

replace the traditional packaging and testing model of QFP(Quad Flat Package) or BGA(Ball Grid Array) 100 - 180 pin products, and is able to bring the advantage of miniaturization of packaging and material cost to packaging products. In addition, the design of QFN back side exposure is better than other packaging methods, such the packaging companies have gradually increased, and packaging companies have also actively promoted to their customers. As the wafer manufacturing technology improves (5nm -> 3nm -> 2nm), heat dissipation and cooling will continue to drive the demand for chip design and chip packaging.

The trend of miniaturization of ICs and maximization of IC functions has driven the demand for product heat dissipation to increase. The high thermal conductivity of the medium, and Flip chip vapor chambers can provide high-efficiency cooling paths, such that heat is transferred from electronic components to the surrounding air, making such parts to become one of the essential components in the current flip chip packaging. In addition, the wide use of related HPC, 3D packaging, and SIP packaging, great amount of heat tends to be generated during IC operation. Accordingly, to ensure the normal operation of ICs,, the use of vapor chambers is expected to become more popular.

- (2) Various types of memory IC carriers (FC BOC, LGA, POP, eMMC/eMCP)

The demand for global data centers has continued to increase under the continuous promotion of AI applications in 2024, which further drives the rapid growth of high-end memory (HBM) and high-speed storage demand. Despite the impact of inflation and regional political instability, the terminal market has recovered earlier than expected. The memory industry continues to exhibit the dual-track development of "decrease in inventory + increase in price", indicating a steady recovery trend throughout the year. Memory products have transformed from storage logic to collaborative computing logic. With the high computing demands for AI servers, autonomous driving, and edge computing, the importance and content value of memory PCBs continue to increase, driving the acceleration of the demand for multi-layer, high-frequency, and high-density processes.

- (3) Various types of logic IC carriers (FC CSP, LGA, FBGA/MCP, SiP, LGA ,SILM FCBGA)

Although the overall semiconductor supply chain has faced a high level of uncertainty due to the impact of geopolitical risks and the US-China trade war in 2024, the market for memory and logic ICs has recovered significantly under the support of rapid development of AI applications, completion of terminal inventory destocking and market compensation effect, The demand for generative AI application with respect to high-frequency memory (HBM) and low latency DRAM continues to rise, driving the multi-layer slim memory carrier and high complexity packaging technology to develop rapidly.

Furthermore with the popularization of electric vehicles and automotive electronics, the demand for IC carrier products with high reliability and automotive certification capabilities has also increased. Looking ahead to 2026, product differentiation and accelerated Time to Market development will become the key to competition. Suppliers need to have the ability to perform prototyping swiftly, and the ability for design and technology integration, in order to seize the opportunities of AI and advanced packaging.

(4) Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)

For the driving IC products planned by Niching, they all refer to packaging materials used for IC products are the standard products widely used in the market. The appearance and specifications are almost all standardized. The market share of the opportunities is higher than that of the industry. In addition, Niching has developed independent technical capabilities, such that the Company is able to work with customers to develop high-tech threshold products, such as Chip Tray warpage tightening from <100um to <85um or <75um, or related size tolerance tightening from +/-100um to +/-50um or +/-30um.

For emboss spacer & shipping reel, the Company collaborates with the customers to develop the 125mm-wide products and the high-temperature resistance emboss for the internal process of packaging plants, in order to increase the depth and breadth of the products. Regardless of packaging technology is used for the PCB driven IC, Niching is able to provide products that meet the mainstream market.

(5) Other LCD (OLED lighting materials)

The development of display monitors has changed from the heavy CRT to slim LCD. In the past decade, there have been many new technologies, such as OLED. OLED product has the advantages of low voltage, high efficiency, long life, good heat stability, and is suitable for mass production.

(6) Nano Ag related products

Touch control silver paste:

The Company has self-developed a touch control silver paste product that is suitable for the screen printing and laser process of the projection capacitive touch key panel, which conforms to the development trend of touch control panels. For the touch panel manufacturers in the special fields of applications of military, industrial, medical, aviation, and navigation, the Company's products can also satisfy their demands for customized silver paste.

In addition, Niching has also invested in the R&D of gel materials for a long time and invested in the R&D of anisotropic conductive gel in 2024. Unlike general conductive gel, anisotropic conductive gel is not conductive in the horizontal direction and is conductive in the Z direction only. Therefore, it is convenient for the application field and replaces the physical connector, in order to achieve the goal of miniaturization. Its main application field is RFID,

and the electrical connection in electronic products, such as camera modules, FPC connections, etc.

#### Sintering silver paste

With the increasing demand for high power products, the demand for high thermal conductivity also increases. The high thermal conductivity characteristic and low-temperature sintering silver paste has become the solution for the third class of semiconductor automotive, RF IC, sensor and high power lighting solidification. In addition, with its great resistance to high temperature, it has also become the thermal interface material TIM1 solution for high-performance and high-speed computer chip packaging. Compared to other thermal interface materials such as tin paste or Indium, which melt under high temperature, the high temperature resistance of the sintering silver paste makes it a popular product.

#### 4. Competition status:

The Company's main products are explained and analyzed as follows:

##### (1) Packaging and testing related (capillary, machine tool, lead frame, heat sink)

SPT is the priority choice of OSAT in the domestic market, and it currently has a market share of 60%~70% and above. Many AI products (PC/Server/Mobile) will be released in the market, such that there will be a reversal to the related IC market demand. OSAT is also actively deploying high-end packaging capacity. Its Bonding Tool design and development are also actively cooperating with SPT and is under mass production stage. SPT continues to develop special Bonding Tool design to assist OSAT to accelerate the mass-production of high-end packaging. We are committed to the original intention of quality, service, and recognition. We work with customers to support each other and achieve the triple win situation for customers, SPT and Niching.

Japanese Dai Nippon Plating (DNP) has solid and strong metal etching technology and extensive experience, along with two types of electroplating methods (mechanical plating & photo plating) as well as the metal surface roughening technology (AME) to increase the bonding between L/F and the packaging resin during packaging. DNP photo plating is able to provide precise tolerance (Normal  $\pm 50\mu\text{m}$ ; DNP  $\pm 30\mu\text{m}$ ) such that it has certain technical advantages.

Niching's Heat Sink cooperation partner MCY is equipped with adequate copper/aluminum/stainless steel high-precision stamping technologies for customized production. It is a qualified supplier of packaging factory in Taiwan. During the opening of new projects, it obtains the design drawings first, and provides suitable models and solutions. With timely material acquisition and delivery, and quality assurance, MYC's customer service is better than that of its competitors. Its main competitors are FAVOR PRECISION, ANKUO, and

JENTECH (Kenly), etc.

(2) Various types of memory IC carriers (FC BOC, LGA, POP, eMMC/eMCP)

With the full introduction of the DDR5 and LPDDR5X generation for DRAM, and PCIe Gen 5 and CXL interface for NAND Flash, Simmtech Group actively assists customers in developing new-generation high-end modules by leveraging its leading mSAP and thin board process capabilities. The Group adheres to the "one-stop shopping" strategy to strengthen its core manufacturing and technology service integration, and has successfully responded to the risk of the geopolitics and supply chain risk via the flexible production advantages of the multiple bases in Korea, Japan, China, and Malaysia. Niching's technical support and market sensitivity of the business opportunity in Taiwan have also become an important force to deepen customer relations and further enhance customer adhesion and ASP performance.

(3) Various types of logic IC carriers (FC CSP, LGA, FBGA/MCP, SiP, LGA, SILM FCBGA)

With years of experience in the field of memory carrier field and market reputation, Simmtech Group cooperates with the localization needs arising from the trade and technology sanctions between China, the United States, and Taiwan, in order to become an important choice for major customers to seek low-risk and highly flexible supply chain planning. Through production sites in the four regions of Korea, Japan, China and Malaysia, along with the advantages of automation yield rate, Simmtech continues to promote the "One Stop Shopping" strategy. In addition to applying the memory IC substrate technology to high-end system packaging (such as SLIM FCBGA), high-speed communication IC and automotive applications, Simmtech also actively develops the small and medium-sized logic IC carrier field. Niching is a professional agent in Taiwan and a local technical service contact, such that the Company is able to integrate the fast response ability and market insights, in order to assist customers to deal with the new challenges of the global supply chain restructuring.

(4) Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)

For, Shipping Reels & Emboss, the Company has become the main suppliers of Taiwan's major film makers and COF packaging factories. In response to the gradual establishment of new film makers and COF packaging factories in China, the Niching's Suzhou Branch has actively deployed to secure stable product delivery and shipping. The main competitors of chip trays in Taiwan are all local manufacturers. Niching's production capacity and technology surpass the competitors. The main customers of the Company are long-term partners with strong relationships. The market share is also higher than other competitors in the market.

(5) Nano Ag related products

Touch control silver paste: The laser etching silver paste suppliers from Japan and Korea include (Japan) Asahi, Toyobo, and (Korea) Inktech, etc. They are the business operators entering the industry of projected capacitive touch control panel at early stage and have the advantage of being pioneers in the industry. Chinese manufacturers (including Resink, Betely, etc.) have the advantage in price such that they dominate the mid-to-low-end market. Given the challenging environment in both high-end and low end markets, Niching's products have been able to grow steadily and secure new customers through better product yield, faster service, and stable growth with existing customers.

Silver sintering paste: The international leading low-temperature sintering silver paste manufacturers include AM, Namics, Henkel, Heraeus and Kyocera. They are at the leading position in terms of international reputation and resources. In recent years, several domestic manufacturers have invested in the development of low-temperature sintering silver paste, making the market more competitive. Although the market competition is fierce, and characteristics of the low-temperature sintering silver paster materials are being compared with the tin paste, there has been no obvious and strong leading manufacturer or product emerging in the market up to the present day. Nevertheless, the thermal resistance and reliability of sintering of silver have driven the market scale of sintering silver products to expand, and the market is full of opportunities.

Niching has been actively promoting its products to the main business operators in the power semiconductor industry through its global sales channels. In recent years, many tests and evaluations have been conducted, and active results and feedback have been obtained. We expect to start mass production and shipping in 2025.

(III) Technology and Research and Development Overview

1. R&D budget invested in most recent year and up to the printing date of the Annual Report:

Unit: NT\$ thousand

Year	2024	Up to March 31 for 2025
R&D expenses	32,758	9,583
Net operating income	1,153,486	301,151
As a percentage over revenue	2.84%	3.18%

2. Technologies or products developed successfully in recent years:

R&D project	Technology characteristics and product applications	Future performance
Nano sintering silver paste	The Company has developed its own nano silver and recipe technology, and has developed low-temperature sintering silver paste for large-size chip packaging, which is a rare niche product in the market. It can be applied to high-end packaging products such as high power components, high-speed computing components, and power amplifiers.	The Company has been certified by several customers in 2024, and is currently in the process of trial production of small quantity, and is actively expanding its product lines to greater domestic and foreign customers.
High thermal conductivity silver paste	High heat dissipation solidification material applied to LED/semi-conductor packaging. Equipped with high heat dissipation (over 30W/mK) and high bonding strength, capable of satisfying the requirements for high useful life and high reliability of packaging components, and applicable to automotive power components and LED lights, etc.	Passed the Taiwan LED and power component manufacturer certification. The Company will actively promote the product to be applied to customers' mass production process, in order to gain greater profits.
Customized silver paste	Based on years of experience in the development of silver paste, the Company has developed anisotropic conductive gel, equipped with the characteristics of fast curing, and can be used to electronic component assembly. In the future, the Company will continue to seek new application markets, expand the product line and application fields of anisotropic conductive products, in order to convert the product into future operating momentum.	The Company has entered the supply chain of the US giant manufacturers in 2024 and is now undergoing the final product verification. The product lines and supply volume of the Company are expected to continue to expand and grow.

(IV) Long and Short-term Business Development Plan

1. Long-term business development plan:

- (1) Position Niching as an integrated material supplier, and strengthen the industry supply chain through market marketing, after-sales service, R&D technology, production and manufacturing.
- (2) Implement the triple-win principle for customers, suppliers and Niching; pursue the partnership of mutual trust and mutual benefit.
- (3) Actively develop own advanced materials, and develop R&D technology to automotive electronics, power components, IoT, AI, and 5G, in order to achieve comprehensive industrial planning.
- (4) Follow the government's high-tech industrial policy closely, enter new industries in a timely manner, and introduce advanced technology materials and equipment from various countries around the world to maintain the growth momentum of Niching.
- (5) Cooperate with the global energy saving and carbon reduction policy, and enter the green energy industry.

2. Short-term business development plan:

(1) R&D strategy for the development of own silver paste:

For sintering silver paste, conductive silver paste and customized silver paste, the focus will be on selecting key customers, centralizing resources and developing high-value products; targeting at high heat dissipation, high thermal conductivity and fast curing technology, to develop value products.

(2) Heat sink expansion strategy:

The growth of the heat dissipation market is driven by the new applications of AI and the high-end packaging demand. Niching will focus on IC heat dissipation solutions. In addition to the Company's commitment to the technology innovation and breakthrough of own products, Niching will continue to promote mergers and acquisitions or alliances to manage the three major manufacturing technologies (stamping, metal processing, electroplating) and to extend the product lines to high-end markets, in order to achieve the goal of becoming a member of the CoWoS supply chain.

(3) Carrier growth strategy:

STN team integrates its sales capabilities and local technical services to develop the next generation of graphic member carrier GDDR7 for AI servers by working closely with the three major memory manufacturers and high-end SOCAMM HDI, and has also cooperated with the packaging and testing business operators in the IC field with tactic cooperation agreement, which will increase the overall revenue contribution. In addition, as the resource tactic department is in the field of logic IC, the introduction of new products and projects has led to significant growth in recent years, which will continue to drive the growth of the revenue from logic IC and increase the sales proportion.

(4) Other product growth strategy:

The main business are related to the driving IC, packaging and testing, OLED, and various new agent products. In addition to seizing the business opportunities from the end-use demand recovery and rapid development of AI, the Company will continue to expand business related to the new demands for electronic tags, automotive PCB, and AR/VR applications, such that the revenue in 2025 will increase further.

## II. Market Profile and Production and Sales

(I) Market analysis

1. Main product (service) sales (supply) region:

Unit: NT\$ thousand

Sales region	Year	2024	
		Sales amount	Weight (%)
Domestic sales		664,896	58%
Export sales (Asia and other regions)		488,590	42%
Total operating revenue, net		1,153,486	100%

## 2. Overview of market share:

The Company aims to become an integrated material supplier and has established a complete supply chain sales network, in order to provide comprehensive value-added integrated services, including technical support, professional consultation, and logistics management, etc. The Company has established long-term partnership with customers to achieve a triple win situation for customers, manufacturers, and Niching. The Company is a professional agent for the consumption materials and equipment in the semiconductor, optoelectronics, and green energy industries. The scope product is wide, and the Company's main products are analyzed as follows:

### (1) Packaging and testing related (capillary, machine tool, lead frame, heat sink)

Niching's agent products SPT are used by OSAT customers as leading manufacturers in the industry, with the current market share of approximately 60% - 70% and above. The Company's automotive IDM customers have a market share of more than 90%. In recent years, various major manufacturers have actively improved their advanced packaging process capabilities, developed high-end packaging, anisotropic integrated products, and automotive electronics products, which will have a positive effect on Niching's market expansion.

In addition, for the QFN L/F lead wire of DNP under the agency of the Company, we focus on high-end photo plating QFN L/F. The shipment volume in the Greater China market (Taiwan & China) is approximately 250k strips/M. The business model of DNP is a long-term contract with IDM customers. Although the overall market share is not high, the demand is not likely to fluctuate significantly with the market demand.

The sales of heat sink have been growing positively since 2017. The Company is currently the supplier of thermal materials for domestic major packaging and testing business operators, and continues to receive orders for new models and the shipments of large-size heat sinks of high technical barrier also increases. The market share is expanding year after year.

### (2) Various types of memory IC carriers/Logic IC carriers (FC BOC, LGA, POP, eMMC/eMCP, FC CSP, LGA, FBGA/MCP, SiP, LGA, SILM FCBGA)

Thanks to the overall market's recovery and the significant increase in the penetration rate of AI servers in 2024, the full year revenue of the Group reached US\$894 million, which returned to the growth track and has become the 7th largest supplier in the global market of memory IC carrier. The business in Taiwan is expanding through the joint effort of Niching and STN, and has successfully obtained more leading customers' mass production projects, as the basis for further expansion in the future. In the face of the 2025 US-China trade war and the tariff and policy uncertainty brought by the high-tech supply chain

risk aversion policy, the Group will strengthen the global production capacity deployment and localization services, and will strive to become the priority choice for customers' supply chain restructuring.

(3) Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)

Shipping reel & Emboss have been certified by nearly all LCD driven IC design companies in Taiwan, and have become the main suppliers of the major film makers and COF packaging companies in Taiwan. The current market share is approximately 80 - 90%.

The market share of chip trays is approximately 50 - 60%.

3. Market future supply and demand status and growth:

(1) Packaging and testing related (Capillary, Machine Tool, Lead Frame, Heat Sink)

As the wafer nano grade becomes smaller along with the increase of production capacity of advanced processes, the circuit of the packaging firms also becomes smaller. With the demand for featured and patented products, such as anisotropic integrated packaging, The fine line packaging products of SPT under the agency of Niching has the most precise and stable technology, and is able to keep track of the growing demand for high-precision and high-steadiness Bonding tools, such that it is able to pursue high-precision, high-steadiness yield rate, high-reliability verification, and high-precision and high-steadiness high-rank packaging for the most recent AI electronic components. The Company will also assist customers in solving problems with the special design of SPT pins, and then grasp the orders of high-precision and high-steadiness Bonding tools. The application of SPT Flip Chip high-precision solutions in high-end packaging equipment is also increasing year by year. The combination of SPT mobility and high profitability will be the source of growth for customers and high profitability in the future.

QFN has the characteristics of being slim and small in size, such that it meets the demand for mobile electronic products. Therefore, the demand will continue to increase. Compared with the same number of IC pins, the use of QFN packaging has a smaller size and lower material cost than BGA (Ball Grid Array) or QFP (Quad Flat Package). Therefore, IC design companies are actively evaluating, and the subsequent demand will gradually increase. The Company has signed a long-term contract with IC designers since Q2 2022, including production capacity supply and regular technology research and collaboration, in order to obtain more stable demand and accelerate the upgrade of technology.

Each OSAT continues to expand the production capacity related to flip chip packaging. The demand for flip chip heat sink is also expanding. Currently, IC design is mainly focused on miniaturization of chips and maximization of functions. Flip chip packaging applications will continue to expand, and the role of heat dissipation and functions of flip chip heat sink will also be widely used.

(2) Various types of memory IC carriers (FC BOC, LGA, POP, eMMC/eMCP)

In 2024, the development of memory ICs has moved towards higher performance and higher stacking density. The mainstream carrier products will further move towards 6-layer to 8-layer, and the requirements for finished product thickness will be more stringent, which will increase the proportion of high-end processes and materials. Driven by the generative AI, AI servers' demand for DRAM and NAND is far greater than the traditional framework, which in turn drives the demand for FC-BOC and LGA products. In addition, the Company's ultra-thin 3L Mobile PoP carriers after extensive years of development has been selected and used by multiple flagship smart phone platforms. With the recovery of the cell phone market and the wave of mobile phone replacement trend, it is expected to drive strong momentum for the revenue growth in the second half of the year. It is expected that the application breadth and shipment scale will continue to expand under the two main development trends of AI and Mobile in 2025.

(3) Various types of logic IC carriers (FC CSP, LGA, FBGA/MCP, SiP, LGA, SILM FCBGA)

Although the global high interest rate and terminal consumer recovery are still challenges to the economy, the replacement cycle of servers, mobile phones and PCs has begun, and the demand for high-end packaging is still increasing with the core of HPC and edge computing with the core of AI. The ABF overcapacity issue is expected to expand to 2025, causing many of the industry peers to be under pressure. However, as Simmtech focuses on the development of BT-base products and introduces high-end SLIM FCBGA solutions, it has been able to achieve the advantage of differentiation. SLIM FCBGA has the advantage of cost and structural flexibility compared to ABF, and has been successfully introduced to high-speed interface IC, SSD controller, and automotive processor applications, such that its future growth is promising.

(4) Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)

For the current stage of OLED driven IC, COF packaging is the main stream. With the increase in OLED applications, it is expected to drive the growth of Emboss and Shipping Reels.

The penetration rate of 5G smart phones continues to increase, and the Chinese panel manufacturers have expanded the OLED production capacity in 2022. The penetration rate of the AMOLED panel for mobile phones is gradually increasing, and the demand for chip trays of COP also increases gradually. The economic outlook is still unclear, the industrial and employment situation is not good, the domestic demand after the pandemic is weak, the new market is

sluggish; therefore, more consumers turn to the products with high price-performance ratio, such as TDDI mobile phones. The demand for the panel repair market is also increasing.

(5) Other LCD (OLED lighting materials)

The Company is an agent for the OLED lighting materials manufactured by Dupont with a complete IP patent planning. Its red lighting materials have a global market share of more than 80%. As the production capacity of OLED surface in China increases and the technology and competitiveness continue to increase, the demand for lighting materials will grow accordingly.

(6) Nano Ag related products

Looking back on 2024, the industrial and commercial IP industry had higher inventory levels in the past two years. However, as Niching has cultivated the market of control panel in Taiwan for many years, the high yield rate blue-and-white porcelain solutions provided by the Company has achieved great outcome in 2024. Looking into 2025, in addition to providing high-quality products on the market, in the face of the international political situation, the Company will strengthen the supplier and cost management, in order to achieve the goals for 2025. The Company has passed the RFID industry test in 2024 and plans to start to promote the target market in 2025, such as: camera modules and smartphones, and products with space limitation, and will cooperate with the customers of Taiwan's ICT industry to develop slim products.

The production value of power semiconductor in 2023 was approximately NT\$38.5 billion, and the growth rate became 5.4% to reach NT\$40.6 billion in 2024. Furthermore, the market value is expected to reach US\$51.6 billion in 2027. Silver sintering paste for power semiconductor is a new market field for chip bonding material. Currently, the Company's market share in the whole semiconductor chip bonding materials is less than 10%. However, with the emerging Class III semiconductors of GaN and SiC, and the continuous increase in energy efficiency requirements in various applications such as electric vehicles, industrial control and home appliances, along with the huge growth potential of the new field of high-speed computing, the demand for TIM1 will become a new field for sintering silver paste, and its growth potential in the next 10 to 20 years is remarkable.

Niching will continue to cooperate with several international power components and RF major manufacturers to develop sintering silver projects, and will also cooperate with the major international logic IC manufacturers to develop the TIM1 project. In addition, we also cooperate with first-tier packaging business operators and power component suppliers in Taiwan to provide local solutions.

Through the development of domestic and foreign projects, we expect that

the market share of the nano silver sintering materials of Niching will reach 10% in 2027, which is equivalent to an annual sales amount of US\$10 million. We will continue to cooperate with the major foreign power semiconductor manufacturers through the global sales network, and accelerate our promotion in the main market in China. Meanwhile, with the geographical advantages of Taiwan, we will seize the opportunities to cooperate with the first-line packaging manufacturers.

#### 4. Competitive Niche

The Company is a unique supplier in the industry that has the ability to distribute products in various fields of semiconductor, optoelectronics, and green energy industries. The competitive niche of the main products of the Company is analyzed as follows:

##### (1) Packaging and testing related (capillary, machine tool, lead frame, heat sink)

SPT has been focusing on the Bonding Tool industry, and has the unique technology of ceramic casting as the first in the industry worldwide. SPT capillary is an integrally formed tool for mold production. The size of molds is equivalent to the size of products (the size needed by customers). Other competitors have reached different sizes after multiple processing after extrusion. Therefore, the quality, precision and variation of sizes are relatively stable. SPT has also made use of its own ceramic casting capability to achieve manufacture differentiation. In addition to significantly reducing the difference between batches and products with the minimum tolerance, the continuous progress of the bonding tool ceramic materials achieves stable bonding useful life and surpasses the industry standard. The Company has also launched a number of patented products, and with its leading technology capabilities, launched customized Bonding Tool products for special applications. The Company has continued to break through itself, develop and design special Bonding Tool surface processes, in order to improve the customer's line quality and production capacity, to meet the customer's all-around needs, and to build a strong foundation with its competitors. In addition, Niching has a professional technical service team to provide customers with professional consulting and advice, and is able to keep up with the customer's in-plant technology support to solve customer problems.

Given the overall packaging with the same number of pins, the QFN is able to achieve the benefits of being light, thin, short, small in comparison to GBA and QFP, and its cost of materials is also more advantageous. Compared to the traditional QFN, QFN has the advantage of internal pin design, which can save the cost of gold wire, making the packaging cost more advantageous. In addition, the QFN size is small, and similar to Chip Scale Package (CSP), such that its cost is relatively low while having the characteristics of heat resistance.

Furthermore, the absence of the need to draw the pin from all around the assembly means that the electrical performance is excellent. It is very suitable for products with medium or low pin count.

Niching has established certain reputation in the mid-to-low-end market of semiconductor packaging and testing supply chain, and actively develops the high-end market. The Company will assist the cooperating company, MCY, to complete the chemical deposition nickel production line, and obtain customer certification for mass production, which can effectively reduce the management cost and quality concerns of nickel outsource. In the future, the Company will expand the relevant product lines, assist MCY to establish an electroless deposition nickel production line, in order to make the product lines more complete while developing relevant new customer groups simultaneously, in order to expand the market share and profit growth. In terms of promotion strategies, the Company will take advantage of the semiconductor materials, the expand the network of packaging market, and promote business to IC design companies for the design-in of Niching's heat sink, in order to expand the product application of Niching's heat sink products.

(2) Various types of memory IC carriers (FC BOC, LGA, POP, eMMC/eMCP)

The technology of memory carrier has fully introduced the Coreless multi-layer design, and the advanced mSAP process and ETS inner circuit technology have also been introduced to support the high-frequency bandwidth, fine line width and high-reliability needs. In 2024, Simmtech Group has completed the expansion of new production lines in South Korea and Malaysia, and introduced next-generation equipment. The production yield and technical capabilities have been upgraded simultaneously, in order to enhance the competitiveness in the high-end market. With stable quality, differentiated technology and fast collaborative development capabilities, the Group has significantly increased the proportion of projects for next-generation products introduced by the memory manufacturers, demonstrating the value of core technology of a supplier.

(3) Various types of logic IC carriers (FC CSP, LGA, FBGA/MCP, SiP, LGA, SILM FCBGA)

The Simmtech Group's active deployment of the four main technical fields of multilayer thin board process, mSAP precision circuit, ETS embedded structure and SLIM FCBGA integrated packaging design, has successfully introduced the products to many leading IC design manufacturers in Taiwan in 2024, with the rapid growth of AI and automotive applications. With the combination of business opportunities and localized services, Niching further strengthens the customer adhesion and design-win success rate. In addition, the expansion of production lines of Simmtech in Korea, Japan, China, and Malaysia is of cross-regional flexibility in terms of regional deployment, and can

respond to the tariff and geopolitical changes caused by the trade war, in order to reduce supply chain risks.

(4) Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)

The Company has developed its own Reel, Emboss and Chip Tray by taking advantage of the business opportunities. In addition to the fast and localized supply of goods that help to effectively reduce inventory for customers, Niching has long adhered to its service spirit and professional sales capabilities to stand out in the competition of the industry peers. Niching's products are widely used in tape makers and ILB houses, and the products have received great reputation for quality stability and are highly recognized.

(5) Nano Ag related products

The greatest advantage of Niching's silver paste products is the Company's ability to make its own silver powder. According to different customer requirements, the development of silver powder has satisfied customers' criteria. Our existing products have achieved the following:

Screen printing silver paste: successfully developed L/S = 100/100 um fine screen printing silver paste

laser etching silver paste: satisfied customers' requirements for L/S = 30/30 um, which can be used in various types of ITO films.

Anisotropic conductive gel: provided high-performance products to meet the needs of customers for slim design and production speed

Line width and spacing: 100/100um; fast curing: 3~20 seconds

At the same time, with the advantage of local services, we are able to provide customers with fast and accurate problem-solving capabilities, and high-quality products, such that our market share gradually increases at the customer end.

Niching's core competitiveness is the design and manufacturing of its own nano silver particles. Therefore, we are able to distinguish Niching from main competitors of Henkel, Heraeus and AAM, making us unique in our core competitiveness. With such core capabilities, Niching has developed the unique 175dC sintering technology in the market, and is able to support the product with a chip scale of 15\*15mm<sup>2</sup> under pressureless conditions. After in-depth research, if the moderate pressure (1MPa) is applied, then the size can be expanded to 25\*25mm<sup>2</sup>, which can be applied to the connection of power modules and heat sinks.

Niching has a fast responsive R&D and business team that can provide a certain degree of customization to satisfy the needs of customers in greater extend, thereby satisfying the needs of different customers for sintering silver paste.

5. Favorable, unfavorable factors for development outlook and responsive strategies:

(1) Favorable factors

Development flexibility: A new trend may over turn the existing industry at any time, and unlike manufacturers, distributors can change product lines according to the industry demand swiftly at any time, in order to gain insight of the industry trend and grasp new business opportunities.

Corporate value: Niching operates business in the supply chains of semiconductors, optoelectronics, and green energy at the same time, and is equipped with a complete marketing organization, capable of performing professional analysis of future market trends and scales. In response to different economic cycles, Niching is able to fully utilize the value of the trading platform to create comprehensive service quality.

Innovation ability: With nano-technology as a starting point, the Company invests in the development of new-generation materials and strengthens manufacturing capabilities, in order to seize blue ocean business opportunities and implement the dual core competitiveness.

Group strategy: The Group is able to make good use of the different industrial development processes and competitive advantages in both Taiwan and China, and develop the cross-strait supply chain in three regions of Taiwan, China, and Hong Kong with a group strategy, and to expand the scope of operation.

(2) Unfavorable factors

A. The electronics industry is experiencing a rapid transformation under the increasing popularity of 5G, cloud applications, social networks, and IoT.

Response measures: The Company stays in tune with the latest industry trends and seizes opportunities and reduces risks by leveraging the aforementioned favorable factors.

B. The new administration of the Trump government in the US, the de-sinicization of global technology companies, US's retreat from OECD global taxation agreement, increase of tariff on China, etc. have affected the global semiconductor supply chain.

Response measures: The Company must pay close attention to changes in the international political and economic situation, flexibly deploy its supply chain, in order to respond to potential risks and opportunities.

C. Uncertainty in the distribution right for agent products.

Response measures: Through various strategies, the Company has not only gained the distribution rights but also established closer relationships with major leading suppliers in the industry, and scatter the Company's product lines with diversity, in order to mitigate the risk of concentration on a single supplier or product change.

(II) Key purpose and manufacturing process of main products

1. Key purpose of main products

The main products of the Company are summarized in the following:

Industry	Major products	Important purpose or function
Semiconductor Industry	Packaging and testing related (capillary, machine tool, lead frame, heat sink)	<p>Capillary (soldering probe for packaging) and Machine Tool (components or packaging):</p> <p>The Company provides customers with components related to bonding capillary, bonding wedge, flip chip bonding tool and die bonding tool as follows: Soldering probe, steel nozzle, top pin, rubber tip, suction nozzle, dispenser, gel coating, gel consumable and solutions; and also accept customers' request for fabrication of small ceramics and other materials for special customized products. Main equipment used in the packaging process includes: Die bonder/mounting machine/picking machine/soldering machine/flip chip machine for precision components, and such equipment and materials are used in the packaging of semiconductors, LED, and optoelectronics.</p> <p>Double row QFN lead frame: It is a bridge for the IC signal to be transmitted to the external, and is used for carrying the chip, signal transmission and heat dissipation.</p> <p>Heat sink (IC packaging heat sink): The heat generated during the operation of the chip is quickly conducted away by the heat sink to ensure the IC can continue to operate normally.</p>
	Various types of memory IC carriers (FC BOC, LGA, POP, eMMC/eMCP)	<p>FC-BOC (high-end DRAM substrate for flip chip packaging): applied to DRAM modules of AI servers, personal computers, and high-performance computing platforms.</p> <p>LGA (land gate array carrier): Memory module for stacking of multi-chips in mobile phones and wearable devices.</p> <p>POP (package on package carrier): Memory modules for smart phones, tablets and mobile devices.</p> <p>eMMC/eMCP (embedded MultiMediaCard carrier/Multi Chip Package carrier): Flash memory packaging substrate for smartphones and mobile devices.</p>
	Various types of logic IC carriers (FC	FC CSP (Flip Chip Scale Package): Applicable to IC packaging of small and

	CSP, LGA, FBGA/MCP, SiP, LGA, SILM FCBGA)	<p>electrical devices, such as smartphones, digital video devices and mobile devices, etc.</p> <p>LGA (land gate array carrier): Wireless and mobile communication modules, such as power amplifiers, RF modules, and memory stacking modules.</p> <p>FBGA/MCP (Fine-Pitch Ball Grid Array/Multi Chip Package carrier): Flash memory packaging for mobile devices, wearable devices, and consumer electronics.</p> <p>SiP (System in a Package carrier): Integration of anisotropic chip packaging, applicable to power management, MEMS, biomed sensing, and WiFi/Bluetooth module applications.</p> <p>SILM FCBGA (high-end integrated large-size BT-based flip chip substrate): Applied to the fields of AI accelerators, netcom single chip, PCIe/USB high-speed interface IC, SSD Controller, ADAS automotive chip, etc.</p>
Optoelectronics industry	Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)	<p>IC/Chip Tray (chip carrier): COG chip transportation carrier.</p> <p>Emboss (COF Tape for packaging): Spacing protective belt for wrapping and transportation with COF tape.</p> <p>Shipping Reel (reel for COF Tape packaging and wrapping): Reel for transportation and wrapping with COF tape..</p>
	OLED lighting materials	Key materials for OLED panels are widely used in mobile phones, tablets, NB PCs, automobiles, and TVs.
Other industries	Nano-silver related products (Nano Ag related products)	<p>Screen Printing Paste (screen printing silver paste), Printing Paste for Laser Etching (laser etching silver paste): Conductive lines for touch panels.</p> <p>Anisotropic conductive gel: provided high-performance products to meet the needs of customers for slim design and production speed</p> <p>Sintering Ag Paste:</p> <p>①MOSFET (metal oxide semiconductor field effect)</p> <p>②PMIC (power management integrated circuit)</p> <p>③Power modules</p> <p>Key components of circuit control and electronic equipment. Such components include white home appliances, hand-held</p>

		devices, electric vehicles, 5G infrastructure, and industrial control. TIM (Thermal Interface Materials): The thermal interface materials are used between the chip and heat sink, which is mainly used in CPU/GPU equipment, wireless transmitter and automotive electronics equipment.
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2. Production process

Nano Ag related products	Ag <sup>+</sup> + reduction agent + solvent system → Ag <sup>0</sup> + complicated solvent system
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(III) Primary raw material supply status

Industry	Major products	Main supplier	Supply status
Semiconductor Industry	Packaging and testing related (Capillary, Machine tool, Lead frame, Heat sink)	SPT DNP MING CHUN YUAN	Good
	Various types of memory IC carriers (FMC, eMMC, LGA, POP, BOC, FC CSP, FBGA/MCP, SIP)	Simmtech STG	Good
Optoelectronics industry	Driving IC related (IC/Chip Tray, Emboss, Shipping Reel)	UNITECH ELITING	Good

The Company's main suppliers are world-class companies. The Company maintains stable and good cooperative relationships with its main suppliers, and has signed agency contracts to ensure the rights and obligations of both parties. Most of the contracts the Company acts as an agent have the priority in the automatic contract renewal upon expiration of contract

(IV) Name of customers accounted for more than 10% of total purchase (sales) amount of the company in the last two years or in any year and the purchase (sales) amount and ratio thereof,

and please explain the reason of changes thereof

1. Purchase type:

Unit: NT\$ thousand

Item	2023				2024				Up to the last quarter of 2025			
	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Net purchase percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	UNITECH	228,354	32	None	UNITECH	278,369	33	None	UNITECH	75,299	34	None
2	SPT	237,518	33	None	SPT	196,170	23	None	SPT	48,575	22	None
3	MING CHUN YUAN	84,220	11	None	MING CHUN YUAN	114,372	13	None	MING CHUN YUAN	37,114	17	None
4	DNP	69,975	10	None	DNP	187,789	22	None	DNP	39,862	18	None
5	ELITING	71,825	10	None	ELITING	61,360	Employees	None	ELITING	13,801	6	None
6	Others	29,355	4	None	Others	18,059	2	None	Others	6,110	3	None
	Net purchase amount	721,247	100		Net purchase amount	856,119	100		Net purchase amount	220,761	100	

Reason of change: Mainly due to different product portfolios.

2. Sales type:

Unit: NT\$ thousand

Item	2023				2024				Up to the last quarter of 2025			
	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer	Name	Amount	Net sales percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	Customer A	293,245	30	None	Customer A	284,056	25	None	Customer A	91,134	30	None
2	Customer B	111,649	12	None	Customer B	132,574	11	None	Customer B	34,514	11	None
3	Customer C	120,304	12	None	Customer C	117,696	10	None	Customer C	24,964	8	None
4	Others	451,199	46	None	Others	619,160	54	None	Others	150,539	51	None
	Net sales	976,397	100		Net sales	1,153,486	100		Net sales	301,151		

Reason of change: Mainly due to different product portfolios.

III. Employees

Number of employees, average service year, average age and educational level distribution ratio in the last two years and up to the publication date of annual report

		2023	2024	Up to April 30, 2025
Number of employees	Sales and marketing personnel	25	25	25
	Marketing support personnel	10	11	10

		2023	2024	Up to April 30, 2025
	R&D staff	12	13	13
	Administrative and management personnel	23	23	22
	Direct production personnel	0	1	1
	Total	70 years old	73	71
Average age		42.34	41.9	42.51
Average years of service		9.38	8.99	9.47
Educational background distribution percentage	Doctorate degree	5.7%	5.5%	5.4%
	Master degree	32.9%	30.1%	31.2%
	University and college	60.0%	63.0%	62.0%
	Senior high school and below	1.4%	1.4%	1.4%

#### IV.

##### Information on Environmental Protection Expenses

Any losses suffered by the Company in the most recent year and up to the annual report publication date due to environmental pollution (including compensation and violations of environmental protection laws and regulations found in environmental protection audit results), and an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

#### V. Labor-Management Relations

(I) The Company's employee welfare measures, continued education, training, retirement system and implementation thereof, and labor management agreement and various employee benefit protection measures status:

##### 1. Implementation of employee welfare measures

###### (1) Salary structure

Salaries are determined based on the factors of employees' past experience, abilities, and job requirements, and are higher than the average level of the industry.

###### (2) Bonus system

The overall remuneration is better than the industry average. The monthly salary and year-end bonus are basic pay. The Company's operating performance results are combined to plan a series of bonuses for motivating job enthusiasm of employees: operating performance bonus in the first half and second half of each year, the quarterly profit bonus, the annual business growth bonus, the new product bonus, the year-end performance achievement bonus, the employee profit sharing system for TWSE/TPEX listed companies, and the R&D project bonus, etc., allowing employees to share the outcome and achievements of the Company jointly. In addition, the performance of employees is closely linked to the performance of the department at 80%, in order to ensure that remuneration is highly linked to the performance. The

Company also allocates earnings to the employee bonus each year. The standards for distributing various bonuses are as follows:

Bonus type	Fixed bonus	Performance bonus			
	Year-end bonus	Operating bonus	Profit bonus	Department growth bonus	New product bonus
Recipients of the bonus	All employees	All employees	Sales Department	Sales Department	Sales Department
Distribution criteria	The distribution standard is two months of monthly salary (with deduction of meal allowance) during Chinese New Year holiday of each year.	The pre-tax EPS reached the target in the first half of the year	The sales personnel achieving monthly profit target, department net profit achievement rate reaching target	Department's annual growth of net profit	Accumulated gross profit reaching target
Distribution period	Annually	Semi-annually	Quarterly	According to year	Following month

(3) Smooth job promotion channel

The Company organizes two promotions each year to provide employees with proper career planning, and to enhance employees' loyalty and corporate recognition.

(4) Annual salary adjustment

All employees who have served the Company for one year are entitled to an annual salary increase. In addition to the reference of price index increase rate, the results of external salary comparisons are also taken into consideration as an important reference for salary increases, in order to ensure that the average salary income of employees is at least above the PR50 level in the market. Currently, the Company aims to achieve the goal of PR75 level in the market.

(5) Employee insurance

In addition to the statutory labor insurance and national health insurance, the Company has also applied group insurance for employees, including life insurance, accident insurance, accident medical insurance, illness medical insurance, and occupational accident insurance, etc. The Company also provides family members with preferential insurance premiums.

(6) Employee health promotion

Health examination: Employees are the most valuable assets of the Company. The dedicated department of the Company plans the health examination for half a day at the hospital, in order to let employees understand their own health. In addition, the Company has implemented additional health examination items for senior management, and special items are added to the health examination of the manufacturing and R&D department due to their special requirements of work, in order to maintain the health of colleagues and help them understand

their physical and mental condition as a reference for food choices and appropriate exercise items.

Health promotion activities: The Company organizes external road running activities for its employees every year. The Company held a tree planting activity in 2024, and employees from northern, central and southern Taiwan, including their relatives, participated in the activity. A total of 2.285 million walking steps were accumulated and 32 trees were planted in 2 months. The Company held a weight loss program in 2025 for a period of 3 months. For participants who have achieved a physical age younger than the actual age or is making progress, or have increased/decreased >3%, sports allowance was provided to these participants. The event then donated the entire weight loss in kg \* NT\$1,000 as charity donation. The event not only encourages employees to pursue a healthy lifestyle, but also expands the philosophy to the disadvantaged groups in the society.

- (7) Comprehensive enhancement of working environment to advanced level  
Employees' seats are replaced with ergonomic chairs for traditional chairs:  
Before the second quarter of 2023, the Company fully introduced supportive, comfortable, and durable ergonomic chairs to build a friendly working environment for employees to enjoy living and working, and to prevent health problems caused by prolonged sitting.  
Regular working environment monitoring and operation management:  
In December 2022, the Company entrusted an external labor department-approved work environment monitoring agency to conduct environmental monitoring to ensure that the workplace protection is adequate for colleagues. In the future, the Company will monitor the working environment and conduct operation management regularly.
- (8) Company trip  
The Company subsidizes at least NT\$10,000 per year for employees to organize domestic or overseas trips. Employees may elect their own domestic or overseas trips and the dedicated department will be seek and plan the best trips for employees, and their family members who participate in the trips can also enjoy the discount prices.
- (9) Family Day event  
Family Day is held annually. Employees and their dependents are invited to participate in the event. The event is also open to relatives and friends of employees. In addition to enhance the bonding among employees and cohesion to the Company, the recognition of the Company among the relatives and friends is also enhanced. In 2023, the Company organized the 30th anniversary celebration at a greater scale. A series of events were organized based on the theme of employees' physical and mental health for the participation of the employees and their families. In addition to sports events, road running, Jade Mountain climbing and moon lake swimming activities that were both healthy and challenging with great meaning were organized, In response to ESG concept on family day in 2024, the Company combined environmental protection and public welfare topics, and donated the relative amount of the government work-life balance subsidy and employee gifts received to employees to donate to environmental public welfare, and set a record of more than 100 participants. In 2025, the event was organized in an amusement park for the first time, and the number of participants exceeded 130, setting a new record high again!
- (10) Employee leave

In addition to the weekly regular holidays and annual leave provided by the Company according to the Labor Standards Act, new recruits who work for 30 days to 6 months are entitled to more than 3 days of annual leave superior to the regulations specified in the Labor Standards Act. The Company provides a flexible leave system superior to the industry standard. In addition annual leave status is provided to supervisors in order to understand and arrange leave for employees, thereby establishing a happy enterprise assisting employees to achieve a balance between work and living.

(11) Flexible working hours

In order to implement differentiated management of human resources, the Company adopts flexible working hours to give employees greater flexibility at work.

(12) Various employee benefits and allowances

The Company provides employees with wedding, funeral, celebration, emergency relief, birthday gift money, club activity subsidies, Dragon Boat Festival and Mid-Autumn Festival gift money and subsidies, and also distributes own gifts to employees irregularly.

(13) Employee satisfaction survey

The Company conducts satisfaction surveys on all welfare activities to ensure that the content of the activities is consistent with the needs of employees, and to make improvements based on employee suggestions, allowing colleagues to truly enjoy working.

2. Employees' continuing education, training and implementation status

(1) The Company has strong manpower resource, diversified works and distributed operating regions, such that the primary focus of the learning model is to plan flexible and diverse learning. In 2022, the learning platform was introduced to provide employees with diverse, timely, and flexible learning programs, in order to accelerate the improvement of job functions and the quality of employees.

(2) Organization of internal and external training courses:

In order to accommodate the Company's long-term development and improve the professional competence of employees, the Company plans relevant training courses for employees based on their professional and functional requirements, and invests in education and training expenses annually. Various management and technology R&D courses are organized, or employees are sent to relevant institutions for training or participate in mid- and short-term seminars, in order to enhance employees' knowledge, improve the overall quality of employees and the operation effectiveness.

(3) Subsidies to employees' on-the-job training

The Company encourages employees to pursue life-time learning, cultivate and keep up with the technological skills and knowledge, and enhance their practical experience and expand their relationships with others. The Company provides substantial tuition fee subsidies to potential talents enrolling the education and training courses of EMBA and on-job programs, etc. For employees enrolling in the doctorate program for education and training, the Company also provides flexible work attendance evaluation method according to their course schedules.

(4) Establishment of Reading Club

The Company prepares budgets and provides encouragement for employees to participate in reading clubs during working hours. Reading clubs allow them to learn more diverse perspectives and develop reading habits, which in turn help them improve their organizational and personal abilities.

- (5) Workplace improvement
 

In addition to formal training, the Company also places great emphasis on the on-job training and personal study. The ultimate goal is to strengthen the core competence and enhance the sustainable competitiveness.
3. The Company's working environment and employee safety protection measures
 

To manage employees' health, prevent occupational diseases and accidents, the Company complies with applicable laws and regulations, including the "Labor Safety and Health Act", "Rules of Labor Health Protection" and "Labor Standards Act" to implement the following operations, and also complies these laws and regulations, in order to ensure the safety of the working environment and employees:

  - (1) Labor safety and health management personnel and fire control personnel are set up in each office. Firefighting teams have been established, fire drills are conducted regularly, and outdated fire extinguishing equipment is replaced timely.
  - (2) The factory has established an environmental safety and health engineering team to be responsible for the planning of safety and health management related operations in the factory, including emergency accident handling and hazard prevention, protection equipment and emergency response equipment planning and management, chemical storage records and MSDS management, and regular inspections of the plant site.
  - (3) Implementation of regular health examination: The Company provides employees with health examination that is superior than the general labor health examination, in order to assist employees to perform health management. The Company regularly reminds employees to track any abnormal items to ensure employees' health.
  - (4) The "Labor Safety and Health Work Rules" have been established to regulate labor safety management.
  - (5) Emergency first-aid supplies and employee rest rooms are provided, and qualified first-aid personnel are also provided to handle first-aid affairs. In addition, the Company has also established "Guidelines for Prevention of Sexual Harassment in the Workplace" and complaint procedures in accordance with the "Gender Equality in Employment Act," and conducts online educational promotion of sexual harassment prevention annually.
4. Employee code of conduct or ethics
 

The Company has established the Work Rules and has signed labor contracts to be used as the guidelines for employees' conduct and ethics during their service period. Any employee who violates such rules will be subject to disciplinary action depending on the severity of the violation. The Company also links employees' performance evaluation system to the disciplinary actions. Its main content:

  - (1) Engaging in the conviction of unlawful negligence, strike, or public gathering to make illegal requests or intimidation against the Company, and such actions have been verified to be true.
  - (2) Engaging in private fraud, misappropriation or loss of funds, acceptance of bribes or commissions.
  - (3) Engaging in theft, gambling, drug abuse, sexual harassment or sexual harassment to colleagues, and such actions have been verified to be true.

- (4) Engaging in unethical conduct, illegal action, or negligence of duties such that the Company suffers material damage.
- (5) Engaging in external fraud under the name of the Company such that the Company's reputation is damaged.
- (6) Providing false signature of the superior officer or fraudulent use of the Company's seal or stamp without authorization for illegal benefit.
- (7) Threatening his/her superior officer or destroying or altering the Company's documents.
- (8) Participating in illegal organizations defined by the judicial authorities.
- (9) Violating the confidentiality of trade secrets, non-compete restriction, prohibition of agents or brokerage and intellectual property rights specified in the employment contract.
- (10) Engaging in drinking and causing disturbance to the work order in the Company.
- (11) Engaging in external job having conflict of interest with the Company, affecting the performance of the labor contract, and such violation is considered to be major.
- (12) Engaging in sexual infringement or harassment at work, indecent behaviors, causing damage to the Company's image, and such violation is considered to be major.
- (13) Other than the legitimate self-defense, engaging in fights or hitting of others at work.
- (14) Smoking or fire caused by smoking at non-smokers' areas.
- (15) Annual merits can be used to offset demerits; however, after offsetting, the record still indicates three major demerits.
- (16) Refuse (or fail to follow the advice) any assignment made in accordance with the contract/Work Rules, and there is evidence of behaviors insulting the superior officer publicly.
- (17) Misappropriation of company assets, and evidence of such violation is available.
- (18) Negligence at work or improper handling of important tasks, causing losses to the Company.
- (19) Disclosure of trade secrets, causing losses to the Company.
- (20) Requesting others or assisting others to scan cards (clock in at work), and such action is not the first time violation and is verified to be true.
- (21) Stealing of the Company's property or product, and such illegal action is verified to be true.
- (22) Counterfeit, modify or fraudulent use of the Company's seal for personal benefits, and such violation is verified to be true.
- (23) Posting or distributing seditious texts or books that may damage the labor-management relations, and such violation is considered to be major.
- (24) Engaging in violence threats or intimidation to colleagues, resulting in serious losses in production activities.
- (25) Assembling of others for claims but causing interference to the production order.

- (26) Leaving one's job position arbitrarily leading to major accident of the Company, and causing major loss of the Company.
- (27) Carrying prohibited items (such as knives, guns, explosives, etc.) specified in the government laws and regulations, that are harmful to the Company's property or employees' safety, or smoking or using fire in the non-smoking areas
- (28) Establishing labor relations with other parties at the same time, and such violation is verified to be true.

5. Retirement system and implementation status

- (1) Since July 1, 2005, for new recruits and employees who have chosen the pension plan under the Labor Pension Act, 6% of their monthly salary is contributed to their individual pension account at the Bureau of Labor Insurance.
- (2) For employees who choose to apply the old pension system and to maintain the old system's seniority, the Company contributes 2% of their monthly salary as a labor pension reserve fund, which is deposited in a pension reserve account at the Central Trust of China, in order to protect employees' living.
- (3) The Company retains actuary to determine whether the contribution of the employee's pension reserve is sufficient and to plan appropriate contribution rate, in order to make appropriation according to the actuarial result.
- (4) The Company has established the Regulations Governing the Retirement of Employees and has established the Pension Reserve Supervisory Committee. The employee retirement criteria are determined in accordance with Article 53 and Article 54 of the Labor Standards Act. The procedures are as follows:
  - A. Retirement application  
Employees who apply for retirement voluntarily shall fill out the application form for retirement. For compulsory retirement, the application form is filled out by the human resource unit for retirement.
  - B. Pension review and approval  
After being reviewed by the managers at all levels and the Administration Department, the proposal is submitted to the President/Chairman for approval.

C. Retirement application

Before leaving the office, employees are required to complete the resignation according to the resignation procedure, and all handover procedures must also be completed. The direct supervisor shall supervise the completion of the work and finance, the transfer of property, and the repayment of any loan and expenditure.

D. Issuance of pension

The issuance of employee pension is made within one month from the effective date of retirement.

- (5) In view of the long-term contributions and stable participation of the senior employees, the Company's pension system of 2025 is better than the pension system under the Labor Standards Act, and the senior employees are allowed to settle the seniority under the old system', to collect the pension under the old system or to deposit in the new system's pension account, such that the employees can use the fund more flexibly, which also demonstrates the Company's appreciation to the senior employees.

6. Status of agreements between labor and management

The Company has properly implemented all systems, and has been able to maintain harmonious labor-management relations without any labor disputes. There has been no occurrence of agreements engaged between labor management.

7. Employee benefit protection measures

The Company is in the industry to which the Labor Standards Act is applicable. The Company duly complies with the Labor Standards Act in all operations. In order to promote the cooperation of labor and management and to improve the work efficiency, the Company convenes labor-management meetings regularly in accordance with the Regulations for the Implementation of Labor-Management Meetings, in order to exchange opinions between the employer and the employees, and to cooperate with each other.

- (II) For most recent year and up to the printing date of the annual report, the loss due to labor-management disputes, including violation of the Labor Standards Act found in the labor inspection result, and possible current and future loss estimated amount and countermeasures:

Since the establishment of the Company, the labor management relationship is harmonic, and there are no events of loss due to labor management dispute. It can be expected that the probability of loss due to labor-management dispute is very unlikely.

## VI. Cyber Security Management

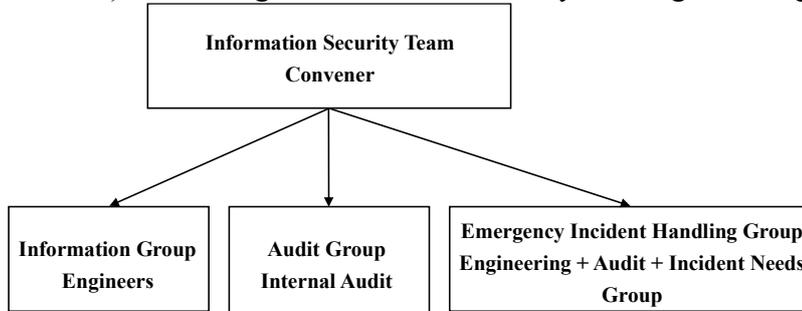
- (I) Information on cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management

1. Cyber security risk management architecture

- (1) The Company has established the cyber security team to implement the management of cyber security. The team consists of the information security officer, information security specialists, information engineering personnel, and audit personnel of the audit team. The cyber security team is responsible

for supervision, maintenance, and audit. For information security management, please refer to the description in the following six paragraphs.

- (2) Implementation of cyber security team:
  - 1) Establishment and supervision of cyber security standards.
  - 2) Execution and coordination of cyber security.
  - 3) Handling and monitoring of emergency cyber security incidents.
  - 4) Review and improvement of cyber security incidents.
  - 5) Execution and audit of information security matters.
  - 6) Convening of information security meetings on a regular basis.



**Convener:** Information Security Supervisor

**Engineers:** Information Security Specialists and Information Department Members

**Internal Audit:** Composed of the Company's Audit Personnel

**Incident Needs Group:** Temporarily formed based on incident needs

- (3) The audit team of the Company is the audit unit for the information security monitoring. In case of discovery of any deficiencies during audit, the unit under inspection is requested to submit relevant improvement plan and report to the board of directors, and periodic follow-up on the improvement outcome is also performed, in order to reduce internal information security risk.
- (4) Information security works - adopt the PDCA (Plan-Do-Check-Act) cycle type of management, in order to ensure the achievement of reliability goal and continuous improvement.

## 2. Cyber security policy

In order to ensure the security and stable operation of the Company's information and communication, to provide reliable information and communication services, and to successfully promote the Company's various businesses, the Company's information and communication security policy will implement the following policy principles.

- (1) Considering both information security and convenience of use.
- (2) Avoiding internal and external information security risks.
- (3) Ensure the stability of the service.
- (4) Achieving corporate sustainable operation.

## 3. Specific management plans

In response to the frequent information security incidents in recent years, the Company has strengthened management mechanisms for various information systems and rules. The specific plans are as follows:

- (1) The user equipment usage rules are established to isolate and restrict the usage environment and network access rights of private equipment and company equipment, and unauthorized equipment is strictly prohibited from the use of the internal network, and external storage devices such as flash drives must be tested before they can be used on the Company's computers.
- (2) Personal computers and information servers are regularly scanned for viruses, update security is performed regularly, and the scan for vulnerabilities in the

Company's major information systems is conducted annually to repair security vulnerabilities.

- (3) Enhance the frequency of data backup and the storage of data off-site.
- (4) Strengthen the information security concept of employees, regularly promote the information security concept and case sharing to employees through regular meetings, announcements, and corporate intranet. Employees are informed to not open any suspicious data and emails, in order to avoid social engineering attacks.
- (5) Participate in the information security defense alliance organization and regularly participate in information security related seminars, and enhance information security and protection knowledge via information security information sharing, in order to prevent information isolation that may cause protection vulnerabilities.

4. Resources invested for cyber security management

The Company continues to invest in information security and data protection, and personal data protection and other related operations. The resources include the safety infrastructure with sound governance and technology, strengthening information security defense equipment, and education and training, etc. The Company reviews the Company's information security protection status annually, updates information security protection equipment in a timely manner, and optimizes the protection effect.

5. Implementation results of information security in 2024:

- (1) The information system incident recovery simulation drill was conducted once a year with a completion rate of 100%.
- (2) Information security advocacy and information security advocacy were conducted quarterly, and four times a year, with a completion rate of 100%.
- (3) The information security staff participated in the information security related seminars or training, twice a year, with a completion rate of 100%.
- (4) The Company commissioned an external contractor to conduct a vulnerability examination and repair for the mainframe, and the rate of completion was 100%.
- (5) The outsourced vendors implemented the social engineering and information security protection drill, and the completion rate is 100%.

- (II) For the most recent year and up to the printing date of the annual report, the loss due to major cyber security events, possible impacts and countermeasures: None.

## VII. Important Contracts

Information on the contracting parties, main content, restrictive clauses and contract start/end date of supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts sufficient to affect the rights and interest of shareholders that are still valid up to the printing date of the Annual Report and expired in the most recent year.

Nature of contract	Involving Party	Contract start/end date	Main content	Restrictive clauses
Sales agency contract	Hitachi Cable, Ltd.	1995.10.1 Contract continues to be valid when neither party raises objections	Lead frame TAB Tape for BGA TCP/COF Tape	Region of agency: Taiwan and specific regions in China
Sales	Hitachi Cable Asia	2006.8.25 - 2007.8.25	Lead frame products	Region of

Nature of contract	Involving Party	Contract start/end date	Main content	Restrictive clauses
agency contract	Ltd. (Philippine Branch)	Contract continues to be valid when neither party raises objections		agency: Taiwan R.O.C.
Sales agency contract	SPT ASIA PTE. LTD.	2008.10.1 Contract continues to be valid when neither party raises objections	Wire Bonding Capillary/Die Attachment Tools/Bonding Wedge	Region of agency: Taiwan R.O.C.
Sales agency contract	UNITECH TECHNOLOGY YEH CORPORATION	2019.01.1~2021.12.31, Contract continues to be valid when neither party raises objections	CHIP TRAY/Reel/FMC Lid	Region of agency: Taiwan R.O.C.
Sales agency contract	ELITING TECHNOLOGY CORPORATION	2019.01.1~2021.12.31, Contract continues to be valid when neither party raises objections	Embossing tape	Region of agency: Taiwan R.O.C.
Sales agency contract	DNP Taiwan Co., Ltd.	2005.5.1 Contract continues to be valid when neither party raises objections	Metal mask Lead frame Substrate	Region of agency: Taiwan R.O.C.
Sales agency contract	SOLVAY FLUOR KOREA	2009.9.1 Contract continues to be valid when neither party raises objections	Special Gas	Region of agency: China
Sales agency contract	Shinryo Corporation	2007.09.1 Contract continues to be valid when neither party raises objections	Reclaimed wafer	Region of agency: China
Sales agency contract	Hitachi Cable Asia Pacific (HCAP) PTE ,Ltd.	2010.11.1 Contract continues to be valid when neither party raises objections	Lead frame	Region of agency: Taiwan R.O.C.
Sales agency contract	SIMMTECH CO., LTD	2018.11.1 - 2020.12.31, Extended automatically and annually upon contract expiration	Substrate	Region of agency: Taiwan R.O.C.
Sales agency contract	Eastern Co., Ltd.(STG)	2018.11.1 - 2020.12.31, Extended automatically and annually upon contract expiration	Substrate	Region of agency: Taiwan R.O.C.
Sales agency contract	KEYSTONE SCIENTECH CO., LTD.	2024/01/01-2024/12/31 Extended automatically and annually upon contract expiration	Flat display related materials	Region of agency: China
Sales agency contract	GHM Co., Ltd. Truly Co., Ltd.	2021/02/18-2024/02/1 Extended automatically and annually upon contract expiration	Tape	Region of agency: Taiwan and China
Sales agency contract	Jin Li Industrial Co., Ltd.	2023/11/01-2025/10/31 Extended automatically and annually upon contract expiration	Semi-conductor process equipment vacuum valve and related vacuum parts	Region of agency: Taiwan and China
Sales	Suzhou Sail Science	2023/08/01-2026/07/31	Semi-conductor	Region of

Nature of contract	Involving Party	Contract start/end date	Main content	Restrictive clauses
agency contract	& Technology Co., Ltd.	Extended automatically and annually upon contract expiration	wafer thinning ring, grinding head and packaging cutting related tools, related parts	agency: Taiwan R.O.C.
Sales agency contract	SIMMTECH INTERNATIONAL PTE. LTD.	2023/04/01-2024/02/28 Contract expiration with renewal agreement under negotiation process	Substrate	Region of agency: Taiwan R.O.C.
Sales agency contract	TTOP CORP.	2024/05/01-2027/04/30 Extended automatically and annually upon contract expiration	Sintering silver paste related products	Region of agency: China
Sales agency contract	VacuumALL Co., Ltd	2023/09/01-2026/08/31 Extended automatically and annually upon contract expiration	Vacuum Isolation Valves related products Vacuum Isolation Valves related products	Region of agency: Taiwan and China
Sales agency contract	NOVASEN Co., Ltd	2023/04/01-2025/03/31 Extended automatically and annually upon contract expiration	Vacuum Control Valves related products	Region of agency: Taiwan and China

## Five. Review and Analysis of Financial Status and Financial Performance and Risk Management

### I. Financial status

Unit: NT\$ thousand

Item	Year	2024	2023	difference	
				Amount	%
Current assets		951,281	918,214	33,067	3.60
Financial assets at fair value through other comprehensive income - non-current		57,076	64,603	(7,527)	(11.65)
Investment accounted for under the equity method		195,834	198,831	(2,997)	(1.51)
Property, plant and equipment		286,419	223,341	63,078	28.24
Intangible assets		102	623	(521)	(83.63)
Other assets		21,794	24,688	(2,894)	(11.72)
Total assets		1,512,506	1,430,300	82,206	5.75
Current liabilities		405,531	314,270	91,261	29.04
Non-current liabilities		32,690	29,561	3,129	10.58
Total liabilities		438,221	343,831	94,390	27.45
Equity attributable to owners of the parent company		1,074,285	1,086,469	(12,184)	(1.12)
Share capital		449,969	441,146	8,823	2.00
Capital reserve		261,106	261,106	0	0.00
Retained earnings		387,038	394,683	(7,645)	(1.94)
Other equity		(23,828)	(10,466)	(13,362)	127.67
Non-controlling interests		0	0	0	0.00
Total equity		1,074,285	1,086,469	(12,184)	(1.12)
Analysis and explanation for the change in the percentage reaching 20% and above, and the amount of change reaching NT\$10 million:					
1. Property, plant and equipment Mainly due to the increase in the purchase of unfinished construction of the headquarters, resulting in an increase of property, plant and equipment.					
2. Current liabilities: Mainly due to the increase in accounts payable in the current period, resulting in an increase in current liabilities.					
3. Total liabilities: Mainly due to the increase in accounts payable in the current period, resulting in an increase in current liabilities and total liabilities.					
4. Other equity: Mainly due to the recognition of the fair value of the investees in the current period, resulting in a decrease of valuation recognized.					

### II. Financial performance

- (I) Main reasons for major changes in operating income, net operating profit and net profit before tax in the most recent two years

Unit: NT\$ thousand

Item	2024	2023	Amount of increase (decrease)	Change ratio %
Net operating income	1,153,486	976,397	177,089	18.14
Operating cost	868,560	720,641	147,919	20.53
Gross profit	284,926	255,756	29,170	11.41
Operating expenses	206,633	180,477	26,156	14.49
Operating profit	78,293	75,279	3,014	4.00
Non-operating income and expenses	65,185	36,565	28,620	78.27
Net income before tax	143,478	111,844	31,634	28.28
Income tax expense	36,026	18,299	17,727	96.87
Net income of the current year	107,452	93,545	13,907	14.87

Analysis and explanation for the change in the percentage reaching 20% and above, and the amount of change reaching NT\$10 million:

1. Increase in operating costs: Mainly due to the increase in sales revenue, resulting in an increase in operating costs.
2. Increase in non-operating income and expenses: Mainly due to the increase in profits of the value-added investee and gain from exchange.
3. Increase in net income before tax: Mainly due to the increase in exchange gain and investment gain from non-operating income and expenses.
4. Increase in income tax expense: Mainly due to the recognition of income tax expense from the repatriation of earnings of the value-added re-investments.

(II) Expected sales quantity for next year and basis thereof, and the possible impact on the future financial business of the Company and responsive plan: Please refer to the content on page 3 of this annual report, 2024 Business Plan Overview, for details.

### III. Cash flow

(I) Analysis of cash flow change for the most recent year:

	December 31, 2024	December 31, 2023	Increase (decrease) ratio
Cash flow ratio (%)	21.82%	50.49%	(56.79)%
Cash flow adequacy ratio (%)	103.72%	113.69%	(8.77)%
Cash reinvestment ratio (%)	(1.12)%	(0.76)%	46.42%
Decrease in cash flow ratio: Mainly due to the increase in accounts payable, resulting in an increase in current liabilities and a decrease in cash flow ratio. Decrease in cash reinvestment ratio: Mainly due to the cash outflow from operating activities and the effect of distribution of cash dividends.			

(II) Improvement plan for insufficient liquidity: None.

(III) Cash liquidity analysis for the next year:

Unit: NT\$ thousand

Cash balance at	Net cash flow from operating	Net cash inflow	Cash surplus	Remedial measures for cash flow deficit

the beginning of the period	activities for the whole year	(outflow) for the whole year	(deficit) amount	Investment plan	Financial management plan
333,159	(6,349)	59,782	386,592	-	-

#### IV. Impact of Significant Capital Expenditures in the Most Recent Year on the Financial and Operating Conditions of the Company

- The Company's Board of Directors resolved to purchase the headquarters of the enterprise for business development in March 2024. The total contract price was NT\$371,580 thousand, and the unfinished construction of NT\$65,885 thousand was recognized on December 31, 2024 according to the payment schedule.
- It is a pre-sale house, and the amount of payment and payment period are as follows:

Items	Amount	Payment
15% Upon Booking, Signing, and Launch	55,730,000	2024/3
15% Construction Payment	55,760,000	2024~2027
65% Payment Upon Home Handover	241,520,000	2028Q1 handover
5% Retention Payment	18,570,000	2028Q1
Total	371,580,000	

- Propose to use the Company's own funds for the purchase. If the working capital is insufficient in the next four years, the Company may use the asset to apply for financing or use it as collateral for loans. Therefore, the source of fund is secured.
- Based on the bank financing, the debt ratio is approximately 35% in 2028, and the financial structure is stable.

#### V. Investment policy for the most recent year, main causes of profits or losses, improvement plans and investment plans for the next year

Unit: NT\$ thousand

Investment business	Initial investment	Policy	Main cause of profit or loss	Improvement plan	Other future investment plans
Advanced Corporation	45,496	Investment holding	Good	Not applicable	Depending on the operating condition
STNC Corporation	44,506	Planning of future business expansion in China	Profitability is good		
Enplas Corporation	52,621	Diversified business management	Profitability is good		In response to the adjustment of the global strategic deployment of the parent company Enplas, the Company plans to sell 527,400 shares.
APET Corporation	20,362	Expand product lines and secure agency rights	Profitability is good		Depending on the operating condition

Investment business	Initial investment	Policy	Main cause of profit or loss	Improvement plan	Other future investment plans
ELITING TECHNOLOGY CORPORATION	3,359	Great future outlook on the potential development of Emboss Tape market	Profitability is good		
GST Corporation	11,669	Planning of future business expansion in China and Japan	Profitability is good		
SAR technology Inc.	4,350	The business of OEM foundry is not monopolized and investment is made based on the cost concern	The initial stage of establishment and technology R&D is under process.	Technology has been certified, and waiting for the customer orders	
PRECISION CHEMTECH COMPANY LIMITED	27,200	Expand the product line of front-end special gas for semiconductors	The revenue scale is currently insufficient to cover expenses, and is operating at a loss	Continue to monitor operational risks	

## VI. Risks in the most recent year and up to the printing date of the annual report

(I) Impact of interest rate, exchange rate fluctuation and inflation condition on the profit/loss of the company and future countermeasures

1. Impact on the Company's profit (loss)

(1) Interest rate:

Title	2024 (NT\$ thousand)	As a percentage of net sales
Interest income	6,097	0.53%
Interest expense	523	0.05%

No loan at the end of 2024. The current central bank policy is to maintain price and financial stability, and to promote economic growth while maintaining a stable interest rate. In addition, the Company has the characteristics of rapid cash inflow and fast repayment, such that changes in interest rates have no significant impact on profit or loss.

(2) Exchange rate:

Title	2024 (NT\$ thousand)	As a percentage of net sales
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Exchange gain	20,804	1.80%
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Approximately 54%-59% of the Company's sales and approximately 45%-46% of the cost are mainly affected by exchange rate fluctuations. Changes in net loss before tax due to a 5% increase and decrease in NTD against USD.

	2024 (NT\$ thousand)
USD	<u>\$ 19,711</u>

(3) Inflation:

The Company pays attention to the fluctuation of the market price at all time. If inflation is 1%, the Company's expenses will increase by approximately NT\$2,066 thousand.

2. Future countermeasures:

(1) Interest rate:

The Company maintains good credit relationships with its banks and has sufficient financing facilities. The Company's interest rate risk arises primarily from long-term and short-term liabilities. The Company's borrowings are mainly for operational turnover and hedging. In addition to closely monitoring of the changes in the capital market, the Company also regularly collects interest rate information, in order to take appropriate countermeasures in a timely manner to reduce interest rate risks.

(2) Exchange rate:

Most of the products sold by the Company are agency products of electronic parts and equipment from foreign companies and then sold to domestic companies. Therefore, changes in exchange rates can cause risk to the Company. The Company's current plans are as follows:

- 1) In principle, the Company adopts the payment and collection in the original currency for the main purchase and sales, and achieves the natural hedging effect via offsetting between regular purchase and sales accounts.
- 2) The case handler collects the information related to exchange rate changes at all time, in order to fully grasp the trend of exchange rate and determine the exchange rate,  
Thereby reducing operational risks.
- 3) The Company utilizes the domestic and foreign exchange hedging operation, in order to reduce the risk caused by exchange rate fluctuations.

(3) Inflation:

The Company monitors the market price fluctuation at all time and maintains excellent interaction and relationship with suppliers and customers.

(II) Policies on engaging in high risk, high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main causes of profit and loss as well as future countermeasures:

1. High risk and high leverage investments or transactions involving loaning fund to others and making endorsements/guarantees in most recent year  
The Company handles such matters according to the "Procedures for Loaning Funds to Others and Providing Endorsements/Guarantees". Up to the printing date of the annual report, the Company has not engaged in loaning funds to others and providing endorsements/guarantees.
2. The Company establishes forward exchange contracts to reduce the risk of exchange rate fluctuations in foreign currency transactions based on hedging considerations.

- (III) Future R&D plan and expected investment in R&D budget:  
Please refer to (III)Technology and Research and Development Overview of Business Overview on page 49. The estimated R&D expense to be invested in 2025 is NT\$39,495 thousand.
- (IV) Impacts of domestic/foreign important policies and changes of laws on the financial business of the company and countermeasures  
The management of the Company will monitor important domestic and foreign policies and regulatory changes, and will also implement countermeasures in a timely manner.
- (V) Impacts of changes in technology (including cyber security risk) and industry on the financial business of the Company and countermeasures  
The Company pays close attention to the development and evolution of technologies in the semiconductor, optoelectronics, and green energy industries at all time, and also evaluates and develops technologies meeting the market trend. In recent years, due to the impact of COVID-19, the trend of remote working and home economy business opportunities have been promoted. Furthermore, The 5G industry has officially entered the mass production stage, making significant impart and expanding the business opportunities to the semiconductor and optoelectronics industries of the Company. Although it also poses challenges the stability of supply, it is still beneficial to the Company's finance and business.  
For information security aspect, the Company has established a complete network and computer system management mechanism to meet the requirements of stakeholders and relevant laws and regulations. In addition, the Company also cooperates with the risk assessment of the audit institution and regularly assesses information security risks annually. Through system upgrade and information security enhancement, the Company's information security and long-term competitiveness are maintained effectively.  
In recent years, the occurrence of information security incidents has become frequent. In addition to the aforementioned systems and measures, the Company has also commissioned professional vendors to conduct system vulnerability detection and protection enhancement measures annually, and has also implemented irregular information security educational promotion, in order to establish a multi-level rigorous protection mechanism and to implement strict information security control. As of the printing date of the annual report, the Company has not been affected by technological changes (including cyber security risks) on the Company's financial operations.
- (VI) Impacts of change of cooperate image on the cooperate crisis management and countermeasures  
Since the establishment, the Company has been actively strengthening its internal management and setting its core values. The Company has established a proper corporate image and has not yet experienced any corporate image crisis. In the future, the Company will strictly comply with all requirements of corporate governance, in order to reduce the risk of corporate crisis due to corporate image changes .
- (VII) Expected benefit, possible risk and countermeasure for merger and acquisition  
The Company has not engaged in any merger or acquisition in the most recent year and as of the printing date of the annual report. In the future, when the Company evaluates and executes the aforementioned related plans, the Company will also follow the relevant rules of the Company as well as relevant laws and regulations.
- (VIII) Expected benefit, possible risk and countermeasure for expansion of facilities

The expansion and additional construction of plants and facilities of the Company are performed based on the feasibility evaluation conducted by relevant technical teams and according to procedures of the Company, and financial analysis is also implemented to handle possible risks. In addition, relevant response measures have also been prepared and established properly.

(IX) Risks faced during material incoming or sales concentration and responsive measures

1. Purchase

The agency contracts of the Company are mostly executed with the priority terms for renewal automatically upon contract expiration, and the agency products are in industries of high technical level. The suppliers and customers have a high dependence on the Company, and it is difficult for competitors to enter the market. Among the top ten manufacturers, SPT, UNITECH, MING CHUN YUAN and DNP have accounted for more than 10% of the purchase amount, and the purchase ratio of other suppliers have all accounted for less than 10%. In addition, the Company also expands new agency products annually, such that the source of its sales is diversified, and the Company's growth will not be affected by the failure of one or two product lines; therefore, it is expected that there is no material risk.

For the Company's agency products of capillary from SPT, it is a world first class manufacturer, and it is able to provide small quantity manufacturing and customized services, in order to meet the just-in-time service demands of more than 100 customers. The Company's high professionalism can assist customers to obtain suitable capillary tools efficiently.

In addition, to expand the market of Emboss Tape, the Company has invested approximately 12% of the equity of ELITING TECHNOLOGY CORPORATION established by one of the suppliers, UNITECH TECHNOLOGY YEH CORPORATION, in order to strengthen the cooperation with UNITECH TECHNOLOGY YEH CORPORATION.

2. Sales

In the last two years, only three major customers have reached 10% of the Company's net operating revenue, and the sales are still quite dispersed.

Therefore, the Company is not facing the risk of sales centralization.

(X) Impacts, risks and countermeasures of directors, supervisors or shareholders with shareholding percentage exceeding 10%, large equity transfer or change on the company:

There has been no significant transfer of shares by directors or major shareholders with more than 10% of shareholding percentage in the most recent year and up to the printing date of the annual report. The Company's management is stable.

(XI) Impacts, risks and countermeasures of change in management rights:

The Company has been operating steadily and making profits. There has been no significant transfer of shares by directors, supervisors, or major shareholders with more than 10% shareholding percentage in the most recent year and as of the printing date of the annual report. The Company's management is stable.

(XII) Litigation or non-litigation events: None.

(XIII) Other significant risks and countermeasure: None.

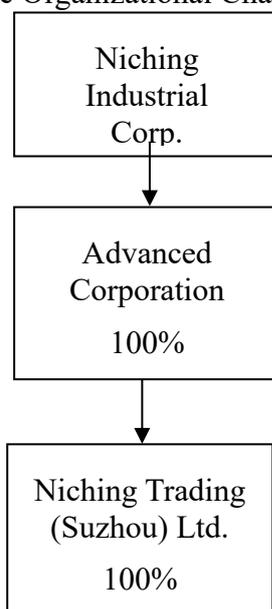
**VII. Other important matters: None.**

## Six. Special Disclosure

### I. Information related to affiliated enterprises

#### (I) Consolidated Business Report of Affiliated Enterprises

##### 1. Affiliated Enterprise Organizational Chart



##### 2. Affiliated enterprise basic information

Unit: NT\$ thousand

Enterprise name	Establishment date	Address	Paid-in capital	Main business item
Advanced Corporation	2001/08/02 (90/08/02)	Offshore Chambers.P.O.Box 217, Apia, Samoa.	NT\$57,948 (US\$1,800)	General investment and import and export business
Niching Trading (Suzhou) Ltd.	2002/01/30 (91/01/30)	Unit 03/04, 1F, Building C, No. 5, Xinghan Street, Suzhou Industrial Park	NT\$64,492 (US\$2,100)	Wholesale, import/export, commission agency (excluding auction) and related business of equipment, materials and spare parts required for the manufacturing of semi-conductor, optoelectronics, electronics and machinery products.

##### 3. Overall operation of the affiliated enterprises

###### (1) Industries covered by the business operated by the overall affiliated enterprises:

The overall affiliated enterprises mainly engage in the business of semiconductor, optoelectronics, and green energy channel distributions.

###### (2) For overall affiliated enterprises with business relation to each other, the status of business dealing allocation shall be explained: The sales of products between Company and each affiliated enterprise is to provide more efficient services to customers with supporting services for each other, and commissions are paid and collected according to the gross profit.

4. Information of directors, supervisors and presidents of affiliated enterprises

Unit: thousand shares; %

Enterprise name	Job title	Name or Representative	Shareholding	
			Number of shares	Shareholding percentage
Advanced Corporation	Director	Niching Industrial Corp,	1,800	100%
Niching Trading (Suzhou) Ltd.	Chairman	Hung-Chi Chang	-	100%
	Director	Chun-Hui Chang		
	Director/President	Tao-Ching Huang		
	Supervisor	Chih-Fang Chiu		

5. Operation summary of each affiliated enterprise

Unit: NT\$ thousand

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current Income (Loss) after tax	Earnings per share after tax (NTD)
Advanced Corporation	57,948	48,400	621	47,779	180	(2,914)	646	N/A
Niching Trading (Suzhou) Ltd.	64,492	34,427	4,392	30,035	20,929	(59)	2,94	N/A

Note: N/A: Since it is a limited liability company, the calculation of earnings per share is not applicable.

(II) Consolidated Financial Statements of Affiliated Enterprises:

In 2024 (from January 1 to December 31, 2024), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

(III) Affiliation Report: None.

**II. Any Private Placement of Securities within the Latest Fiscal Year and as of the Date of the Annual Report: None.**

**III. Additional Information Required to be Disclosed: None.**

**Seven. For the most recent year and up to the printing date of the annual report, events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act: None.**