

泰詠電子股份有限公司 TOP UNION ELECTRONICS CORP.

2024 Annual Report

Printed on May 4, 2025

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|----------------------------|--------------------------------|
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| Spokesman: James Wang | |
| Title: General Manager | Title: Chief Financial Officer |
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- Headquarter and Plant

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Tel.: (03)538-6139

Plant: No. 480, Nioupu E.Rd., Hsinchu

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- Stock Transfer Agency

Stock Agency Department of SinoPac Securities

Address: 3F., No. 17, Po Ai Road, Chong Cheng District, 100, Taipei

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Tel.: (02)2381-6288
- CPA for the most recent annual financial report

Names of CPAs: Shin-Tong Lin, Ming-Hui Chen

Name of CPA Firm: Deloitte Taiwan

Address: 6F, Allied Association Industries No. 2, Zhanye 1st Rd., Hsinchu Science Park East Dist., Hsinchu

Web: <http://www.deloitte.com.tw>

Tel.: (03)578-0899
- Venue for trading the Company's listed overseas securities and inquiry method for such overseas securities: None
- Company website: <http://www.topunion.com.tw>

Top Union Electronics Corp.

TABLE OF CONTENTS

I. Letter to Shareholders.....	1
II Corporate Governance Report	6
III. Capital raising.....	41
IV. Operational Highlights.....	46
V 、 Review and Analysis of Financial Position and Financial Performance and Risk Analysis	70
VI. Special Notes.....	75
VII. For the most recent year and up to the date of publication of the annual report, there were no events that had a significant impact on shareholders' equity or the price of securities as defined in Article 36.3.2 of the Securities and Exchange Act: None.....	75

I. Letter to Shareholders

In 2024, Taiyong Electronics recorded annual revenue of NT\$3.27 billion, representing a 10.7% decline compared to 2023. Despite the revenue downturn, net profit after tax surged by 28.2%, achieving a record high of NT\$380 million.

In the past, management was defined by standards, benchmarking, expectations, and performance evaluations. Today, however, it often lacks rationality and accountability, becoming a unilateral exercise of authority. Courage without strategy may bring chaos tomorrow and harm in the days to come. In a democracy lacking true democratic practice, in a nation where integrity is questionable, enterprises find themselves navigating uncertainty with caution and concern. Only through greater transparency, openness, and adaptive strategies can we secure sustainable profitability.

Despite the revenue decline in 2024, the Company has made modest yet meaningful progress in enhancing our service capabilities. As markets grow increasingly dynamic and are further complicated by escalating, unchecked geopolitical tensions, are reactive measures truly the most effective strategy? At Taiyong, we believe that sustainable operations must not be driven by haste or speculation. Instead, we remain committed to steady, principle-based management. Our goal is to earn capability, win customers, and build long-term, resilient strength—and profit.

In 2024, the Company's performance—both in revenue and profit—was once again primarily driven by our Taiwan operations. Meanwhile, our Shanghai and Suzhou facilities continued to face headwinds from escalating U.S.-China trade tensions and a sluggish economy, resulting in ongoing revenue decline. Adapting to these realities through localized market strategies and operational restructuring is no longer optional—it's urgent and necessary.

Looking ahead, 2025 is poised to be a year of extraordinary upheaval. What initially feels shocking will soon become the norm, as shifting geopolitical dynamics redefine the foundations of global trade and alliances. In such unpredictable times, traditional production and sales models are being disrupted by tariff barriers, dealing real blows to both the economy and everyday life. With inflation and rising interest rates, there are no winners—only survivors. In this landscape, the Company remains committed to serving premium clients with strong fundamentals and high adaptability. By continually breaking through barriers and pressing forward despite challenges, we aim to chart new ground and achieve meaningful progress.

The following is a summary of the company's recent operating status and management.

Operation: The Company remains focused on enhancing and refining its service capabilities, guided by customer trust and reliance. Through solid and steady sustainable profitability, we aim to repay shareholders for their enduring trust and support!

External competition: In the face of geopolitical tensions, populist narratives—often self-consistent yet powerful—have catalyzed our resilience and agility through turbulent times. To seize new opportunities, the winning strategy lies in building greater systems with higher efficiencies, ensuring a keen understanding and fulfillment of customer needs. By combining innovation with proven strengths and providing unparalleled, personalized service, we strive to become not only the preferred but also the sole strategic partner for our customers!

Enhancing organizational effectiveness: Whether shaped by a traditionally conservative environment marked by passivity, or by the proactive expansion enabled through empowered leadership, the ability to forge a new path forward hinges on the synergy of all team members. Wisdom drives excellence—through shared learning and mutual growth, we create opportunities for the development of collective intelligence. With a pragmatic approach and a focus on foundational strength, we align our organizational momentum toward a common goal!

The future development strategy of the company: Our strategy is grounded in the willingness and capabilities of our team members. With clearly defined personal roles and developmental goals, each step taken reflects our ambition and achievements. Enhancing individual competencies directly strengthens the Company's ability to serve customers and gradually builds a robust foundation for shared success!

Regulatory environment: The Company adheres to the highest standards, both stringent and demanding. This enables our team to focus more precisely on cultivating and elevating professional expertise. Compliance with regulations and a firm commitment to environmental responsibility are essential elements in our pursuit of shared progress and prosperity!

Overall business environment: The ongoing U.S.–China tensions and the disruption caused by "MAGA" have stirred the global landscape. A new world order is emerging—one that necessitates new key players. As the dynamics of U.S.–China relations evolve and the era of unbridled “free trade” gives way to a reality grounded in power and capability, now is the ideal moment to seize opportunities rooted in strength!

As another spring arrives, we take comfort in seeing our efforts take root and bear fruit. We sincerely thank you for your trust and continued support of Taiyong Electronics. Guided by our unwavering belief in integrity and service, we will continue to deliver professional excellence and capability, striving to serve more exceptional clients and translate our efforts into tangible business results. Once again, and always—thank you.

Sincerely,

Chairman: Vincent Tsuei

Manager: James Wang

Accounting supervisor: Vicky Chou

1. 2024 Business Report

(1) Implementation results of the business plan

The company's consolidated net revenue in 2024 is NT\$3,269,827 thousand, an decrease of 10.67% from NT\$3,660,315 thousand in 2023. In terms of consolidated annual net profit, the net profit after tax in 2024 is NT\$380,580 thousand, an increase of 28.25% compared with the 2023 tax revenue of NT\$296,739 thousand.

The consolidated profit and loss of the company in 2024 is as follows:

Unit: NT\$ thousands

Item	2024		2023		Increase or decrease amount	
	Amount	%	Amount	%	difference	Increase or decrease%
Operating revenue	3,269,827	100.00	3,660,315	100.00	(390,488)	(10.67)
Cost of revenue	2,652,144	81.11	3,110,327	84.97	(458,183)	(14.73)
Gross profit	617,683	18.89	549,988	15.03	67,695	12.31
Operating expenses	215,844	6.60	206,470	5.64	9,374	4.54
Income from operations	401,839	12.29	343,518	9.38	58,321	16.98
Total non-operating income	78,479	2.40	44,055	1.20	34,424	78.14
Income before tax	480,318	14.69	387,573	10.59	92,745	23.93
Income tax expense	99,738	3.05	90,834	2.48	8,904	9.80
Net income	380,580	11.64	296,739	8.11	(390,488)	(10.67)
Basic earnings per share (NT\$)	2.62	-	2.05	-	(458,183)	(14.73)

(2) Budget implementation

In FY2024, the Company achieved the consolidated net operating income of NT\$3,269,827 thousand, and compared with the target for FY2024 consolidated operating income NT\$4,000,000 thousand, the achievement rate was 81.75% ; the consolidated net profit or loss for FY2024 was NT\$380,580 thousand, compared with the profit or loss target of NT\$400,000thousand, the achievement rate was 95.15%.

Unit: NT\$ thousands

Year	Consolidated Statements	Target Value	(%)
2023 Consolidated operating income	3,269,827	4,000,000	81.75
2023 Consolidated net profit or loss	380,580	400,000	95.15

(3) Financial revenue and expenditure and profitability analysis of the consolidated statement

Unit: NT\$ thousands

Year		2024	2023	%
Item				
Financial balance	Net operating income	3,269,827	3,660,315	(10.67)
	Operating profit	617,683	549,988	12.31
	Interest income	32,725	32,384	1.05
	Interest expense	2,255	2,587	(12.83)
	Net profit after tax	380,580	296,739	28.25
Profitability	Return on assets (%)	11.08	9.16	20.96
	ROE (%)	15.83	13.31	18.93
	Profit rate (%)	11.64	8.11	43.53
	Basic earnings per share (NT\$)	2.62	2.05	27.80

(4) Research developments

(4-1) Level of technology of the operations

As electronic products continue to develop toward multi-functionality, high density and rapidly changing direction, the assembly requirements will be small, diverse, complex, and unsophisticated. For this reason, Top Union Electronics is committed to the research and development of various production processes to meet the different assembly requirements of other products, as well as the functional testing and reliability verification of the product, so that our customers can feel free to leave their products to Top Union Electronics, without worrying about the production technology, quality.

(4-2). Research and Development Results

- (i) Proactively participate in the early development stage of customers' products to standardize the technical services of DFM (Design for Manufacturing) Together with the customer, we design the yield and reasonable cost of each type of process during the product development stage with the concept of QDC, and cover the design of process reduction and man-hour reduction to make a value-added contribution to the product.
- (ii) Further DFC (Design for Component) analysis and design to improve board availability, introduce the advantages of localization of components and select raw material resources with supply chain advantages. This is used to enhance the flexibility of material procurement and to achieve continuous and uninterrupted material supply.
- (iii) To build low dust, pollution, energy saving and safe working environment. This provides the quality of high-precision product assembly and meets the sterility and cleanliness requirements of medical electronic products. Regarding environmental protection, energy-saving, and low-pollution operations are also developed and realized through process design. Industrial safety and hygiene issues are also recognized in process design.
- (iv) Established an Information Intelligence Application and Development Center, integrating information systems with automation and smart assembly equipment. This initiative aims to progressively enhance the intelligence level of our smart factories by leveraging contemporary technological advancements, shared development efforts, and resource integration.

- (v) Developed capabilities for assembling ultra-thin, flexible substrates and small-sized products, enabling lightweight and miniature modules to incorporate more diverse and advanced functionalities in mobile devices.
- (vi) Continuously pushing the limits of various processes and challenging conventional boundaries, accumulating process expertise to ensure customers' product designs are not constrained by conventional processes.

2. Overview of the business plan for the year

(1) Business Policy

In the face of increasingly hostile business environments, our company, apart from reinforcing operational resilience and attracting diverse talents worldwide, excels in leveraging minimal, diversified, high-difficulty, and nascent service advantages, along with profound technical backgrounds. We actively expand overseas and mainland markets, aiming towards internationalized professional outsourcing.

(2) Expected sales volume and its basis

The operating unit prepares the annual sales target based on the annual processing demand from customers, the existing production capacity of the Company and the estimated increase in production capacity. However, as the Company is an SMT specialist and processes a wide range of product units, it is not meaningful to compare quantities.

(3) Important production and sales policies

Leveraging regional development advantages, adjusting outsourcing strategies for production bases, both in Taiwan and mainland China, to focus on integrated production and material supply, and providing services oriented towards small-scale, diversified, high-difficulty, and nascent demands, aiming to challenge higher revenue performance and generate greater profits.

II Corporate Governance Report

1. Information on directors, general manager, Vice President, assistants, department and branch supervisors

(1) Information on directors

March 31, 2025

Title	Nationality	Name	Gender & Age	Date First Elected	Term	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions concurrently served in other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			職稱	姓名	關係	
Chairman	ROC	Vincent Tsuei	Male 61~70Y/O	2023.05.19	3	2007.05.03	5,237,506	4.24	5,870,858	4.25	307,043	0.22	0	0.00	National Chiao Tung University EMBA, Researcher of ERSO, ITRI	Chairman and CEO of the Company. Director of Allied Oriental International Ltd..	None	None	None	None
Director	ROC	OMNICO INTERNATIONAL LTD.		2023.05.19	3	2014.05.30	5,792,474	4.69	6,487,570	4.69	0	0	0	0.00	California State University, USA	Chairman—OMNICO INTERNATIONAL LTD., Tatung Chinaware Co., Ltd. and Carax International Ltd.	None	None	None	None
	ROC	Rep.: Liao Bo-xiang	Male 61~70Y/O	2023.05.19	3	2014.05.30	150,913	0.12	177,304	0.12	119,849	0.08	0	0.00	Chairman of Yutong International Trade Co., Ltd.	Executive director of Taiwan Ceramic Industries Association	None	None	None	None
Director	ROC	Cheng Chung Investment Co., Ltd.	-	2023.05.19	3	2007.06.28	4,447,205	3.60	5,224,931	3.60	0	0.00	0	0.00	Master of International Business Management, EMBA, National Taiwan University	(note 1)	None	None	None	None
	ROC	Rep.: Kao Xin-ming	Female 71~80Y/O	2023.05.19	3	2007.06.28	-	-	-	-	-	-	-	-	Director of ERSO, ITRI		None	None	None	None
Director	ROC	Song Ying-chuan	Male 71~80Y/O	2023.05.19	3	2007.06.28	627,708	0.51	737,480	0.51	200,687	0.14	1,249,484	0.86	MBA, Chung Hsing University National Cheng Kung University, Department of Electrical Engineering Manager of Research and Development Department, Chien-Hong Electronics Co. Ltd. Director of Audio Department, Taiwan Pony Music Co. Ltd. Director of Technical Department, Funet Technologies Inc. Taichung	(note 2)	None	None	None	None
Director	ROC	Lin Jin-Tsai	Male 71~80Y/O	2023.05.19	3	2002.06.18	887,424	0.72	1,042,615	0.72	0	0.00	0	0.00	Rui Fang Vocational Senior High School Chairman of Fuyuan Construction Co., Ltd.	Chairman—Fu Yuan Construction Co., Ltd.	None	None	None	None
Director	ROC	Chuang Yong-shun	Male 71~80Y/O	2023.05.19	3	2003.05.29	0	0.00	0	0.00	0	0.00	0	0.00	EMBA, National Taiwan University Master of Business Administration, Tulane University, USA National Taiwan University of Science and Technology, Taiwan, B.S., Electrical Engineering	(note 3)	None	None	None	None
Director	ROC	James Wang	Male 51~60Y/O	2023.05.19	3	2023.05.19	887,806	0.72	1,053,064	0.73	1,057	0.00	0	0.00	EMBA of National Tsing Hua University Production Management Specialist of Jingsheng Art Ceramics Company	General Manager-Top Union Electronics Corp.	None	None	None	None
Director (Independent)	ROC	Li Ching-Ho	Male 61~70Y/O	2023.05.19	3	2014.05.30	0	0.00	0	0.00	0	0.00	0	0.00	EMBA of Taipei University of Science and Technology Director and General Manager of Lea Hold Enterprise Co. Ltd.	Member of the Compensation Committee and Audit Committee - Top Union Elec. Director and General Manager - LEA HOLD ENTERPRISE CO., LTD. Director-SI-LUMM CO. Independent Director and Remuneration Committee Member-TungThih Electronic Co.	None	None	None	None

Title	Nationality	Name	Gender & Age	Date First Elected	Term	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions concurrently served in other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			職稱	姓名	關係	
Director (Independent)	ROC	David Yan	Male 61~70 Y/O	2023.05.19	3	2022.05.20	0	0.00	0	0.00	0	0.00	0	0.00	Accounting major in National Cheng Kung University MBA of The City University of New York-Finance	Chairman-ATECH OEM Inc., Qiye Electronics (Dongguan) Co., Ltd., Outstanding Electronics Manufacture Group Co. Ltd., ATECH Technology (Yichang) Ltd., QQE Technology Co., Ltd. Director-AAEON (SZ) Technology Inc., ATECH Technology (SAMOA) Ltd., Growing Profits Group Limited, Outstanding Electronics Manufacturer Group Co.,Ltd., Machvision, Inc., CIPHERLAB Co., Ltd. Supervisor-Cybertek Corporation Independent Director: Abico Avy Co., Ltd., Top Union Electronics Corp.	None	None	None	None
Director (Independent)	ROC	Huang Xu-Nan	Male 61~70 Y/O	2023.05.19	3	2005.05.31	0	0.00	0	0.00	0	0.00	0	0.00	National Chiao Tung University-PhD, Institute of Management Science Ming Chuan University-Dean of School of Management Ming Chuan University-Chair of School of Management National Yunlin University of Science & Technology-Associate Professor, Department of Business Administration Economic Construction Committee of the Executive Yuan- Associate Researcher/Group Leader Executive Director of Taiwan Efficiency and Productivity Association Executive Supervisor of The Global Logistics & Commerce Council of Taiwan Director of Academy of Promoting Economic Legislation Evaluation Committee of Higher Education Evaluation and Accreditation, Evaluation Committee of Taiwan Assessment and Evaluation Association (TWAEA)	Independent Director and Compensation Committee-King Core Electronics Inc., XAC Automation Corporation., Everfocus Electronics Corp. Compensation Committee-Top Union Electronics Corp. Director-Litemax Electronics Inc. Supervisor-Le Young Construction Co., Ltd. Director (Legal Representative)-Sunsino Development Associate Inc. Ming Chuan University-Full-time Professor and Director of SME Innovation and Development Center	None	None	None	None
Director (Independent)	ROC	Yang Chang-Mou	Male 61~70 Y/O	2023.05.19	3	2023.05.19	0	0.00	0	0.00	0	0.00	0	0.00	Cornell University-Master in Materials Science and Engineering, America IBM Corporation Research Division, Almaden Research Center, San Jose, CA. U.S.A Researcher National Tsing Hua University-Professor in Materials Science and Engineering Assistant Professor in Taipei Medical University	Independent Director-Shin Foong Specialty And Applied Materials Co., Ltd.	None	None	None	None

Note 1: Concurrently serves as Chairman and CEO of the following company: Marketch International Corp.;

Also serves as Chairman of the following companies: Gi-shan Investment Inc., Smart Group Solutions Corp., and Marketop Smart Solutions Co., Ltd.;

Also serves as Director of the following companies: WT MICROELECTRONICS CO., LTD., eZoom Information, Inc., ADAT Technology CO., LTD., Vertex System Corporation, FORWARD SCIENCE CORP., Brillian Network & Automation Integrated System Co., Ltd., PROBELEADER CO., LTD., BOLITE CO., LTD., and Taiwan Speciality Chemicals Corporation.

Note 2: Concurrently serves as Chairman of the following companies: GIGATEK INC., YAGA INC., GIGA-TMS INC., CHUAN INC., and KEIGA ELECTRONIC INC.;

Also serves as Chairman (Legal Representative) of: S&E Technology Co., Ltd.;

Also serves as Director of: Tibbo Technology Inc. and Kuan Ying Investment Inc.

Note 3: Concurrently serves as Chairman of the following companies: Fuli Investment Inc., EverFocus Electronics Corp., Yanxin Investment Inc., and Atech OEM Inc.;

Also serves as Chairman (Legal Representative) of the following companies: AAEON Technology Inc., AAEON Technology (Suzhou) Co., Ltd., Yanyou Investment Inc., QQE TECHNOLOGY CO., LTD., Onyx Healthcare Inc., Onyx Electronics Technology (Shanghai) Co., Ltd., iHELPER Inc., and JETWAY INFORMATION CO., LTD.;

Also serves as Director of the following companies: AAEON Electronics Inc., AAEON TECHNOLOGY (Europe) B.V., AAEON TECHNOLOGY GMBH, AAEON TECHNOLOGY SINGAPORE PTE. LTD., Mcfees Group Inc., ALLIED BIOTECH CORP., King Core Electronics Inc., Outstanding Electronics (Dongguan)manufacturer Co., Ltd., MACHVISION, INC., TOP UNION Electronics (SUZHOU) Co., Ltd., Allied Oriental International Ltd., ONYX Healthcare Europe B.V., ONYX Healthcare USA, Inc., CHC Healthcare Group, and China University of Technology;

Also serves as Director and General Manager of: Danyang Outstanding Elec. Man. Group Co., Ltd;

Also serves as Director (Legal Representative) of: Litemax Electronics Inc., WINMATE INC, XAC AUTOMATION CORP., SUNENGINE CORPORATION LTD., NEW FUTURE CAPITAL CO., LTD., IBASE TECHNOLOGY INC., and PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.;

Also serves as Independent Director of: TAIFLEX SCIENTIFIC CO., LTD

Table I: Major shareholders of the corporate shareholders:

March 31, 2025

Name of Institutional Shareholders	Name of Institutional Shareholders
Cheng Chung Investment Co., Ltd.	Sung Ping-Chung (41.14%), Sung Feng-Pei (19.88%), Ji Chang Investment Company (15.82%)、Ji Xuan Investment Company (10.66%), Song En-Rui (3.96%), Song Yi-Le (3.96%)、Bai Xuan Investment Company (3.96%)、Margaret Kao (0.62%)
OMNICO INTERNATIONAL LTD.	Liao Bo-Xiang (33%), Liao Kai-Chen(32%), Liao Kai-En (30%), Kao Xiu-fang (5%)

Table II: Major Shareholders of the Institutional Investors Listed in Table I

March 31, 2025

Institutional investors	Major shareholders of the institutional investors
Ji Chang Investment Company	Ji Xuan Investment Company (48.44%), Sung Ping-Chung (21.45%), Song En-Ru (11.96%), Song Yi-Le (11.96%), Sung Feng-Pei (5.94%), Margaret Kao (0.25%)
Ji Xuan Investment Company	Sung Ping-Chung (23.41%), Sung Feng-Pei (22.56%), Bai Xuan Investment Company (16.35%), Ji Chang Investment Company (16.26%), Margaret Kao (16.06%), Song En-Ru (2.68%), Song Yi-Le (2.68%)
Bai Xuan Investment Company	Ji Xuan Investment Company (66.67%), Sung Feng-Pei (21.45%), Song En-Ru (5.88%), Song Yi-Le (5.88%), Sung Ping-Chung (0.10%), Margaret Kao (0.02%)

(2) Information of Directors

March 31, 2025

Criteria Name	Professional qualifications and experience	Independence	Number of other public companies in which the person is concurrently serving as an independent director.
Vincent Tsuei	Hold the work experience necessary for business and company operations. Acted as the Company's Chairman, Allied Oriental International Ltd Director. Not having the circumstances under Article 30 of the Companies Act.	The independent director's independence requirements, as stipulated by the Financial Supervisory Commission's "Regulations on the Establishment and Compliance Matters for Independent Directors of Publicly Issued Companies," have been verified and still meet the relevant independence criteria.	0
OMNICO INTERNATIONAL LTD. Rep.: Liao Bo-xiang	Hold the work experience necessary for business and company operations. Acted as Chairman of Yutong International Trade Co., Ltd., OMNICO INTERNATIONAL LTD. Chairman, Tatung Chinaware Co., Ltd. and CARAX INTERNATIONAL CO., Ltd., Chairman Not having the circumstances under Article 30 of the Companies Act.		0
Cheng Chung Investment Co., Ltd. Rep.: Kao Xin-ming	Hold the work experience necessary for business and company operations. Acted as Director of ERSO, ITRI, Marktech International Corp. Chairman & CEO, MACROTEC TECHNOLOGY CORP. Chairman, Jixuan Investment Co, Ltd. Chairman, MIC TECHNO CO., LTD. Chairman. Not having the circumstances under Article 30 of the Companies Act.		0
Song Ying-chuan	Hold the work experience necessary for business and company operations. Acted as Gigatek Inc. Chairman, KEIGA ELECTRONIC INC. Chairman, S&E Technology Co., Ltd. Chairman, Tibbo Technology Inc. Director, Kuan Ying Investment Co., Ltd. Director. Not having the circumstances under Article 30 of the Companies Act.		0
Lin Jin-Tsai	Hold the work experience necessary for business and company operations. Acted as Fu-Yuan Construction Co., Ltd. Chairman. None of the directors are classified under Article 30 of the Companies Act.		0
Chuang Yong-shun	Hold the work experience necessary for business and company operations. Acted as Yenxin Investment Co., Ltd. Chairman, Onyx Healthcare Inc. Chairman, AAEON TECHNOLOGY INC. Chairman, AAEON Foundation, Director, Atech OEM Inc. Director, King Core Co., Ltd. Director, LITEMAX ELECTRONICS INC. Director, MACHVISION, INC. Director. Not having the circumstances under Article 30 of the Companies Act.		1
James Wang	Hold the work experience necessary for business and company operations. Acted as Company's General Manager, Production Management Specialist of Jingsheng Art Ceramics Company. None of the directors are classified under Article 30 of the Companies Act.		0
Lee Ching-Ho	Hold the work experience necessary for business and company operations. Acted as LEA HOLD ENTERPRISE CO., LTD. Director & General Manager, SI-LUMM CO., LTD. Director, TungThih Electronic Co., Ltd. Independent Director & Member of Remuneration Committee. None of the directors are classified under Article 30 of the Companies Act.	All Independent Directors meet the independence conditions, Director (or in the name of others), spouse and minor children hold no shares in the	1
Yan Wei-Qun	Hold the work experience necessary for business and company operations. Acted as Atech OEM Inc. Chairman, Kiyieh Electronics (Dongguan) Limited Chairman, Danyang Qiye Technology Limited Chairman, Yiyuan (Yichang) Electronics Limited Chairman, QQE TECHNOLOGY CO., LTD. Chairman, etc., ABICO AVY CO., LTD. Independent Director. None of the directors are classified under Article 30 of the Companies Act.		1

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies in which the person is concurrently serving as an independent director.
Huang Xu-Nan		Hold the work experience necessary for business and company operations. Graduated from the doctoral program in Management Science at National Chiao Tung University. I have served as the dean of the College of Management at Ming Chuan University and as a member of the evaluation committee at the Higher Education Evaluation Center. None of the directors are classified under Article 30 of the Companies Act.	Company. Remuneration received by the Company or its affiliated companies for business, legal, financial, accounting and other services has not been provided in the last two years.	
Yang Chang-Mou		Hold the work experience necessary for business and company operations. Graduated with a Ph.D. in Materials Engineering from Cornell University in the United States and have served as an adjunct professor at Taipei Medical University. None of the directors are classified under Article 30 of the Companies Act.		

Note: All directors of the company have been checked and currently do not have any circumstances as specified in Article 30 of the Company Act.

III. Diversification and independence of Board of Directors:

(1) Board of Directors Diversification:

1. Board of Directors Diversification Policy:

- (1) At the 11th meeting of the 12th session of the Board of Directors on February 27, 2025, the Company approved the amendment of the "Corporate Governance Best Practice Principles" to strengthen the functions of the Board of Directors in Chapter 3, which is intended to have a diversity approach. The nomination and selection of the Company's Board of Directors is based on the provisions of the Company's Articles of Incorporation, the evaluation of the academic qualifications of each candidate, and compliance with the "Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of the Board of Directors. In accordance with Article 20 of the "Corporate Governance Best Practice Principles" of the Company, the members of the Board of Directors should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the desired goals of corporate governance, the Board as a whole should possess the following competencies: (1) Business judgment (2) Accounting and financial analysis (3) Operational management (4) Crisis management; (5) Industry knowledge (6) International Market Perspective (7) Leadership (8) Decision-making.

(2) Objectives:

The Board of Directors of the Company shall be responsible to the Shareholders' Meeting. The practices and arrangements of the corporate governance system shall ensure that the Board of Directors shall exercise its authority in accordance with the law, the provisions of the Articles of Incorporation or the resolutions of the shareholders' meeting.

The specific objectives are as follows:

- (i) The Board of Directors of the Company shall emphasize gender equality and shall include at least one female director.
- (ii) The Board of Directors of the Company shall focus on business judgment, operational management and crisis management, and at least two-thirds of the Board members shall have the ability to handle the relevant core items.

(3) Achievements

- (i) The Company's 12th Board of Directors consists of eleven directors, including ten males and one female, achieving the goal of gender equality and diversity.
- (ii) All of our directors have the necessary knowledge, skills, and abilities to execute our business. Among the eight core competencies, more than

two-thirds of our board members possess the three core competencies of operational judgment, management and crisis management. The members of the Company's Board of Directors contribute a wide range of perspectives when discussing matters related to business operations and management. Their diverse professional backgrounds enable the Board to continually enhance corporate governance and overall operational efficiency.

- (iii) The Company will continue to arrange diversified training programs for Board members to enhance their decision-making quality and supervisory responsibilities, and to strengthen the functions of the Board of Directors.

Diversification Items Director's Name	Basic consistence				Diversification core professional competencies						
	Nationality	Gender	Concurrently serving as an employee of the Company	Independent Director Terms (Seniority)	Business judgment	Accounting and Financial Analysis	Operational Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership and Decision Making
Vincent Tsuei	ROC	Male	✓	—	✓	✓	✓	✓	✓	✓	✓
OMNICO INTERNATIONAL LTD. Rep.: Liao Bo-xiang	ROC	Male	—	—	✓	—	✓	✓	—	—	✓
Cheng Chung Investment Co., Ltd. Rep.: Kao Xin-ming	ROC	Female	—	—	✓	—	✓	✓	✓	✓	✓
Song Ying-chuan	ROC	Male	—	—	✓	—	✓	✓	✓	✓	✓
Lin Jin-Tsai	ROC	Male	—	—	✓	—	✓	✓	—	—	✓
Chuang Yong-shun	ROC	Male	—	—	✓	—	✓	✓	✓	✓	✓
James Wang	ROC	Male	✓	—	✓	✓	✓	✓	✓	✓	✓
Lee Ching-Ho	ROC	Male	—	More than 9 years	✓	—	✓	✓	✓	✓	✓
Yan Wei-Qun	ROC	Male	—		✓	✓	✓	✓	✓	✓	✓
Huang Xu-Nan	ROC	Male	—		✓	—	✓	✓	✓	—	✓
Yang Chang-Mou	ROC	Male	—	More than 8 years	✓	—	✓	✓	—	✓	✓

2. Independence of the Board of Directors:

(1) Structure:

The Company has established a system for the selection of directors, and the procedures for the election of all directors are open and fair, in compliance with the Company's Articles of Incorporation, the Rules Governing the Election of Directors, the Corporate Governance Best Practice Principles, the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. The current composition of the Board of Directors consists of 4 Independent Directors (36%) and 7 Non-Independent Directors (64%), of which 2 Director is an employee (18%, not more than one-third of the total number of directors), and none of the directors are related to each other as spouses or second cousins, which comply with Article 26-3, paragraphs 3&4 of the Securities and Exchange Act.

(2) The Board of Directors Maintains Independence

The Board of Directors of the Company is responsible for guiding corporate strategy, overseeing management, and being accountable to both the Company and its shareholders. In all matters related to corporate governance practices and arrangements, the Board exercises its authority in accordance with applicable laws, the Articles of Incorporation, and resolutions of the shareholders' meetings. The Board emphasizes independence and transparency in its operations, with all directors and independent directors acting independently in the exercise of their duties. The four independent directors, in accordance with relevant laws and regulations, fulfill their supervisory functions through the Audit Committee. They oversee the effectiveness of internal control systems, the appointment and dismissal of the certified public accountants, the independence of the auditors, and

the proper preparation of financial statements, while assessing both existing and potential risks faced by the Company. In accordance with the Company's "Rules Governing the Election of Directors", directors and independent directors are elected through a cumulative voting system and a candidate nomination system. Shareholders holding a specified minimum number of shares are entitled to nominate candidates. The qualifications and eligibility of the nominees—including confirmation that they are not in violation of any provisions under Article 30 of the Company Act—are reviewed and announced in accordance with relevant regulations, ensuring shareholder rights are protected and preventing nomination power from being monopolized or abused, thereby maintaining the independence of the Board.

The Company has established a Board performance evaluation mechanism. Internal self-assessments of the Board and self-evaluations by individual Board members are conducted annually. The Board evaluation covers five major areas: (1) participation in company operations, (2) quality of Board decisions, (3) Board composition and structure, (4) director selection and ongoing education, and (5) internal control. The individual director self-assessment includes six areas: (1) understanding of the company's goals and missions, (2) awareness of director responsibilities, (3) participation in company operations, (4) internal relationship management and communication, (5) professional expertise and continuing education, and (6) internal control. The results of the performance evaluations are reported to the Board of Directors and disclosed in the Company's annual report.

(iv) General Manager, Vice President, assistants, department and branch supervisors

March 31, 2025

Title	Nationality	Name	Gender	Date of Elected	Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Professional qualifications and Education	Other positions	Managers with a spouse or within the second degree of kinship			Remark
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relationship	
CEO	ROC	Vincent Tsuei	Male	1996.10.15	6,165,989	4.25	322,088	0.22	0	0.00	National Chiao Tung University EMBA Top Union Electronic Corp. Assistant Manager of Market Division Researcher of ERSO, ITRI	Allied Oriental International Ltd. Director	None	None	None	Note
General Manager		James Wang	Male	2014.08.07	1,053,064	0.73	1,057	0.00	0	0.00	National Tsing Hua University EMBA Jing Sheng Art Ceramics Limited, Specialist of Production Management	None	None	None	None	None
Factory Manager of Hsinchu Factory		Andy Hsieh	Male	2022.12.09	321,226	0.22	75,130	0.05	0	0.00	Dahua Technical College, Electrical Engineering	None	None	None	None	None
Factory Manager of Shanghai and Suzhou Factories		Meiju Wang	Female	2009.07.01	136,814	0.09	0	0.00	0	0.00	Shinming SeniorHigh School, General Dept Cyanamid Taiwan Corporation	None	None	None	None	None
Accounting Manager		Vicky Chou	Female	2019.04.25	114,556	0.08	0	0.00	0	0.00	Chaoyang University of Science and Technology, Department of Business Administration National Taichung University of Science and Technology, Department of Accounting and Statistics Chief Accountant of STRONG HAND ENTERPRISE LTD.	None	None	None	None	None

Note: Where the General Manager or equivalent position (the most senior executive) is the same person as the Chairman, or where they are spouses or first-degree relatives, the reasons, rationale, necessity, and corresponding measures shall be disclosed:

- (1) The Chairman of the Company concurrently serves in a corporate governance role to lead the formulation of sustainable business strategies. The Chairman also maintains close communication with all directors regarding the Company's operational status and strategic direction.
- (2) The Board includes four independent directors to enhance its supervisory function. In addition, over half of the directors do not concurrently serve as employees or managers of the Company, thereby reinforcing sound corporate governance practices.

3. Compensation for directors, the general manager, and deputy general managers.

(1) Information on Directors' Remuneration

Unit: NT\$ thousands

Position	Name	Directors' Compensation								Total of Items A–D and Their Percentage of Net Income After Tax		Additional Compensation for Concurrent Employee Role								Total of Items A–G and Their Percentage of Net Income After Tax		Compensation from Non-Subsidiary Affiliates or Parent Company
		Remuneration (A)		Retirement Benefits (B)		Directors' Fees (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Allowances (E)		Retirement/Severance Payment (F)		Employee Compensation (G)						
		The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company		All Entities in Financial Report		The Company	All Entities in Financial Report	
																Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
Chairman	Vincent Tsuei	600	600	0	0	1,091	1,091	40	40	1,731 0.45%	1,731 0.45%	6,615	6,971	0	0	1,660	553	1,660	553	10,559 2.77%	10,915 2.87%	0
Director	Omnico International Ltd. Po-Hsiang Liao	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Chengzhong Investment Co., Ltd. Hsin-Ming Kao	0	0	0	0	1,091	1,091	25	25	1,116 0.29%	1,116 0.29%	0	0	0	0	0	0	0	0	1,116 0.29%	1,116 0.29%	0
Director	Yung-Shun Chuang	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Ying-Chuan Sung	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0

Position	Name	Directors' Compensation								Total of Items A–D and Their Percentage of Net Income After Tax		Additional Compensation for Concurrent Employee Role								Total of Items A–G and Their Percentage of Net Income After Tax		Compensation from Non-Subsidiary Affiliates or Parent Company
		Remuneration (A)		Retirement Benefits (B)		Directors' Fees (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Allowances (E)		Retirement/Severance Payment (F)		Employee Compensation (G)						
		The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company	All Entities in Financial Report	The Company		All Entities in Financial Report		The Company	All Entities in Financial Report	
																Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
Director	Chin-Tsai Lin	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	0	0	0	0	0	0	0	0	1,121 0.29%	1,121 0.29%	0
Director	Cheng-Feng Wang	0	0	0	0	1,091	1,091	30	30	1,121 0.29%	1,121 0.29%	5,321	5,537	0	0	1,992	664	1,992	664	9,098 2.39%	9,314 2.45%	0
Independent Director	Ching-Ho Lee	0	0	0	0	1,091	1,091	65	65	1,156 0.30%	1,156 0.30%	0	0	0	0	0	0	0	0	1,156 0.30%	1,156 0.30%	0
Independent Director	Wei-Chun Yen	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
Independent Director	Hsu-Nan Huang	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
Independent Director	Chang-Mou Yang	0	0	0	0	1,091	1,091	75	75	1,166 0.31%	1,166 0.31%	0	0	0	0	0	0	0	0	1,166 0.31%	1,166 0.31%	0
<div><div>1.</div><div>Please outline the company's policy, framework, standards, and structure for compensating independent directors. Also, explain how remuneration levels are linked to the nature of their duties, level of risk assumed, and the amount of time devoted: Director compensation is primarily determined based on the company's after-tax profit performance. Other forms of remuneration—such as business execution expenses and compensation for directors concurrently holding employee positions—are predominantly fixed and not performance-based.</div></div> <div><div>2.</div><div>In addition to the amounts disclosed in the table above, the company confirms that no directors received any additional compensation in the most recent fiscal year for providing services (e.g., acting as consultants to the parent company, entities covered in the financial statements, or investee companies, in a non-employee capacity): None.</div></div>																						

(I) Remuneration for General Manager and Vice President

Unit: NT\$ thousand

Unit: HK\$ thousand														
Title	Name	Salary (A)		Retirement Pension (B)		Bonus and special allowance (C)		Employee Remuneration (D)				Ratio of total remuneration (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Share	Cash	Share			
CEO	Vincent Tsuei	2,160	2,516	0	0	4,455	4,455	1,660	553	1,660	553	8,828 2.32%	9,184 2.41%	None
General Manage	James Wang	1,962	2,178	0	0	3,359	3,359	1,992	664	1,992	664	7,977 2.10%	8,193 2.15%	None

1. Names of managers in charge of employee remuneration and distribution:

March 31, 2025/Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Proportion of total amount to net profit after tax
Manager	CEO	Vincent Tsuei	1,950	5,851	7,801	2.05%
	General Manager	James Wang				
	Factory Manager of Hsinchu Factory	Andy Hsieh				
	Factory Manager of Shanghai and Soochow Factories	Wang Meichu				
	Chief Accounting	Vicky Chou				

2. Analysis of the ratio of the total amount of remuneration (to the after-tax net profit) paid to Directors, President, and Vice President in the last two years by the Company and all companies in the consolidated statement

Year	Total compensation	Percentage of after-tax net profit
2024	30,488 thousand	8.01%
2023	25,769 thousand	8.68%

The correlation between the remuneration provisions for the directors, general manager and vice president of the Company and the operating performance and future risks are as follows:

(I) Remuneration Policy, Standards, and Structure:

- The Company's policy for the payment of directors' remuneration is defined in the Articles of Incorporation. In the event that the Company makes a profit in the year, the Company shall provide 6% of the profit as employees' remuneration and no more than 2.3% as the Directors' remuneration. However, if the Company has accumulated losses, the amount of compensation shall be reserved in advance and the remuneration of directors shall be paid in cash only. The Board of Directors shall resolve to do so and report to the shareholders' meeting.

In 2024, the Company achieved a 28% year-over-year increase in net profit after tax and a 19% increase in return on equity, reflecting improved operating performance. As a result, directors' remuneration increased by 25% compared to the previous year, accounting for 3.42% of the net profit after tax.

- The remuneration of the Company's managers, including salaries, stock options, share distributions, retirement benefits, allowances and other tangible incentives, shall be evaluated by the Remuneration Committee based on the Company's operating performance, financial performance and individual performance, and shall be recommended to the Board of Directors for approval. Employee profit-sharing is allocated in accordance with the Articles of Incorporation and distributed upon board resolution and reporting to the shareholders' meeting.

(II) Remuneration Determination Process:

The performance evaluation and reasonableness of the remuneration for directors

and managerial officers are assessed and reviewed annually by the Compensation Committee and the Board of Directors. Evaluations consider personal performance and contributions to the Company, overall business results, potential industry risks, and future development trends. The remuneration system is periodically reviewed in accordance with actual business conditions and relevant laws and regulations. A reasonable compensation structure is maintained in line with corporate governance trends to balance sustainable business development and risk management.

The actual remuneration amounts for directors and managerial officers in 2024 were reviewed by the Compensation Committee and approved by the Board of Directors.

(III) Correlation with Business Performance and Future Risks:

The Company's remuneration policy is primarily reviewed based on overall operational performance. Compensation is granted in accordance with the individual's contributions, with the aim of enhancing team effectiveness within the Board and executive management.

Industry compensation benchmarks are referenced to ensure the Company remains competitive in attracting and retaining top management talent.

To respond to changes in the economic environment and mitigate operational risks, performance targets for managerial officers are aligned with risk control goals, ensuring that potential risks within their scope of duties are properly managed. Performance-based evaluations are conducted and reflected in remuneration decisions.

Major business decisions by the management team are made after carefully weighing various risk factors. The effectiveness of these decisions is reflected in the Company's profitability, linking management remuneration to risk control performance.

The Company reviews its remuneration system regularly in line with operational status and regulatory developments. All revisions are reviewed by the Compensation Committee to ensure a balance between sustainable operations and effective risk management.

In summary, the Company's remuneration policy and determination procedures for directors and managerial officers are positively correlated with business performance.

3. Implementation of Corporate Governance

(1) Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in most recent year, the attendance of directors was as follows:

Title	Name(Note 1)	Actual attendance B	By proxy	Actual attendance rate (%)	Title
Chairman	Vincent Tsuei	6	-	100%	None
Director	Cheng Chung Investment Co., Ltd. Rep.: Kao Xin-ming	5	1	83%	None
Director	OMNICO INTERNATIONAL LTD. Rep.: Liao Boxiang	6	-	100%	None
Director	Song Yingchuan	6	-	100%	None
Director	Chuang Yong-shun	6	-	100%	None
Director	Lin Jin-Tsai	6	-	100%	None
Director	James Wang	6	-	100%	None
Independent Director	Lee Ching-Ho	6	-	100%	None
Independent Director	Yan Wei-Qun	6	-	100%	None
Independent Director	Huang Xu-Nan	6	-	100%	None
Independent Director	Yang Chang-Mou	6	-	100%	None

- The Board of Directors shall state the date and duration of the meeting, the content of the resolution, the opinions of all Independent Directors and the Company's treatment of the opinions of the Independent Directors if any of the following circumstances apply to the operation of the Board of Directors:

- (1) The matters listed in Article 14-3 of the Securities and Exchange Act are disclosed on page 27 of the Annual Report under "Important Resolutions of the Shareholders' Meeting and the Director's Meeting".
- (2) Other than the foregoing matters, other matters resolved by the Board of Directors with the dissenting or qualified opinions of the Independent Directors and recorded or stated in writing: None.

- Other than the foregoing matters, other matters resolved by the Board of Directors with the dissenting or qualified opinions of the Independent Directors and recorded or stated in writing:

Meeting Date	Director	Motion Content	Reason for recusal	Participation in Voting
2024/2/29	Vincent Tsuei	The Remuneration Committee considered the Manager's bonus and compensation proposal.	Vincent Tsuei and James Wang was a stakeholder in the motion and left the meeting temporarily.	Did not participate in voting.
2024/8/8	Vincent Tsuei	Managers' bonuses for the 2024 Dragon Boat Festival.		
2025/2/27	James Wang	The Remuneration Committee considered the Manager's bonus and compensation proposal		

一、Board evaluation implementation status:

cycle	period	scope	method	content
Once a year	2024	Overall board performance evaluation	Board member self-assessment	1. Level of participation in company operations 2. Enhancing the quality of board decision-making 3. Board composition and structure 4. Selection and continuous

				education of directors 5. Internal control
		Individual director performance evaluation		1. Understanding of company goals and objectives 2. Awareness of director responsibilities 3. Level of involvement in company operations 4. Internal relationship management and communication 5. Director's expertise and continuous education 6. Internal control
		Functional committee performance evaluation	Functional committee member self-assessment	1. Level of participation in company operations 2. Awareness of functional committee responsibilities 3. Enhancing the quality of functional committee decision-making 4. Composition and member selection of functional committees 5. Internal control

- The Company completed the 2024 performance self-assessments for the Board of Directors and functional committees, including the Remuneration Committee, Audit Committee, and Sustainability Committee. The evaluation results were reported to the Board of Directors on February 27, 2025, and will serve as a reference for future reviews and improvements. The average performance rating for the Board of Directors and its members ranged between 4.6 and 4.8 out of a maximum score of 5.0. The average rating for the functional committees ranged between 4.7 and 4.8.
In 2024, the Board of Directors and all functional committees operated effectively in compliance with applicable regulations. The overall governance structure was well-executed, fulfilling the requirements of sound corporate governance. All directors and committee members performed their duties diligently and effectively carried out their respective responsibilities.
- Current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and the status of implementation: The Sustainable Development Committee was established by the shareholders' meeting on April 25, 2024.

(2) Audit Committee Operations

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

Title	Name	Attendance in Person (B)	Actual Attendance Rate (%) (B / A)	Remark	Title
Independent Director	Lee Ching-Ho	5	0	100%	None
Independent Director	Yan Wei-Qun	5	0	100%	None
Independent Director	Huang Xu- Nan	5	0	100%	None
Independent Director	Yang Chang-Mou	5	0	100%	None

Other supplementary notes:

- If the Audit Committee operates under any of the following circumstances, it shall state the date of the Audit Committee meeting, the period, the content of the motion, the content of the independent director's dissenting opinion, reservations or major recommendations, the results of

the Audit Committee's resolution and the Company's handling of the Audit Committee's opinion.

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee Meeting Date	Motion content	Resolution result	The Company's handling of the Audit Committee's opinion
2024.02.29 (4th meeting of the 2st Board)	1. 2023 Annual Report on Operations and Financial Statements 2. Distribution of earnings for fiscal year 2023 3. Issue of new shares by transfer of earnings for fiscal year 2023 4. Statement of Internal Control System for fiscal year 2023 5. Independence evaluation of the appointment of a certified public accountant for fiscal year 2023	Passed with the consent of all members present.	Proposed to the Board of Directors. Approved by all directors present.
2024.04.25 (5th meeting of the 2st Board)	The Company's consolidated financial statements for the first quarter of 2024.		
2024.08.08 (6th meeting of the 2st Board)	The Company's consolidated financial statements for the second quarter of 2024.		
2024.10.31 (7th meeting of the 2st Board)	The Company's consolidated financial statements for the third quarter of 2024.		
2024.12.19 (8th meeting of the 2st Board)	2025Audit Plan Case		

(2) Except for the preceding matters, other resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

2. The Independent Director's recusal from the implementation of the interested parties' motions shall include the name of the Independent Director, the content of the motion, the reasons for the recusal and the participation in voting: None.

3. Communication between the Independent Director and the internal auditors and accountants (including the major issues, manner and results of communication regarding the Company's financial and business conditions):

(1) Summary of communication between Independent Directors and internal auditors for the year 2024:

Meeting Date	Communication key point	Form of Comm.	Communication results
2024.02.29	Overview of internal audits from January to February 2024.	Meeting Presentation	No other opinions.
2024.04.25	Overview of internal audits from March to April 2024.		
2024.08.08	Overview of internal audits from May to August 2024.		
2024.10.31	Overview of internal audits from September to October 2024.		
2024.12.19	Overview of internal audits from November to December 2024. 2025 Audit Plan Case.		

(2) Summary of the Independent Director's communication with the CPA for the year 2024:

Meeting Date	Communication key point	Form of Comm.	Communication results
2024.02.29	Audited financial statements for fiscal year 2023.	Meeting Presentation	No other opinions.
2024.08.08	Audited financial statements for fiscal year 2024 Q2.		

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y es	N o	Summary Description	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		1. On March 5, 2015, the 5th meeting of the 9th Board of Directors of the Company approved the establishment of the "Corporate Governance Best Practice Principles", which were disclosed on the Company's website and the Market Observation Post System. 2. Implementation status: In 2024, the Company implemented the Corporate Governance Best Practice Principles in accordance with the guidelines and adjust the content of the website to increase the content and completeness of the items that have not scored in the corporate governance assessment.	Compliant
2. Shareholding structure & shareholders' rights				
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, queries, disputes and litigations, and managed these based on the procedures?	✓		(1) The Company has a spokesperson and stockholders' representative to deal with shareholders' suggestions and other matters, and the Company's website has a special section for shareholders' questions and concerns.	Compliant
(2) Does the Company have a list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company's stockholders are responsible for keeping track of the names of directors, managers and major shareholders, and disclosing and reporting them in accordance with relevant regulations.	Compliant
(3) Has the Company established and executed a risk management and firewall system within its conglomerate structure?	✓		(3) The Company and its affiliates operate independently and regularly monitor the financial and business operations of its subsidiaries on a monthly basis.	Compliant
(4) Has the Company established internal rules against using undisclosed information for insider trading?	✓		(4) The Company has established procedures to prevent insider trading, which are disclosed on the Company's website. (Financial Zone→Protection against Insider Trading Procedures), which prohibits insiders from trading marketable securities using undisclosed information in the market.	Compliant
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) A. At the 5th time of the 9th of the Board of Directors meeting on March 5, 2015, the Company approved the amendment of the "Corporate Governance Best Practice Principles" to strengthen the functions of the Board of Directors in Chapter 3, i.e., to establish a diversity approach. In addition to the academic qualifications of each candidate, the Company also complies with the "Regulations Governing the Election of Directors and Supervisors" and the "Code of Corporate Governance" to ensure the diversity and independence of the Director members. B. The eleven directors (ten men and one woman) of the 12th term of the Company, who possess leadership, operational judgment, business management, crisis management, industry knowledge, and international market perspective, will provide guidance to the operation of the Company.	Compliant
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) On April 25, 2024, the Board of Directors resolved to establish a Sustainability Development Committee, responsible for the formulation of policies, systems, and management related to sustainability, as well as the implementation of specific action plans. The committee is also tasked with regularly reporting to the Board of Directors. The establishment of other types of functional committees will be evaluated as needed in the future.	Compliant
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and	✓		(3) In accordance with Article 21 of the Company's Articles of Incorporation, the remuneration of directors and supervisors shall be no more than 2.3% of the Company's	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y es	N o	Summary Description	
<p>are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p> <p>(4) Does the Company regularly evaluate the independence of CPAs?</p>	✓		<p>annual profit. The remuneration of each director and supervisor is based on the average amount of total remuneration, which is resolved by the Compensation Committee. In addition, the attendance fees for board meetings are paid as fixed remuneration. On April 25, 2024, the Company approved the "Rules for Board Performance Evaluation" to assess the effectiveness of board operations and evaluate directors' performance through measurable criteria, which will serve as a reference for the future selection of directors.</p> <p>(4) In accordance with the Company's "Corporate Governance Best Practice Principles", the independence and competence of the appointed certified public accountants (CPAs) must be assessed at least once a year with reference to Audit Quality Indicators (AQIs), and the evaluation results must be submitted to the Audit Committee and the Board of Directors for review and approval. In 2024, the Company's Finance Department conducted such an evaluation with reference to AQIs and assessed the independence and competence of the CPAs from Deloitte & Touche, namely CPA Hsin-Tung Lin and CPA Ming-Hui Chen. Both were found to meet the Company's standards for independence and competence and are deemed qualified to serve as the Company's signing CPAs. The Company also obtained the signed statements of independence from the CPAs. The evaluation results were reviewed and approved by the Audit Committee and the Board of Directors on February 29, 2024.</p>	Compliant
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The company set up a Corporate Governance Officer on April 27, 2023. The Company's Finance Department is a dedicated corporate governance unit with at least three years of experience in the management of financial, stock, or business affairs of the Company's issuing companies. It is responsible for providing information necessary for the Director's business operations, conducting meetings of the Board of Directors and shareholders' meetings in accordance with the law, registering and registering changes to the Company, preparing minutes of the Board of Directors and shareholders' meetings, and assisting the Company in complying with the relevant laws and regulations of the Board of Directors and shareholders' meetings. The Company values the rights and interests of its stakeholders and is committed to providing them with the best possible service.	Compliant
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company pays attention to the rights and interests of its stakeholders, understands their reasonable expectations and needs, and responds appropriately to the important CSR issues. The Company's stakeholders include employees, shareholders, customers, suppliers, society, academic and research institutions and government agencies. The Company has set up a stakeholder's area on the Company's website, and has disclosed their contact information and contact details to respond to the stakeholders. The Company will refer to the feedback from all sectors for continuous improvement.	Compliant
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		This year, SinoPac Securities Co., Ltd has been appointed as our shareholder service agent.	Compliant
7. Information disclosure				Compliant
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company's website: www.topunion.com.tw has disclosed the Company's financial, business and corporate governance information.	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y es	N o	Summary Description	
(2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has set up a website in English and Chinese, and has designated a person responsible for collecting and disclosing updated information to provide investors with inquiries and enhance information transparency. A spokesperson and a proxy spokesperson have been set up, and contact numbers and e-mail addresses are posted on the Market Observation Post System. The annual report and the stakeholder area of the Company's website serve as a bridge for information collection, disclosure and external communication.	Compliant
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		(3) The Company announces and reports its annual financial report (within three months), first, second, and third quarter financial reports (within 45 days), and operating results (by the 10th day of each month) within the period specified in Article 36 of the Securities and Exchange Act.	Compliant
8. Does the Company have other important information that can help understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>(1) Employee rights, employee care: The company attaches great importance to employee-management relationship, regular labor-management meetings to promote two-way communication and exchange. The Company's management philosophy is open, with a flat organization, so that good decisions can be transmitted more quickly so that the interaction between colleagues can be a more direct expression of their ideas, and the strengths shown more easily seen, three festivals bonuses and employee compensation also grow with the performance of the performance. The company has set up an employee welfare committee to hold activities and trips from time to time to care for the needs of employees.</p> <p>(2) Investor Relationship: A spokesperson and a proxy spokesperson are set up to serve as a channel of communication between the Company and its investors, and to disclose information on the Company's management team, financial operations, important information, and corporate governance on the Company's website.</p> <p>(3) Supplier Relationship: The Company holds supplier meetings every year to reach bilateral communication through the meetings, and continues to cooperate with suppliers to create value.</p> <p>(4) Rights of stakeholders: The Company respects the legal rights of stakeholders, maintains good communication channels with customers, employees, and suppliers, and announces and discloses relevant information on the Company's website.</p> <p>(5) Director and Supervisor's Continuing Education: The details of the Director and Supervisor's continuing education status in 2024 are as described in Note 2, which has been disclosed in the Corporate Governance section of the Market Observation Post System.</p> <p>(6) Implementation of risk management policies and risk measurement standards: The Company's major decisions regarding operations, investments, capital loans, endorsements, and financing are evaluated and analyzed by the responsible departments and implemented in accordance with the resolutions of the Board of Directors.</p> <p>(7) Implementation of customer policies: The marketing department of the Company is responsible for the implementation of customer policies and holds meetings from time to time for internal communication and transmission, which is operating smoothly.</p> <p>(8) The Company has purchased liability insurance for Directors and Supervisors: The Company's Directors</p>	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y es	N o	Summary Description	
			and Supervisors have purchased liability insurance in 2024.	
9. Please describe the improvements that have been made to the results of the Corporate Governance Assessment released by the Taiwan Stock Exchange Corporation in the most recent year and propose priorities and measures to enhance those that have not yet been improved. Description: 1. Assessment results: The Company's 10th & 11 th corporate governance assessment results are in the top 36% to 50% of companies, respectively. 2. Improvement measures: The Company will revise the rules and regulations of corporate governance in accordance with the corporate governance evaluation, and improve the disclosure of information in the annual report and website in order to strengthen the completeness of the description of each indicator.				

Note 1: 2024 Independence Assessment for Certified Public Accountants

(1) 2024 Independence Assessment for Certified Public Accountants

No.	Evaluation Item	Evaluation Result	Whether it meets independence
1	The firm has not been the CPA of the Company for seven consecutive years.	V	Yes
2	The firm is not overly dependent on the Company's source of remuneration.	V	Yes
3	The firm does not hold recurring employment with the firm, receive a fixed remuneration, or serve as a director or supervisor.	V	Yes
4	The firm has not provided non-audit and consulting services to the Company that would affect the independence of the firm, its affiliates, or members of the audit services team.	V	Yes
5	Has not been a director, supervisor, manager, or officer of the Company with significant influence on visa cases and has not left the Company for more than two years.	V	Yes
6	Not a natural person shareholder who holds more than one percent of the total issued shares or the top ten shares in the name of another person, his or her spouse, minor children, or other persons.	V	Yes
7	Not a spouse, lineal descendant, consanguineous relative, or consanguineous relative within two degrees of consanguinity to a responsible officer, manager, or other directors.	V	Yes
8	Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, or a director, supervisor or employee of a corporate shareholder who holds the top five shares.	V	Yes
9	A director, supervisor, manager, or shareholder holding 5% or more of the shares of a company or organization that does not have financial or business dealings with the Company.	V	Yes
10	The accountant or his or her spouse or minor children have no financial borrowing, investment or financial sharing relationship with the Company.	V	Yes
11	The accountant maintains an impartial and objective position in the performance of professional services and does not influence professional judgment due to bias, conflict of interest or interest.	V	Yes
12	The accountant, members of the audit service team, other co-practicing accountants or shareholders of the accounting firm, the accounting firm, the firm's affiliates, and the alliance firm maintain an independent status with the Company.	V	Yes

(3) Independence Assessment for Certified Public Accountants

Five Key Dimensions	Index	AQI Index	Evaluation Criteria	Evaluation Result
I. Professional Competence	1-1	Audit Experience	Whether senior audit personnel possess sufficient experience to perform audit tasks.	Y

Five Key Dimensions	Index	AQI Index	Evaluation Criteria	Evaluation Result
	1-2	Training Hours	Whether CPAs and senior auditors receive sufficient annual training to maintain professional knowledge and skills.	Y
	1-3	Turnover Rate	Whether the firm maintains an adequate level of experienced personnel.	Y
	1-4	Professional Support	Whether the firm has sufficient expert personnel to support the audit team.	Y
II. Quality Control	2-1	CPA Workload	Whether the CPA's workload is reasonable.	Y
	2-2	Audit Engagement Involvement	Whether audit team members are appropriately involved during all audit phases.	Y
	2-3	EQCR Review Involvement	Whether the EQCR (Engagement Quality Control Reviewer) devotes sufficient time to audit reviews.	Y
	2-4	Quality Control Support Capacity	Whether the firm has adequate quality control personnel to support the audit team.	Y
III. Independence	3-1	Non-Audit Service Fees	Whether the proportion of fees for non-audit services is appropriately low.	Y
	3-2	Client Familiarity	Whether the accumulated number of years the audit engagement has been handled by the same firm is appropriately assessed for its impact on independence.	Y
IV. Oversight	4-1	External Inspection Findings and Penalties	Whether the firm has been free of deficiencies and penalties in quality control or audit engagements during external inspections.	Y
	4-2	Regulatory Improvement Notices	Whether the proportion of official improvement letters issued by regulators is acceptably low.	Y
V. Innovation Capability	5-1	Innovation Planning or Initiatives	Whether the firm is committed to enhancing audit quality through innovation and strategic planning.	Y

Note 2: Directors' trainings in 2024

Title	Name	Organizer	Course Name	Training Hours
Chairman	Vincent Tsuei	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		The Greater Chinese Financial Development Association	Global Political and Economic Analysis After the U.S. Presidential Election	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3
Representative of the corporate director	Kao Xin-ming	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Practices Seminar	3
		Digital Governance Association	Labor-Management Relations and Legal Issues in a Multi-Generational Workforce	3
Director	Liao Bo-xiang	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3

Title	Name	Organizer	Course Name	Training Hours
Director	Song Ying-chuan	Taiwan Institute of Directors	Global Industry Layout and Strategies	3
		Institute of Taiwan Project Management	Succession Team Building and Talent Development	3
Director	Chuang Yong-shun Lin Jin-Tsai	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Taiwan Corporate Governance Association	2030/2050 Net-Zero Emissions – Global Corporate Sustainability Challenges and Opportunities	3
		The Greater Chinese Financial Development Association	Business Strategies in the Digital Age	3
		Digital Governance Association	Taiwan's Future Under U.S.-China Strong Confrontation	3
		Taiwan Stock Exchange	Strengthening Taiwan's Capital Market Summit	3
Director	Chuang Yong-shun	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3
Director	James Wang	Securities and Futures Institute	Chatbot ChatGPT: Transforming Industry Trends	3
		Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3
Independent Director	Lee Ching-Ho	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Securities and Futures Institute	Implementing Corporate Sustainability: Legal Liability Case Analysis of Gender Equality Laws	3
		Securities and Futures Institute	AI Era: Corporate Growth and Innovative Thinking	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3
Independent Director	Huang Xu-Nan	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Securities and Futures Institute	Institutional Investors Perspective Forum	3
		Securities and Futures Institute	Board of Directors, Supervisors, and Corporate Governance Executives Series - Carbon Exchange Function and Outlook	3
		Taiwan Institute of Directors	Global Industry Layout and Strategies	3
Independent Director	Yan Wei-Qun	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		Securities and Futures Institut	2024 Internal Insider Trading Compliance and Legal Education Seminar	3
Independent Director	Yang Chang-	Taiwan Independent Director Association	Latest 2024 Global Economic Trends, Risk Indicators, and Response Strategies	3

Title	Name	Organizer	Course Name	Training Hours
	Mou	Taiwan Institute of Directors	Global Industry Layout and Strategies	3
		Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI Systems Based on iFA Framework	3
		Taiwan Corporate Governance Association	New Business Strategy Thinking (New Nine Principles)	3

(4) Information on setting of the Remuneration Committee

(1) Information on Composition of the Remuneration Committee

March 31, 2025

Criteria		Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Title	Name	Refer to Page 7 for Information on professional qualifications of Directors and on independence of Independent Directors		
Independent Director	Huang Xu-Nan			0
Independent Director	Lee Ching-Ho			1
Independent Director	Yan Wei-Qun			3
Independent Director	Yang Chang-Mou			2

(2) Information on the operation of the Remuneration Committee

(1) There are 4 members of the Remuneration Committee of the Company.

(2) The Remuneration Committee met two times in FY2024 (A), and the qualifications and attendance of members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】 (Note)	Remark
Independent Director	Huang	2	0	100%	None
	Xu-Nan	2	0	100%	None
Independent Director	Lee	2	0	100%	None
	Ching-Ho	2	0	100%	None

Other supplementary notes:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors' meeting, the content of the motion, the result of the Board of Directors' resolution and the Company's handling of the Remuneration Committee's recommendations should be stated (If the remuneration approved by the Board of Directors is better than the recommendations of the Remuneration Committee, the difference and reasons for such difference should be stated.): None.
- If a member of the Remuneration Committee has any objection or reservation to a resolution and it is recorded or stated in writing, the date, period, and content of the resolution of the Remuneration Committee and the treatment of the member's opinion shall be stated as follows: None
- The main communication items and resolutions for the year 2024 are summarized as follows :

Remuneration Committee	Content of the proposal	Resolution result	Company's handling of Remuneration Committee members' opinions
2024.02.29	1. 2023 remuneration for employees, directors and supervisors. 2. Manager's bonus and compensation proposal. 3. Proposal for Salary Adjustment for the General Manager	Approved by all members of the Committee	Proposed to the Board of Directors. Approved by all directors present.
2024.08.08	2024 Managers' Dragon Boat Festival Bonus Payment.		

(5) The implementation of sustainable development and the differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons

Item	Implementation Status (Note 1)			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Y es	N o	Summary Description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is the board of directors supervising the situation?	✓		<p>In 2024, the company's Board of Directors established a Sustainability Development Committee, chaired by the Chairman of the Board and composed of three independent directors.</p> <p>The Sustainability Development Committee oversees the Sustainability Promotion Task Force, which is led by the General Manager acting as the Sustainability Officer. The Task Force serves as a cross-departmental communication platform to facilitate integration and coordination across functions. It holds regular meetings to promote sustainability initiatives and monitor progress. At least once a year, the committee reports to the Audit Committee and the Board of Directors to further advance and deepen Taiyong's sustainability efforts.</p> <p>In 2024, the committee held two meetings, with the following agenda items:</p> <ul style="list-style-type: none"> (1) Progress on sustainability-related initiatives. (2) Implementation of greenhouse gas inventory and verification. (3) The company has obtained the ISO 14064-1 external verification report. (4) Determination and planning of key themes for the 2024 sustainability report. <p>The Board of Directors regularly reviews reports from the management team, ensuring that the management proposes corporate strategies. The Board evaluates the feasibility of these strategies, frequently monitors their progress, and urges adjustments when necessary.</p>	Compliant
2. Does the company conduct risk assessment on environmental, social and corporate governance issues related to its operations and establish relevant risk management policies or strategies in accordance with the materiality principle?	✓		<p>The company has implemented ISO 14001 (Environmental Management System), integrating environmental sustainability strategies into the management system. This commitment ensures continuous improvement towards the goals of environmental, safety, and health sustainability, while fulfilling legal requirements and customer demands.</p> <p>The disclosed information and risk assessment boundaries cover the sustainability performance of the consolidated company from January to December 2024.</p> <p>The Sustainability Development Committee conducts an analysis based on the materiality principle outlined in the sustainability report. The committee engages with internal and external stakeholders, integrating data from various departments and subsidiaries. Based on this, the committee identifies significant ESG issues, establishes effective risk management policies for identification, measurement, assessment, supervision, and control, and takes concrete actions to mitigate the impact of related risks.</p>	Compliant
3. Environmental issues (1) Has the Company established proper environmental management systems based on the characteristics of its industries?	✓		<p>(1) The Company's environmental policy: "Quality for customers, environmental protection for the earth"</p> <p>A. The Company undertakes to</p> <ul style="list-style-type: none"> (a) Develop green process and reduce the use of harmful substances in the process. (b) Comply with domestic environmental protection laws and regulations, and meet the environmental protection requirements of our customers. (c) To effectively control process pollution, promote industrial waste reduction, and implement resource separation, recycling, and reuse. (d) Promote green procurement and purchase only from suppliers that meet our environmental requirements. <p>B. The Company adopts ISO14001 environmental management system, and regularly reviews the environmental impact and safety risks and revises the management system.</p>	Compliant
(2) Does the Company endeavor to utilize all	✓		<p>(2) The company is committed to modernizing outdated equipment to enhance operational efficiency, including: Infrastructure:</p>	Compliant

Item	Implementation Status (Note 1)			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																								
	Y es	N o	Summary Description																									
resources more efficiently and use renewable materials which have low impact on the environment?			Selecting first-tier energy calibration equipment to reduce annual electricity consumption and carbon emissions. Product: Striving to minimize waste generation, recycling all generated scraps, and actively promoting resource utilization efficiency, including: 1. Energy-saving schemes 2. Paperless documents and paper recycling usage 3. Resource recycling and waste sorting.																									
(3) Does the Company evaluate potential climate change risks and opportunities in connection with the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3) The Board of Directors serves as the highest climate governance body, establishing climate policies, strategies, and goals, and considering climate risks and opportunities. The Board oversees risk management and disclosures. To strengthen sustainability governance, the Chairman of the Board serves as the Chair of the Sustainability Development Committee, regularly reviewing climate-related issues and execution. The Sustainability Development Promotion Team evaluates potential risks, opportunities, and financial impacts based on the Task Force on Climate-related Financial Disclosures (TCFD) framework and develops corresponding risk management strategies.	Compliant																								
(4) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implemented policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water conservation, or waste management?	✓		<div>(4) Greenhouse Gas EmissionsThe greenhouse gas emissions over the last two years, covering Scope 1, 2, and 3, include data from Hsinchu Taiyong, Shanghai Taiyong, and Suzhou Taiyong. As of the printing date, the 2023 inventory data has been verified by a third party.</div> <div>Recent two-year greenhouse gas emissions: (Unit: tCO2e)</div> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Total Emissions</th><th>Emissions Intensity (tCO2e/million revenue)</th></tr><tr><td>2024</td><td>315.1231</td><td>5726.3578</td><td>2709.6956</td><td>8,751.1770</td><td>315.1231</td></tr><tr><td>2023</td><td>237.6284</td><td>6,005.6069</td><td>2,833.5565</td><td>9,112.7920</td><td>237.6284</td></tr></table> <div>Water Resource Management The company has long been concerned with water resource conservation and environmental protection. Water resources are primarily used for domestic purposes to maintain basic hygiene and environmental quality. The company will continue to implement improvement measures such as water recycling and reuse. Water consumption for the last two years: (Unit: tons)</div> <table><tr><th>Year</th><th>Water consumption</th></tr><tr><td>2024</td><td>32,558.0</td></tr><tr><td>2023</td><td>31,461.7</td></tr></table> <div>Waste Management The company is committed to environmental protection and sustainable resource reuse. The waste disposal principles prioritize on-site reuse, reducing raw material usage; followed by recycling; and finally incineration or landfill. Waste generation for the last two years: (Unit: tons)</div>	Year	Scope 1	Scope 2	Scope 3	Total Emissions	Emissions Intensity (tCO2e/million revenue)	2024	315.1231	5726.3578	2709.6956	8,751.1770	315.1231	2023	237.6284	6,005.6069	2,833.5565	9,112.7920	237.6284	Year	Water consumption	2024	32,558.0	2023	31,461.7	Compliant
Year	Scope 1	Scope 2	Scope 3	Total Emissions	Emissions Intensity (tCO2e/million revenue)																							
2024	315.1231	5726.3578	2709.6956	8,751.1770	315.1231																							
2023	237.6284	6,005.6069	2,833.5565	9,112.7920	237.6284																							
Year	Water consumption																											
2024	32,558.0																											
2023	31,461.7																											

Item	Implementation Status (Note 1)						The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons		
	Y es	N o	Summary Description						
				Category	Hazardous Industrial Waste		General Industrial Waste		
				Disposal Method	Incineration	Recycling	Incineration		
				2024	1.34	0.23	75.7545		
				2023	0.63	0.72	72.249		
4. Social Issues									
(1) Has the Company established appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1)	The Company complies with the Labor Standards Law and respects internationally recognized basic labor human rights principles, such as: caring for the disadvantaged groups, prohibiting child labor, eliminating all forms of forced labor, eliminating discrimination in employment and employment, taking out group insurance to promote employees' rights and interests, and holding regular labor-management meetings to ensure effective two-way communication between employers and employees in order to protect the rights and interests of employees.					Compliant
(2) Does the Company have reasonable employee benefit measures (including remuneration and wages, leave, and other benefits), and does employee remuneration reflect business performance or results?			(2)	The Company establishes various salary and benefit measures for its employees in accordance with the relevant laws and regulations and provides competitive benefits to motivate employees.					Compliant
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?			(3)	In accordance with the Occupational Safety and Health Act, the company has established the "Safety and Health Code of Practice". Labor safety and health management personnel are responsible for planning and supervising, providing employees with a comfortable and safe working environment, including: Implementing access control measures. Establishing comprehensive and comfortable employee facilities (health centers, lactation rooms, sports centers). Annual safety promotion training and seminars (CPR, AED basic operation training, health and infectious disease awareness). Conducting health check-ups and health promotion activities for new and existing employees. Planning and implementing workplace environment monitoring. Monthly on-site physician consultation services. Through thorough and rigorous planning and implementation, the safety and health of personnel and the working environment in the factory area are ensured. In 2024 there were no fire-related emergencies on the premises, with zero casualties. Continuous reinforcement of emergency response handling for all personnel on-site is achieved through annual emergency response training and disaster simulation drills.					Compliant
4) Does the Company provide career development and training for its employees?			(4)	The Company arranges annual training programs every year, designs courses according to functional attributes and functions, and organizes internal training and external training courses from time to time to enhance the training of employees' professional abilities. The total number of career training hours for the year 2024 was 5,170. The succession plan for members of the board of directors and important management of our company is as follows: Board member succession plan: A. The election of directors of the Company shall all adopt the candidate nomination system in accordance with the "Articles of Incorporation", and the composition of the board of directors shall consider diversification in accordance with the "Code of					Compliant

Item	Implementation Status (Note 1)			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y es	N o	Summary Description	
<p>(5) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, as well as marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?</p> <p>(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.</p>			<p>Corporate Governance Practice" and "Measures for Election of Directors". We shall also seek a Board of Directors composed of industry elites and experts from various fields based on the Company's own operation, operation mode, and development.</p> <p>B. The General Manager of the Company will attend all Board meetings as nonvoting delegates, so as to cultivate his/her ability to formulate strategies and understand the operation of the Board, and to select candidates for the Company's successor board of directors. This year, the General Manager was nominated as a director candidate by the Board of Directors after assessment.</p> <p>C. The Company expects to adopt the "Board Performance Evaluation Measures" in the third quarter of this year, using performance evaluation measures to verify the effectiveness of the board's operations and evaluate the performance of directors, as a reference for future director selection.</p> <p>D. We plan to carry out the succession of directors with the following methods:</p> <p>(a) The current board of directors selects suitable candidates.</p> <p>(b) Directors recommended by shareholders.</p> <p>(c) Candidates for director training for senior executives.</p> <p>Succession planning for important management levels:</p> <p>A. Inventory the status of important positions or management level talents to identify the professional abilities and leadership traits of the required talents internally.</p> <p>B. Plan a complete cultivation plan, strengthen job experience, and regularly review their performance and competence.</p> <p>C. Explore highly potential employees and effectively build company leadership talents by undertaking project tasks.</p> <p>D. Develop strategic thinking and combine it with annual performance evaluation as a basis for important management succession.</p> <p>In October 2021, the board of directors of the Company proposed Vice President James Wang as the general manager, which is the succession plan for the senior management.</p> <p>(5) The Company attaches great importance to customer opinions. In addition to signing a confidentiality agreement, the Company's website provides a contact window and email address and sets up a stakeholder area to provide a channel for customers to ask questions, complaints or suggestions, and the Company will handle and reply appropriately to protect the rights of customers.</p> <p>(6) The Company has established a Green Supply Chain Management Procedure. Suppliers are required to commit to and guarantee that their products do not contain any hazardous substances regulated by the Company. If a supplier is found to be in violation of the Company's Sustainable Development Practices Policy and such violation has a significant impact on the environment or society, the Company may terminate or rescind the contract at any time.</p>	<p>Compliant</p> <p>Compliant</p>
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company,		✓	The Company has not yet prepared a perpetual report, but relevant and reliable information on sustainable operations is available on the Company's website.	As required by the regulatory authorities, the report will be

Item	Implementation Status (Note 1)			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y es	N o	Summary Description	
such as corporate social responsibility reports? Did the reports above undergo assurance review conducted by a third-party verification unit?				completed by the end of August 2025.
6. If the Company has its own Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Code: The Company has developed and implemented a Code of Corporate Social Responsibility (CSR). The Company places great emphasis on the interaction between overall corporate operations and sustainable development, whether among employees, shareholders, and the community at large, and implements it in its operations to provide a better working and social environment.				
7. Other important information for understanding sustainability implementation: The board of directors of the company in Japan passed the establishment of a sustainability committee on April 25, 2024, and obtained ISO 14064-1 certification in November 2024..				

Climate-related Information Implementation Status

Item	Implementation Status
1. Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	The board of directors is the highest regulatory unit for the company's climate change governance. It provides guidance and oversight on climate management policies, formulates annual plans and strategic directions, and tracks and reviews the implementation effectiveness of projects and activities. The Sustainability Development Committee is chaired by the chairman of the board, with the general manager acting as the sustainability officer, and departmental heads serving as members of the committee. The committee's results are regularly reported to the board of directors to ensure the effective implementation of risk management strategies.
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and financials (short-term, medium-term, long-term).	The company is concerned about the impact of climate change on future operations. The changes in climate and the global low-carbon transition may lead to transition risks, which have a relatively minor short-term impact but will gradually increase due to the development of regulations and carbon pricing. Physical risks, such as extreme weather events and droughts, will increase in the medium and long

Item	Implementation Status
	term as temperatures rise. In addition to conducting inventories, the Sustainability Development Committee's functional groups also plan reduction targets and regularly communicate to adjust as needed.
3. Describe the financial impacts of extreme weather events and transition actions.	Extreme weather could pose immediate and long-term risks to the company, causing property damage and increasing the operational costs of risk management. In order to adapt to and mitigate the impacts of climate change, the company has enhanced its focus on low-carbon operations, improving energy efficiency, using environmentally friendly materials, and replacing equipment with lower pollution levels.
4. Describe how the process for identifying, assessing, and managing climate risks is integrated into the overall risk management framework.	The company's board of directors has established the "Sustainability Development Committee" and completed the carbon inventory for the parent and subsidiary companies by November 2024, obtaining ISO 14064-1 external verification. This will help address the risks faced by the company regarding operational sustainability and integrate them into the company's operational plans.
5. If scenario analysis is used to assess the resilience of the company to climate-related risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	The company has not yet adopted scenario analysis to assess resilience to climate change risks. However, since the company is not in an energy-intensive industry, the financial impact of climate change risks is not significant for the company.
6. If a transition plan is in place to manage climate-related risks, describe the plan and the indicators and targets used to identify and manage physical and transition risks.	The company has obtained ISO 14001 environmental management system certification and continues to focus on climate change-related policies, actively responding to domestic and international carbon reduction strategies to improve its carbon management. The company has also introduced measures to reduce energy consumption, such as upgrading basic infrastructure, replacing lighting with LED lights, and optimizing equipment operation methods and schedules to save electricity.
7. If internal carbon pricing is used as a planning tool, describe the basis for the	The company has not yet implemented an internal carbon pricing system but plans to continue preparing for and

Item	Implementation Status
pricing.	introducing it in the future.
8. If climate-related targets are set, describe the activities, greenhouse gas emission scope, planning timelines, and progress made each year; if carbon offset or renewable energy certificates (RECs) are used to meet the targets, describe the sources and quantities of carbon reductions or RECs used.	<p>The company does not currently use carbon offsets or renewable energy certificates (RECs).</p> <p>(AAEON)</p> <p>Short, medium, and long-term goals are as follows:</p> <p>Short-term: By 2024, complete the group's greenhouse gas inventory and third-party verification; implement energy-saving action plans and reduce paper usage; enhance employees' awareness of energy-saving, carbon reduction, and environmental protection.</p> <p>Medium-term: By 2030, reduce Scope 1 and 2 carbon emissions by 50% compared to the baseline year; for Scope 3, reduce carbon emissions by 30% in the procurement of goods and services and the carbon footprint of products sold, following scientific-based reduction targets.</p> <p>Long-term: By 2050, achieve the SBT (Science-Based Target) net-zero commitment and the long-term vision of limiting global temperature rise to no more than 1.5°C.</p>
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans (also provided in sections 1-1 and 1-2).	According to the timeline outlined in the Sustainable Development Pathway for listed companies, the company's capital is categorized under the "third phase," and it is only required to complete Scope 1 and 2 inventories by 2026.

(5) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Summary Description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1) A. The "Code of Business Conduct with Integrity" was approved by the Board of Directors at the 3rd meeting of the 9th session of the Board of Directors on August 7, 2014 and published in the Company's internal regulations and the Company's website, and is being implemented accordingly. B. Enforcement: In 2024, the Company and its directors, supervisors, managers, employees, appointees and beneficial owners have not received any improper benefits of any kind from the stakeholders in the execution of their business.	Compliant
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(2) The Company's employee handbook and the Code of Conduct for Integrity Management specify the procedures for handling dishonest conduct by the Company's employees, the channels for reporting, and the procedures for sanctions and grievances, which are usually communicated by the supervisor and implemented, but the evaluation mechanism has not yet been established and will be set up later.	Compliant
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3) The Company's employee handbook and the Code of Conduct on Integrity. It is stipulated that the Company may dismiss without notice and take legal action against dishonest behavior within the scope of business, such as "misappropriation of public funds with concrete evidence" and "intentional leakage of the Company's technical and business secrets that cause significant	Compliant

Evaluation Item	Implementation			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies” and Reasons
	Y	N	Summary Description	
			damage to the Company. The Company may remove the employee without notice and take legal action for dishonest behavior within the scope of business.	
2. Fulfill operations integrity policy				
(1) Does the company evaluate the integrity record of counterparties, and does it specify integrity conduct clauses in the contracts signed with business counterparts?	✓		(1) The Company conducts an evaluation of the counterparties and signs similar terms and conditions, which will be incorporated into the contracts in the future.	Compliant
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) The General Manager's Office is responsible for and supervises the implementation of the Code, checks compliance with the Code, and reports to the Board of Directors. In 2024, no instances of dishonesty involving employees, managers, or directors were identified. However, this matter was not reported to the Board of Directors. It will be included as an agenda item in the future.	Compliant
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) The Company's "Rules of Procedures of the Board of Directors" has a provision for the recusal of the Director's interest in the Board of Directors' meeting.	Compliant
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) The Company's internal auditors conduct regular audits of the internal control system to implement the monitoring mechanism and control various risks. External auditors are hired annually to conduct audits of the Company's internal controls and computer audits.	Compliant
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		(5) In order to promote the integrity of the Company, the Company has announced the relevant regulations in the Company's internal rules and regulations and on the Company's website for employees to comply with. In 2024, a total of 5,170 participants attended internal and external training sessions related to business operations (including courses on integrity and	Compliant

Evaluation Item	Implementation			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies” and Reasons
	Y	N	Summary Description	
			regulatory compliance, occupational safety and health work guidelines, accounting systems, and internal controls), amounting to a total of 179 hours.	
3. Operation of the integrity channel				
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) The Company has established a whistle-blowing and disciplinary system in the Employee Handbook and the Code of Conduct for Integrity Management, which has been announced and disseminated to all employees. Employees may submit their complaints to their supervisors or human resources managers by e-mail or by written	Compliant
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		(2) The Company will keep the identity of the whistleblower and the content of the report confidential.	Compliant
(3) Does the Company provide proper whistleblower protection?	✓		(3) The Company shall keep the identity of the whistleblower confidential and shall investigate the whistleblower and the whistleblower separately and shall protect the whistleblower from improper disposal due to the whistleblower.	Compliant
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	✓		The Company's website discloses the Company's profile, basic information and financial information, and discloses the Company's information in a timely, open and transparent manner on the Market Observation Post System.	Compliant
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies. Ethical Corporate Management Best Practice Principles, etc.)				

(7) Other Important Information to Enhance Understanding of the Company's Governance Operations

The company discloses significant information to the public in a timely manner in accordance with the law, adhering to the principle of simultaneous disclosure to shareholders. Additionally, all directors have completed the required training and, during board meetings, provide opinions on the proposals presented.

(8) Internal Control System Execution Status

1. **Internal Control Statement:** The internal control statement can be found on the publicly designated information observation station by the Financial Supervisory Commission, <https://mops.twse.com.tw/mops>.

2. **Report from an External Auditor on the Internal Control System:** None.

(九) Significant resolutions of shareholders' meetings and board meetings in the most recent year and up to the date of printing of the annual report

Meeting Date	Important resolutions	Implementation
2024.05.24	1. Ratified the Company's Business Report and Financial Statements for the year 2023.	The announcement was made in accordance with the resolution of the shareholders' meeting.
	2. Ratified the appropriation of the Company's fiscal year 2023 earnings.	The base date for distribution was set on June 26, 2024. The cash dividend was initially scheduled to be distributed on July 25, 2024, but was postponed to July 26, 2024, due to the impact of a typhoon. A total of NT\$203,203,088 in cash dividends was distributed.
	3. Discussed the proposal to issue new shares by transferring capital from the fiscal year 2024.	The announcement was made in accordance with the resolution of the shareholders' meeting.
	4. Discussed the proposal for Amending the "Endorsement Guarantee Operation Procedure" for Resolution	

Name of the Board meeting	Meeting Minutes Summary	Matters listed in the Article 14-3 of the Securities and Exchange Act	Independent Director attendance	Independent directors' opinion and implementation
5 st meeting of the 12 th Board 2024/2/29	1. 2023 Annual Report on Operations and Financial Statements.		4 seats	Independent Director's opinion: None. The Company's handling of the Independent Director's opinion: None. Resolution result: The resolution result was approved and implemented in accordance with the resolution result.
	2. 2023 Employee and Director Remuneration Plan.			
	3. Distributed earnings for fiscal year 2023.			
	4. Increased capitalization of earnings and issuance of new shares for fiscal year 2023.			
	5. Statement of the internal control system for the fiscal year 2023.			
	6. Amendment to the "Board Meeting Procedures" within the company.			
	7. Amendment to the "Organizational Regulations of the Audit Committee.			
	8. Amendment to the "Endorsement Guarantee Operation Procedure.	✓		
	9. Discussed the renewal of the Company's bank loan line.			
	10. Discussed the renewal of the Company's bank loan facilities and endorsement guarantee.			
	11. The Company's 2024 Independence Evaluation of the Appointment of Certified Public Accountants.	✓		
	12. The date and meeting schedule of the 2024 Annual General Meeting of Shareholders..			
6 st meeting of the 12 th Board 2024/4/25	1. Consolidated financial statements for the first quarter of 2024.		4 seats	Independent Director's opinion: None. The Company's handling of the Independent Director's opinion: None. Resolution result: The resolution result was approved and implemented in accordance with the resolution result.
	2. Discussion on the Renewal of the Company's Bank Loan Limit Expiration Case			
	3. Establishment of "Board Performance Evaluation Regulations			
	4. Drafting of "Sustainable Development Committee Organizational Regulations".			
	5. Appointment of Members for the "First Sustainable Development Committee"			
7 st meeting of the 12 th Board	1. The ex-dividend basis for the transfer of earnings in fiscal year 2023 and the issuance of new shares.		4 seats	

Name of the Board meeting	Meeting Minutes Summary	Matters listed in the Article 14-3 of the Securities and Exchange Act	Independent Director attendance	Independent directors' opinion and implementation
2024/5/24				
8 st meeting of the 12 th Board 2024/8/8	1. Consolidated financial statements for the second quarter of 2024. 2. 2024 Manager's bonus payment for the Dragon Boat Festival.			
9 st meeting of the 12 th Board 2024/10/31	1. Consolidated financial statements for the third quarter of 2024. 2. Discussed the renewal of the Company's bank loan line.			
10 st meeting of the 12 th Board 2024/12/19	1. The audit plan for the fiscal year 2025. 2. Addition of the Company's "Sustainable Information Management Operating Procedures" 3. Discussed the renewal of the Company's bank loan line.			
11 st meeting of the 12 th Board 2025/2/27	1. 2024 Annual Report on Operations and Financial Statements.			
	2. 2024 Employee and Director Remuneration Plan.			
	3. Distributed earnings for fiscal year 2024.			
	4. Increased capitalization of earnings and issuance of new shares for fiscal year 2024.			
	5. Statement of the internal control system for the fiscal year 2024.			
	6. Revision of the "Corporate Governance Best Practice Principles"			
	7. Revision of the "Board Meeting Procedures" ㄐ			
	8. Revision of the "Audit Committee Organizational Regulations"			
	9. Establishment of the Scope for the Definition of "Frontline Employees"			
	10. Revision of the "Company Bylaws"			
	11. Compensation Committee's Review of Managerial Bonuses and Remuneration Proposal			
	12. Proposed Pre-Approval Audit Procedures for Providing Non-Assurance Services			
	13. The Company's 2025 Independence Evaluation of the Appointment of Certified Public Accountants. 案	✓		
	14. The date and meeting schedule of the 2025 Annual General Meeting of Shareholders..			
12 st meeting of the 12 th Board 2025/4/24	1. Discussion Items Reserved from the Last Meeting: Long-Term Dividend Distribution Plan			
	2. Consolidated financial statements for the first quarter of 2025.			
	3. Discussed the renewal of the Company's bank loan line.			

(10) For the most recent year and up to the date of publishing the annual report, where the directors or supervisors have dissenting views on important resolutions passed by the board of directors and where there is a record or written statement to that effect: None

4. Audit Fee

Unit: NT\$ thousand

Audit Fee	Audit Fee	Audit Period	Audit Fee	Non-audit Fee					Total	Remark
				System of Design	Company Registration	Human Resource	Other	Sub total		
Deloitte Taiwan	Shin Tong-Lin Chen Ming-hui	2024	2,100	0	0	0	350	350	2,450	None

- (1) If there is a change in the accounting firm and the audit fee paid in the year of the change is less than the audit fee paid in the year before the change, the amount of the decrease in the audit fee, the percentage and the reason should be disclosed: Not applicable.
- (2) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage, and reasons for the reduction shall be disclosed: None.

5、Replacement of accountant information: None.

6、Information on the chairman, general manager, and manager responsible for the Company's financial or accounting operations, who have worked at the firm of a certified public accountant or its affiliated companies in the most recent year: None.

7、Transfer of equity and changes in equity pledge of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% in the most recent year and as of the date of publication of the annual report

(1) Changes in Shareholdings of Directors, Managers, and Major Shareholders: Please refer to the Public Information Observatory designated by the Financial Supervisory Commission. , <https://mops.twse.com.tw/mops> .

(2) Information on transfer of equity interest: None.

(3) Information on pledge of equity interest: None.

八、The Shareholding percentage of the top ten shareholders as a result of their relationship with each other under R.O.C.

NAME	Name and Relationship Between the Company's Top Ten Shareholders		or Spouses or Relatives Within Two Degrees		Name and Relationship Between the Company's Top Ten Shareholders		NAME AND RELATIONSHIP BETWEEN THE COMPANY'S TOP TEN SHAREHOLDERS, OR SPOUSES OR RELATIVES WITHIN TWO DEGREES		REMARK
	Shares	%	Shares	%	Shares	%	Name	Relationship	
OMNICO INTERNATIONAL LTD. Rep.:Liao Boxiang	6,805,460	4.69	0	0	0	0	None	—	None
	177,304	0.12	119,849	0.08	0	0			
Vincent Tsuei	6,165,989	4.25	322,088	0.22	0	0	None	—	None
Cheng Chung Investment Co., Ltd. Rep.:Song Binchong	5,224,931	3.60	0	0	0	0	None	—	None
	721,002	0.50	0	0	0	0			
Fu-Yuan Construction Co., Ltd. Rep.:Lin Jin-Tsai	3,422,332	2.36	0	0	0	0	None	—	None
	1,042,615	0.72	0	0	0	0			
Lee Chuang Suk Hwa	3,360,995	2.32	0	0	0	0	None	—	None
Ruihai Investment Co., Ltd.	3,297,853	2.27	0	0	0	0	None	—	None
ONYX HEALTHCARE INC.	2,997,000	2.07	0	0	0	0			
Peng Mingxian	1,800,300	1.24	415,872	0.29	0	0	None	—	None
Liu Mei-Ling	1,528,396	1.05	0	0	0	0	None	—	None
Jian Tingchang	1,511,976	1.04	0	0	0	0	None	—	None

9. Number of shares held by directors, supervisors, managers and companies directly or indirectly controlled by the Company in the same business to be reinvested shall be aggregated to calculate the consolidated percentage of shareholding.

March 31, 2025 Unit: Share;

Transferred Investment Business	The Company's investment		Directors, Supervisors, Managers and Investments in Direct or Indirectly Controlled Businesses		Comprehensive Investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
ALLIED ORIENTAL INTERNATIONAL LTD.	12,200,000	100%	-	-	12,200,000	100%
Top Union (Shanghai) Co.	-	-	-	100%	-	100%
Top Union (Suzhou) Co.	-	-	-	100%	-	100%

III. Capital raising

1. Capital and shares

(1) Source of capital

1. Equity formation process

March 31, 2025 Unit: MTS/Share

Year Month	Issued price (NT\$)	Approved Capital		Paid-in Capital		Remark		
		Share	Amount	Share	Amount	Source of Capital	The use of property other than cash to offset the payment of shares	Other
1990.02	10	1,500,000	15,000,000	1,500,000	15,000,000	Initiation (Cash)	None	None
1990.09	10	4,000,000	40,000,000	4,000,000	40,000,000	Cash Capital IncreaseNT\$25,000,000	None	None
1991.03	10	4,500,000	45,000,000	4,500,000	45,000,000	Cash Capital IncreaseNT\$5,000,000	None	None
1992.03	10	5,400,000	54,000,000	5,000,000	50,000,000	Cash Capital IncreaseNT\$5,000,000	None	None
1993.05	10	5,400,000	54,000,000	5,120,000	51,200,000	Cash Capital IncreaseNT\$1,200,000	None	None
1996.04	10	6,400,000	64,000,000	6,400,000	64,000,000	Cash Capital IncreaseNT\$12,800,000	None	None
1996.05	10	6,848,000	68,480,000	6,848,000	68,480,000	Transfer of capital from earningsNT\$4,480,000	None	None
1998.12	10	10,180,000	101,800,000	10,180,000	101,800,000	Cash Capital IncreaseNT\$33,320,000	None	None
1999.11	10	19,000,000	190,000,000	13,360,000	133,600,000	Cash Capital IncreaseNT\$20,602,000 Transfer of capital from earningsNT\$11,198,000	None	None
2000.06	10	22,200,000	222,000,000	19,800,000	198,000,000	Cash Capital IncreaseNT\$41,137,750 Transfer of capital from earningsNT\$23,262,250	None	None
2000.11	10	22,200,000	222,000,000	22,200,000	222,000,000	Cash Capital IncreaseNT\$24,000,000	None	Note 1
2001.11	10	50,000,000	500,000,000	32,200,000	322,000,000	Cash Capital IncreaseNT\$55,697,170 Employee bonus to capital increaseNT\$4,342,830 Transfer of capital from earningsNT\$39,960,000	None	Note 2
2002.10	10	50,000,000	500,000,000	35,600,000	356,000,000	Cash Capital IncreaseNT\$34,000,000	None	Note 3
2003.11	10	50,000,000	500,000,000	38,352,000	383,520,000	Transfer of capital from earningsNT\$27,520,000	None	Note 4
2004.08	10	70,000,000	700,000,000	43,616,494	436,164,940	Transfer of capital from earnings NT\$52,644,940	None	Note 5
2005.03	10	70,000,000	700,000,000	44,640,585	446,405,850	Conversion of corporate bonds into shares NT\$10,240,910	None	Note 6
2005.06	10	70,000,000	700,000,000	44,941,789	449,417,890	Conversion of corporate bonds into shares NT\$3,012,040	None	Note 6
2005.09	10	70,000,000	700,000,000	51,061,865	510,618,650	Transfer of capital from earnings NT\$61,200,760	None	Note 7
2006.07	10	70,000,000	700,000,000	51,130,241	511,302,410	Conversion of corporate bonds into shares NT\$683,760	None	Note 6
2006.10	10	70,000,000	700,000,000	51,369,557	513,695,570	Conversion of corporate bonds into shares NT\$2,393,160	None	Note 6
2007.01	10	70,000,000	700,000,000	57,497,756	574,977,560	Conversion of corporate bonds into shares NT\$61,281,990	None	Note 6
2007.04	10	70,000,000	700,000,000	60,022,916	600,229,160	Conversion of corporate bonds into shares NT\$23,931,600 Employee Stock Options NT\$1,320,000	None	Note 6 Note 8
2007.07	10	100,000,000	1,000,000,000	60,082,745	600,827,450	Conversion of corporate bonds into shares NT\$598,290	None	Note 6
2007.08	10	100,000,000	1,000,000,000	63,313,515	633,135,150	Transfer of capital from earnings NT\$32,307,700	None	Note 9
2007.10	10	100,000,000	1,000,000,000	65,686,835	656,868,350	Conversion of corporate bonds into shares NT\$21,298,200 Employee Stock Options NT\$2,435,000	None	Note 6 Note 8
2008.01	10	100,000,000	1,000,000,000	65,831,835	658,318,350	Employee Stock Options NT\$1,450,000	None	Note 8 Note 10
2008.04	10	100,000,000	1,000,000,000	66,319,044	663,190,440	Conversion of corporate bonds into shares NT\$1,084,590 Employee Stock Options NT\$3,787,500	None	Note 8 Note 10 Note 11
2008.04	10	100,000,000	1,000,000,000	62,853,544	628,535,440	Employee Stock Options NT\$345,000 Cancellation of treasury shares NT\$35,000,000	None	Note 8 Note 10 Note 12
2008.09	10	100,000,000	1,000,000,000	68,361,699	683,616,990	Transfer of capital from earnings NT\$55,081,550	None	Note 13
2009.10	10	100,000,000	1,000,000,000	68,363,949	683,639,490	Employee Stock Options NT\$22,500	None	Note 10
2010.01	10	100,000,000	1,000,000,000	68,412,699	684,126,990	Employee Stock Options NT\$487,500	None	Note 10
2010.04	10	100,000,000	1,000,000,000	68,511,699	685,116,990	Employee Stock Options NT\$990,000	None	Note 8 Note 10 Note 11
2010.07	10	100,000,000	1,000,000,000	68,714,199	687,141,990	Employee Stock Options NT\$2,025,000	None	Note 8
2010.12	10	100,000,000	1,000,000,000	68,902,449	689,024,490	Employee Stock Options NT\$1,882,500	None	Note 8 Note 10 Note 11
2011.03	10	100,000,000	1,000,000,000	69,511,001	695,110,010	Conversion of corporate bonds into shares NT\$3,975,520 Employee Stock Options NT\$2,110,000	None	Note 8 Note 10 Note 11 Note 14
2011.06	10	100,000,000	1,000,000,000	69,809,730	698,097,300	Conversion of corporate bonds into shares	None	Note 10

Year Month	Issued price (NT\$)	Approved Capital		Paid-in Capital		Source of Capital	The use of property other than cash to offset the payment of shares	Other
		Share	Amount	Share	Amount			
						NT\$2,752,290 Employee Stock Options NT\$235,000		Note 11 Note 14
2011.08	10	100,000,000	1,000,000,000	74,489,120	744,891,200	Transfer of capital from earnings NT\$46,793,900	None	Note 15
2011.11	10	100,000,000	1,000,000,000	74,497,620	744,976,200	Employee Stock Options NT\$85,000	None	Note 10 Note 14
2012.03	10	100,000,000	1,000,000,000	74,585,120	745,851,200	Employee Stock Options NT\$875,000	None	Note 10
2012.06	10	100,000,000	1,000,000,000	74,593,620	745,936,200	Employee Stock Options NT\$85,000	None	Note 14
2012.08	10	100,000,000	1,000,000,000	77,109,424	771,094,240	Transfer of capital from earnings NT\$25,158,040	None	Note 16
2012.12	10	100,000,000	1,000,000,000	77,127,924	771,279,240	Employee Stock Options NT\$185,000	None	Note 14
2013.08	10	100,000,000	1,000,000,000	78,301,721	783,017,210	Transfer of capital from earnings NT\$11,737,970	None	Note 17
2014.03	10	100,000,000	1,000,000,000	78,364,221	783,642,210	Employee Stock Options NT\$625,000	None	Note 14
2014.08	10	100,000,000	1,000,000,000	80,797,689	807,976,890	Transfer of capital from earnings NT\$24,334,680	None	Note 18
2014.11	10	100,000,000	1,000,000,000	80,890,189	808,901,890	Employee Stock Options NT\$925,000	None	Note 14
2015.08	10	100,000,000	1,000,000,000	84,996,280	849,962,800	Transfer of capital from earnings NT\$41,060,910	None	Note 19
2016.08	10	100,000,000	1,000,000,000	92,197,356	921,973,560	Transfer of capital from earnings NT\$72,010,760	None	Note 20
2019.07	10	120,000,000	1,200,000,000	98,946,203	989,462,030	Transfer of capital from earnings NT\$67,488,470	None	Note 21
2021.09	10	120,000,000	1,200,000,000	102,359,847	1,023,598,470	Transfer of capital from earnings NT\$34,136,440	None	Note 22
2022.07	10	180,000,000	1,800,000,000	109,422,676	1,094,226,760	Transfer of capital from earnings NT\$34,136,440	None	Note 22
2022.12	10	180,000,000	1,800,000,000	123,422,676	1,234,226,760	Cash Capital Increase NT\$34,136,440	None	Note 22
2023.07	10	180,000,000	1,800,000,000	138,233,397	1,382,333,970	Cash Capital Increase NT\$148,107,210	None	Note 25
2024.07	10	180,000,000	1,800,000,000	145,006,834	1,450,068,340	Cash Capital Increase NT\$67,734,3700	None	Note 26

Note 1: Approval date and document number: Approved by letter No. 88905 dated November 6, 2000 (89) Tai-Cai-Certificate (1) Tzu No. 88905.

Note 2: Approval date and document number: Approved by letter No. 161883 dated October 17, 2001 (90) Tai-Cai-Certificate (1) Tzu No. 161883.

Note 3: Approval date and document number: Approved by letter of Tai-Cai-Certificate 1 Tzu No. 0910149210 dated September 10, 2002.

Note 4: Approval date and document number: Approved by Tai-Cai-Certificate 1 Tzu No. 0920148738 on October 17, 2003.

Note 5: Approval date and document number: Approved by letter No. 0930129969 dated July 7, 2004.

Note 6: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0930149463 on November 15, 2004.

Note 7: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0940126924 on July 5, 2005.

Note 8: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0930145880 on October 12, 2004.

Note 9: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0960031043 on June 21, 2007.

Note 10: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0940147712 on October 25, 2005.

Note 11: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0960058473 on October 30, 2007.

Note 12: Approval date and document number: Approved by Jin-Guan-Certificate 3 Tzu No. 0970018839 on April 28, 2008.

Note 13: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0970036018 on July 17, 2008.

Note 14: Approval date and document number: Approved by Jin-Guan-Certificate 1 Tzu No. 0960054590 on October 3, 2007.

Note 15: Approval date and document number: Approved by Jin-Guan-Certificate by letter No. 1000027001 dated June 14, 2011.

Note 16: Approval date and document number: Approved by Jin-Guan-Certificate issued Tzu No. 1010026967 on June 18, 2012.

Note 17: Approval date and document number: Approved by Jin-Guan-Certificate issued Tzu No. 1020024323 on June 24, 2013.

Note 18: Approval date and document number: Approved by Jin-Guan-Certificate was approved by letter Tzu No. 1030023027 dated June 20, 2014.

Note 19: Approval date and document number: Approved by Jin-Guan-Certificate in Tzu No. 1040022890 dated June 17, 2015.

Note 20: 2016/06/08 Declaration effective (three-day system)

Note 21: 2019/06/05 Declaration effective (three-day system)

Note 22: 2021/07/28 Declaration effective (three-day system)

Note 23: 2022/06/01 Declaration effective (three-day system) - Cancellation of paper approval letter

Note 24: Approval date and document number: Approved by Jin-Guan-Certificate Fa Tzu No. 1110358682 on October 17, 2022.

Note 25: Approval date and document number: Approved by Jin-Guan-Certificate Fa Tzu No. 11230128460 on July 14, 2023.

Note 26: Approval date and document number: Approved by Jin-Guan-Certificate Fa Tzu No. 11330115830 on July 17, 2024.

2. Total Share Capital

March 31, 2025 Unit: Share

Type of shares	Authorized share capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Registered Common Shares	145,006,834	34,993,166	180,000,000	None

Note: Par value of \$10 per share, on the over-the-counter shares.

3. Information Related to the Comprehensive Reporting System: None.

(2) List of major shareholders

March 24, 2025 ; Unit: Share

Shareholder's Name	Shares	Shareholding (Shares)	Shareholding Percentage
OMNICO INTERNATIONAL Co., Ltd.		6,805,460	4.69
Vincent Tsuei		6,165,989	4.25
Cheng Chung Investment Co., Ltd.		5,224,931	3.60

Shareholder's Name	Shares	Shareholding (Shares)	Shareholding Percentage
Fu-Yuan Construction Co., Ltd.		3,422,332	2.36
Lee Chuang Suk Hwa		3,360,995	2.32
Ruihai Investment Co., Ltd.		3,297,853	2.27
ONYX HEALTHCARE INC.		2,997,000	2.07
Peng Mingxian		1,800,300	1.24
Liu Mei-Ling		1,528,396	1.05
Jian Tingchang		1,511,976	1.04

- (3) Dividend policy and implementation status: The dividend policy in the Company's Articles of Incorporation and the proposed dividend distribution at this shareholders' meeting.

1. Dividend policy

In accordance with Article 21-1 of the Company's Articles of Incorporation, based on profit-sharing, the Company shall distribute dividends to shareholders at a rate of not less than 50% of the earnings available for distribution for the year, and shall distribute stock dividends at a rate of not more than 50% of the dividends distributed for the year, with the remainder being cash dividends.

2. Implementation

The proposed dividend distribution at the shareholders' meeting for the year was as follows

The Company's after-tax earnings for the year ended December 31, 2024 amounted to NT\$380,579,789. After setting aside NT\$38,478,775 as legal reserve, the Company set aside NT\$345,116,265 as dividends to shareholders based on the number of outstanding shares as of the date of the board of directors' meeting, of which NT\$86,279,070 was stock dividends and NT\$258,837,195 was cash dividends. The stock dividends were allotted at a rate of 25%, or NT\$0.595 per share, which means that 59.5 shares were allotted at no cost per thousand shares, and the cash dividends were allotted at a rate of 75%, or NT\$1.785 per share.

- (4) Impact of the proposed gratis share placement on the Company's operating results and earnings per share:

The Company has not made public its financial forecast for 2025, so it is not applicable.

- (5) Remuneration for employees and directors.

1. The percentage or scope of remuneration to employees and directors as set forth in the Articles of Association:

In accordance with Article 21 of the Company's Articles of Incorporation, if the Company makes a profit for the year (profit means profit before taxation before the distribution of employees' remuneration and directors' remuneration), 6% shall be appropriated as employees' remuneration and not more than 2.3% shall be appropriated as directors' remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), the amount to be made up shall be reserved in advance. Such remuneration may be in the form of shares or cash and may be paid to employees of subordinate companies who meet the conditions set by the Board of Directors. The remuneration of directors and supervisors in the preceding paragraph shall be payable in cash only. The first two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.

2. The estimated amount of employee and director's remuneration for the period is based on the number of shares distributed to employees and the accounting treatment if the actual distribution differs from the estimated amount.

In accordance with the Company's Articles of Incorporation, the Company contributes 6% and no more than 2.3% of the pre-tax benefit to the employees' and directors' remuneration, respectively, for the year before the distribution of the employees' and directors' remuneration. The amount of employee compensation and remuneration to directors and supervisors in 2024 was estimated at 6% and 2.3% of the aforementioned pre-tax benefit, respectively, as resolved by the board of directors on February 27, 2025, and is subject to the resolution of the shareholders' meeting scheduled to be held on May 23, 2025 and reported to the shareholders' meeting as follows.

Unit: NT\$ thousand

Item	Distribution to	Board of Directors approved distribution amount	Distribution method	
			Cash	Stock
Employee remuneration	Employees of the Company	31,318	23,489	7,829
Director remuneration	Directors and Supervisors of the Company	12,005	12,005	0
Total		43,323	35,494	7,829

If there is a major change in the distribution amount resolved by the board of directors before the release date of the annual individual financial report, the change will adjust the original annual expenses. If there are any changes in amounts after the approval and issuance date of the annual parent company only financial statements, such changes shall be treated as changes in accounting estimates and adjusted in the subsequent year.

3. The board of directors' approval on the distribution of remuneration:

- (1) In addition to distributing directors' remuneration in cash, the proposed employee remuneration includes a cash payment of NT\$23,488,711 and newly issued shares valued at NT\$7,829,570. The number of shares to be issued was calculated based on the closing price of NT\$33.05 on February 26, the day prior to the Board resolution on the capital increase, resulting in the issuance of 236,900 new shares. Any fractional shares will be paid in cash at NT\$25 per share.
- (2) The proposed stock-based employee remuneration accounts for 2.06% of the Company's net profit after tax in the standalone financial statements for the year and 25% of the total amount of employee remuneration.

4. The actual distribution of employee, director and supervisor remuneration in the previous year (including the number of shares distributed, amount and stock price), if it is different from the recognized employee, director and supervisor remuneration, the difference, reason and handling situation should be stated :

Unit: NT\$ thousand

Item	Distribution to	Board of Directors approved distribution amount	Actual distribution amount	Distribution Method
Employee remuneration	Employees of the Company	24,823	24,823	cash
Director remuneration	Directors of the Company	9,516	9,516	cash
Total		34,339	34,339	

There was no difference between the actual amount of employee and director remuneration distributed for fiscal year 2023 and the amount recognized in the Company's financial statements for that year.

(6) Company's Repurchase of Its Own Shares

1. Company's Repurchase of Its Own Shares (Completed): None.
2. Company's Repurchase of Its Own Shares (Ongoing): None.
- 2 、 Status of corporate bonds: None.
- 3 、 The status of preferred shares: None.
- 4 、 Status of Global Depositary Receipt: None.
- 5 、 Employee stock options and new shares with restricted employee rights
 - (一) The Company should disclose the status of employee stock options that have not yet expired as of the date of printing of the annual report and the impact on shareholders' equity. For private placement of Global Depositary Receipt, it should be conspicuously marked: None.
 - (2) The names of the managers and the top ten employees who have acquired employee stock options as of the date of the annual report, the acquisition and subscription of stock options: None.
 - (3) For new shares with restricted employee rights that have not yet fully met the vesting conditions, the status and impact on shareholders' equity as of the date of printing of the annual report should be disclosed: None.
 - (4) The names of the managers and the top ten employees who have acquired new shares with restricted rights up to the date of the annual report and the circumstances of their acquisition: None.
- 6 、 The circumstances under which new shares of other companies have been acquired or transferred: None.
- 7 、 Implementation of capital utilization plans: None.

IV. Operational Highlights

1. Business Description

(1) Business Scope

1. Major Business Activities

- (1) Manufacturing of electronic products (including processing, design and manufacturing).
- (2) Import and export of electronic components, semi-finished and finished products.
- (3) Manufacturing design and technical consulting for electronic products.

2. Operating Share

Unit: Thousand dollars

Main product categories	2024	
	Consolidated Income	%
Acoustics (Sound)	2,011,909	61.53%
Power Electronics	421,520	12.89%
Network Communication	368,489	11.27%
Video	237,218	7.25%
Industrial Computers	156,678	4.79%
Medical Equipment	43,119	1.32%
Automotive Electronics	15,897	0.49%
Other	14,997	0.46%
Total	3,269,827	100.00%

3. The main products of the Company at present

(1) Professional circuit board assembly service

Most electronic products are designed by connecting the functions of electronic components through circuitry on a circuit board to achieve the performance of the product. The Company has been established for more than 35 years and has evolved from a role of regulating the production capacity of our customers in the early days of our pursuit of increased business volume to a role of supporting our customers in their pursuit of increased production capacity, with plenty of room for market expansion.

(2) Professional electronic components procurement services

When the industry is interested in developing new products together, it is important to pool resources together to make the quickest and most efficient division of labor, to outsource marketing and research, and development, and even to further outsource OEM from spare parts to purchase (OEM requires OEM materials). In recent years, the Company has been planning and providing parts procurement services to meet the needs of its customers, and its turnover and proportion have been increasing year on year.

(3) Professional Electronic Product Assembly Services

When a customer's product is stable and has a mass production base, it is a dream to find a suitable third party to provide space, capacity, and price advantage.

4. New product development plans

Although the Company is mainly focused on mass production services, in view of the rapidly changing electronic industry, it is important for us to observe and grasp the industry dynamics, as well as to be able to plan for the development and introduction of new technologies.

The following technology projects are proposed for development.

- Industrial grade products
- Production and testing of high-frequency communication products
- The production and testing of high-frequency communication products Test environment development for network products
- Testing environments for networking products Flexible circuit board bonding technology
- Flip-Chip bonding technology
- Automotive Electronics and public transportation systems
- Medical devices
- In terms of service offerings, the following items are proposed.
- The Specialized new product development and trial production
- Diverse, small-scale trial production with fast delivery
- Development and realization of high-difficulty process requirements
- Mass production process design for immature products
- RMA After-Sales Repair Service

(2) Industry Overview

1. Industry Overview

The Company is primarily engaged in the assembly and processing of electronic products. Its core business involves using surface-mount technology (SMT) to assemble standardized (automated) electronic components onto printed circuit boards (PCBs). For components that cannot be mounted via SMT, alternative soldering techniques are applied to connect the components to the boards, thereby enabling the electronic circuits to perform their intended functions. SMT-based production technologies are widely utilized across various sectors, including network communications electronics, computers and peripherals, industrial electronics, automotive electronics, optoelectronic products, consumer electronics, medical electronics, military applications, aerospace, and commercial electronics. Upon completion of assembly with mechanical parts, housings, and attractive packaging, the products reach their final forms as encountered by consumers.

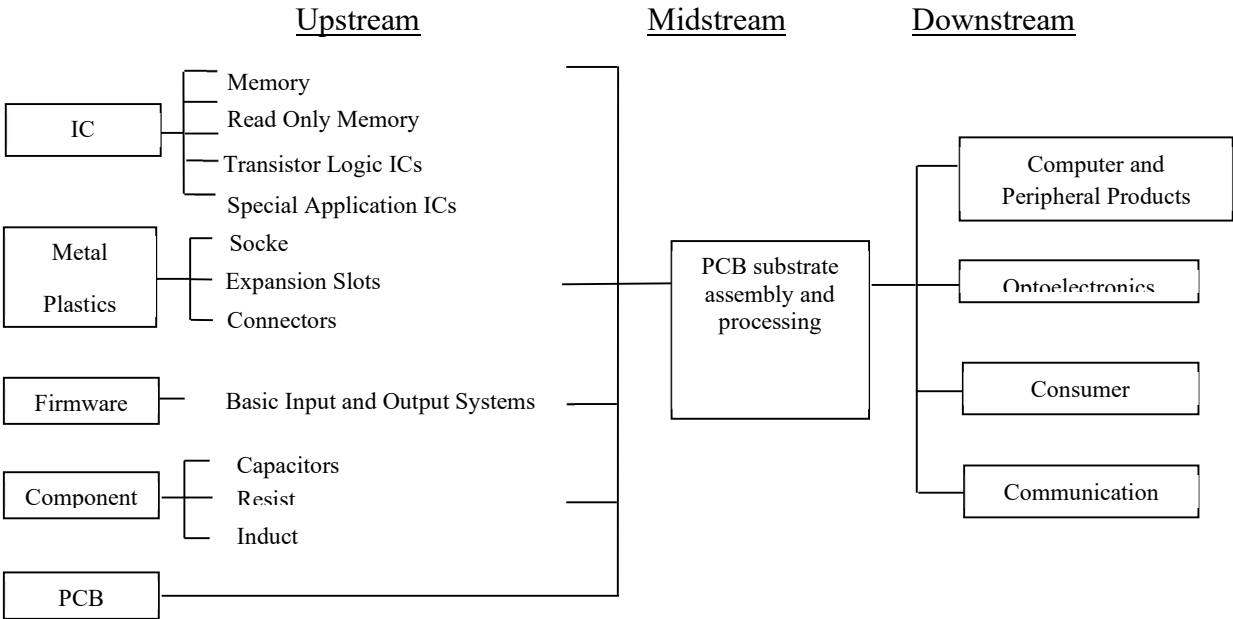
The development of electronic product assembly and processing has spanned over half a century, with varying business models such as in-house manufacturing, outsourcing, and collaboration. Regardless of the model, professionalism and operational efficiency are critical determinants of success. Investment in automated and intelligent factories requires significant capital, continuous research and development to maintain advanced processing capabilities, and substantial human resource costs. Sustaining productivity necessitates solid and ongoing financial investment. Therefore, unless a manufacturer is a large enterprise with high-volume, standardized production, the financial burden of building in-house production capacities is considerable. As a result, the professional contract manufacturing model has continued to expand, evolving toward greater specialization, capitalization, and labor intensiveness.

In response to fierce market competition and the need for sustainable business operations, PCB assembly and processing providers not only expand equipment investments and increase production capacities to handle large customer orders but also offer comprehensive services, including component procurement, final-stage testing, and assembly. Leveraging strong manufacturing and service advantages, these providers secure a wide range of electronic product orders, accumulate manufacturing experience, and enhance rapid production line changeover capabilities to maintain competitiveness.

Consequently, the business model has shifted from pure consignment PCB assembly toward providing full-scale services, encompassing PCB and component procurement, management, manufacturing, assembly, mass production, testing, system integration, distribution support, and repair services. Providers continuously develop advanced manufacturing processes, reduce production costs, and improve product quality. Through the professional manufacturing services offered by PCB assembly providers, electronics brand companies can minimize capital investment in production departments while still obtaining high-quality products. Furthermore, by reallocating resources from production to marketing channel expansion and product research and development, companies can accelerate their growth.

In the future, under the trends of professional division of labor and global logistics models, electronics assembly and processing manufacturers are expected to further meet the manufacturing capacity demands, material procurement services, and global logistics needs of electronics product development companies. They can also provide rapid prototyping and assembly services for development and testing boards to IC design companies, thereby accelerating and enhancing the application and promotion of IC products.

2. Upstream, midstream and downstream industry relationships



The Company is a PCB substrate assembly manufacturer, which provides PCB assembly and OEM services to customers in terms of upstream and downstream linkages. The upstream industry includes ICs, metal and plastic components, circuit boards and their components. The downstream is the domestic and international sectors related to electronics, such as computers and peripheral devices, automotive, medical, optoelectronics, telecommunications, and consumer electronics.

3. Future trends of the product

(1) Precision of manufacturing process

Electronic products have consistently evolved toward being lighter, thinner, shorter, and smaller, while also emphasizing higher functionality, greater density, lower cost, reduced energy consumption, and minimized environmental impact. As a result, printed circuit boards (PCBs) for these products have similarly followed these development trends. For electronic product assembly and processing providers, this

has led to increasingly stringent demands for placement precision, thinner component profiles, and smaller component and product dimensions, raising the technological barriers. Taking motherboards as an example, the placement thickness has evolved from the previous 0.8–1.6 mm range to the current technical standard of 0.2–0.6 mm. In response to this trend, PCB assembly and processing providers must continuously enhance the precision of their manufacturing processes while also improving production yields to meet customer requirements.

(2) Introduction of HSF (Hazardous Substance Free) process

In view of the increasingly serious problem of hazardous substance pollution caused by the manufacturing process of industrial products, the requirements for the removal of hazardous substances from industrial products have been increasing, and the European Union has announced RoHS, WEEE, REACH and a total ban on electronic products containing hazardous substances since 2006. All products containing hazardous substances in excess of the standard are banned or conditionally imported. HSF products and compliance with Zhen Ding's requirements have now been fully standardized. In recent years, the focus has further expanded towards ESG development, encompassing not only compliance with material and process standards but also extending to energy and environmental sustainability, as well as engagement in social and cultural initiatives and the enhancement of corporate governance.

(3) Speedy and immediate delivery capability

Taiwan is a major global hub for the development and contract manufacturing of information and electronic products. In recent years, rapid and timely delivery has become a key factor in the competitiveness of Taiwanese electronics manufacturers. Companies effectively manage all aspects—financial planning, material procurement, transportation, and inventory—to achieve fast delivery, which is essential for business survival and maintaining industry competitiveness. Given that Taiwan's electronics manufacturing sector primarily operates on a made-to-order basis, including build-to-order, customer-specified production, and OEM models, failure to meet the delivery speed and quality standards demanded by major global brands would inevitably result in being phased out. Therefore, professional electronic product assembly and processing providers must align with downstream customers' delivery schedules and quality requirements to survive and thrive in the highly competitive market environment.

(4) Increasingly aggressive westernization of the industry

As the services provided are in manufacturing, the types of products produced by professional electronic product assembly and processing factories vary according to the types of products of their customers. In the past, setting up factories in mainland China operated on a world factory order model, with large-scale and simple products as the main focus. However, since the beginning of regional economic integration, there has been a gradual shift to various countries in Southeast Asia. Currently, the development of the mainland market primarily revolves around domestic demand. Hence, the business model for servicing new industries is different, transitioning from mass production to primarily focusing on small quantities, diversity, high difficulty, and immaturity.

4. Competitive situation of products

We are a professional PCB substrate assembly company, providing services such as

electronic product assembly and OEM services, as well as electronic component procurement services. The Company is a professional PCB assembly and processing company. Other established companies include INFO-TEK CORPORATION, TAIWAN SURFACE MOUNTING TECHNOLOGY CORP.

(3) Technology and R&D Overview

1. Technology level of the business

When the Company was established in 1990, the management and technical team came from the SMT technology promotion unit of the Institute of Electronics, Industrial Technology Research Institute (ITRI). Not only did Top Union Electronics have many years of experience in process service research, production and marketing prior to the establishment of Top Union Electronics, but it has also maintained a very good interaction and cooperation channel with ITRI. The project started with the technology transfer and establishment with Philips in the Netherlands, and Martin, a professional consultant from Philips in the Netherlands, has been supervising the project for many years. With this solid foundation, technological development has been kept up to date with the evolution of the times.

2. Research and development

(1) Introduction of process integration

From the very beginning of the Company's establishment, the experience accumulated in the Industrial Technology Research Institute (ITRI) has led us to adopt a comprehensive process integration plan when investing in equipment and manufacturing processes, in order to provide our customers with free and heartfelt services for complete product assembly and process design. Therefore, we not only develop SMT technology, but also provide DIP, functional test, reliability test, assembly, packaging, material procurement, functional test design and DFX analysis...etc. Our aim is to provide customers with integrated services, so that they can focus on product development and market operation without the hassle of process integration.

(2) Manufacturing Capability Enhancement and Application

Diversified and difficult PCB assembly techniques and capabilities

- Chip-scale package, CSP
- Ball Grid Array, BGA
- Micro Ball Grid Array, BGA
- Package on Package, PoP
- Film on Board, FoB
- Wave solder process
- Multi axis auto soldering
- Selective solder process
- Rigid board assembly
- Flex board assembly
- Rigid-Flex board assembly
- Press fit
- Past in hole
- Conformal coating
- Hat bar soldering

Assembly services (special assembly capabilities)

- Blister Pressing
- Ultrasonic case pressing
- Heat shrinks packaging
- Plastic casing hot pressing

Testing technology applications and capabilities

- In-circuit test ICT
- Solder paste inspection, SPI
- Auto optical inspection, AOI
- X-ray inspection
- Functional test
- Running test
- Wireless and telecom communication test
- Burn in test
- Optical testing
- ORT
- Drop test

(3) Progressive product type services

In the early days, we served Scanner, motherboards...etc. PCBs with low part density and simple board structure were the main products. However, the mainstream of the market has evolved with the times and Top Union Electronics is committed to providing technical support to our customers. By planning the process and building up the technology, Top Union Electronics provides customers with services in several different periods of time and offers a comprehensive product manufacturing service with the concept of Turn-Key.

In 2009, our Shanghai plant firstly passed the TS16949 certification. Currently, we have more than 13 years of experience in the production of automotive electronics. The Hsinchu plant also started to provide automotive electronics services in 2014. In addition, since 2010, we have been providing PCBA assembly services for medical devices and industrial computers (IPC). In 2018, we obtained the ISO 13485 certification for the medical device quality management system. In recent years, we have been improving our process standards and assisting our customers to obtain various safety and national certifications, such as 3C/UL, etc.

(4) Continuous investment in testing equipment and technology

Top Union Electronics is constantly investing in the development of advanced testing equipment and automated testing software to develop a complete range of testing technologies to verify and guarantee the quality of our products. In recent years, Top Union Electronics has invested in a wide range of testing equipment and software to meet our customers' quality assurance needs.

In addition, we have been actively providing related services in the field of automated testing to enable our customers to enjoy high quality and high-performance services.

(5) Establishing an automated warehousing system

In recent years, Top Union Electronics has invested in an AI-based warehouse management system and has developed a fast delivery and turnaround system to shorten the time required by customers.

(6) System development for smart manufacturing

In order to deepen the value of our services, we have recently been pushing forward the introduction of smart manufacturing systems and facilities, from digitalization, big data, IoT, AI...etc. The Company has been gradually building up its manufacturing service capacity for smart factories.

3. Research and development personnel and their academic experience

As of March 31, 2025, there were 40 R&D personnel, of whom 50% (20) had a master's degree, 40% (16) had a university degree, 10% (4) had a specialist degree, with an average length of service of 6 years.

4. Technologies or products successfully developed in the last five years

- (1) Software and hardware development services to increase functional testing.
- (2) Provide thermal, current and stress simulations and process solutions for products.
- (3) Independently develop equipment and processes for incoming inspection to reduce process losses.
- (4) Input of special active components in feature selection and application services.
- (5) Introduction of multi-axis automatic welding technology to reduce technical barriers for the workforce.
- (6) Introduction of selective soldering processes.

5. Technology Promotion and Services

- (1) From time to time, we are invited by academic institutions, educational institutes and industrial bodies on both sides of the Taiwan Strait to conduct presentations and seminars on various technologies such as PCBA and product functional testing.
- (2) We continuously introduce and train our customers on DFX to help them achieve competitive advantages in quality, efficiency and cost at the product design stage.
- (3) To work with suppliers in the development and promotion of automation applications.
- (4) To combine the expertise of suppliers to promote free services or to further develop value-added services.
- (5) To actively participate in and expand smart manufacturing training and research and development in the industry and academia, and to actually put smart factories into operation.

(4) Long-term and short-term business development plans

1. Short-term plan development direction

(1) Marketing Strategy

A. The right industry.

To grasp the market dynamics and new product trends, and actively seek customers for related products to expand our competitive advantage in the market.

B. The right products.

To operate niche products with flexible production capacity to avoid price competition from the industry.

C. The right customers.

We choose our customers carefully and grow together with them through mutual product cooperation to establish long-term strategic partnerships.

D. Complete service.

From a pure assembly and processing model to a turn-key service model.

(2) Production Policy

A. Produce high quality products with high efficiency.

To introduce the latest automated production equipment and staff training to improve the quality of our products, and to build up our mass production management capabilities based on our existing flexible productivity of small quantities and multiple samples.

B. Mastering advance technology.

To provide the best service options for our customers, we have developed advanced processing technology for their future products.

C. High flexibility to support business.

We have introduced SAP ERP management system to establish real-time management capability and build up market competitiveness with short and accurate delivery capability.

(3) Product Development Direction

Under the principle of flexible production, we aim to become a virtual factory for our customers by providing flexible production modes, professional production management and OEM services to meet the diversified production needs of our customers, in order to become the best choice for professional manufacturers in the industry.

(4) Scale of Operations and Financial Planning

A. Transformation of Taiwan into a streamlined organization.

In line with the industry's need for international division of labour, the parent company in Taiwan will be transformed into an organization whose main functions are technology research and development, flexible production and financial management.

B. China is an opportunity to seize and develop.

In addition to extending the services of the parent company in Taiwan to its existing customers, the China Business Transfer Business will establish production bases for standardized and high-volume consumer products, actively pursue processing orders from major international manufacturers, and expand production scale and increase local procurement in line with the development of the industrial environment in China.

C. Financial stability.

The Company uses its own capital and surplus to reinvest in production equipment and obtains long-term low-interest loans to finance its business development. In order to meet the long-term development needs of the Company, the Company has also conducted counselling and application for listing on the stock exchange, with a view to raising funds from the market, so as to facilitate the Company's successful completion of its long-term development goals.

2. Long-term plan development direction

(1) Marketing Strategy / Market Positioning

A. The right industry.

With the continuous development of new types and models of electronic products, there are unlimited business opportunities for the upstream PCB substrate assembly manufacturers.

B. The right product.

Although electronic products have their own life cycle, with the Company's extensive experience in the industry, it is able to fully grasp the growth of each electronic product, so as to timely fade out the declining products and enter the new product market with potential.

C. For customers.

We seek out proactive, objective and reasonable customers with long-term business strength to ensure a long-lasting relationship and long-term results.

D. Professionalism.

To establish a process research and development department to develop and challenge future process technologies.

E. Internationalization.

Strengthen our language skills and our ability to gather and circulate information on the Internet to keep pace with world trends and keep abreast of the latest product trends.

F. Globalization.

As product lead times continue to shorten and product service offerings become more complex, the ability to operate and plan globally is essential to reduce costs and enhance product competitiveness.

(2) Production Policy

In response to the needs of the international division of labour in the global industry, and in line with the establishment of customer service and production bases, we will gradually establish production bases in the vicinity, and in the long term, we will establish regional operation centers to support and serve each production base.

(3) Product Development Direction

A. Planning and establishing an operation management model.

With the emergence of global logistics management as a result of the electronic industry's order-and-produce operation strategy, professional electronics manufacturers will produce close to their customers' markets and distribute directly to the point of sale. Therefore, in the long term, we are planning to establish a modular production, flexible manufacturing system, Sophisticated Order Management and Integrated Information System. Information System) and other management models.

B. Introduction of electronic assembly technology and services.

For example, Huatai, a major packaging company, is moving towards EMS and will introduce new electronic assembly technologies with the customer's needs as its primary goal.

(4) Scale of Operations and Financial Planning

Through continuous vertical integration and strategic alliances, we will increase the range of customers we serve and expand our production scale, as well as consolidate related product lines and enhance production efficiency to provide more complete outsourcing services to our customers.

The financial operations will be prudent, and the selected investment or expansion targets will be oriented towards strategic applications, which are expected to form an integrated system of upstream, midstream, downstream and peripheral operations to combine individual resources to create the best overall benefits.

2. Market and Production Overview

(1) Market Analysis

1. Major product sales regions

Unit: Thousand dollars

Year Region	2022		2023		2024	
	Consolidated Income	%	Consolidated Income	%	Consolidated Income	%
Americas	1,494,719	45.37	1,871,185	51.12	1,847,554	56.50
China	1,047,172	31.78	1,246,455	34.05	872,013	26.67
Taiwan	752,798	22.85	542,675	14.83	550,260	16.83
Total	3,294,689	100.00	3,660,315	100.00	3,269,827	100.00

2. Market share

Only the right customers who can bring in reasonable profits will be the target customers of Top Union. Top Union always focuses on the industry, not on the turnover, but on the premise of real profitability, in order to achieve healthy growth, to continue to provide customers with better services, to build a more solid foundation for profitability, to accumulate more mature and favorable conditions for the future, to avoid the pursuit of

growth and high risk, which will lead to irreparable losses. In the world market, Top Union's market share is extremely low and there is no limit to its growth, so there is plenty of potential for growth.

3. Future supply and demand and growth of the market

(1) Possible future supply and demand in the market

A. Demand

All physical electronic products need to be manufactured by production, and Top Union's core business is Printed Circuit Board Assembly (PCBA) services. Although the main processed products may vary with the rise and fall of the market, the production equipment, technology, and experience apply virtually to all products. In recent years, the Company has continued to focus on wireless communications, including wireless microphones and peripherals, ADSL, LCD control cards, card reader control cards and clock control modules.

Driven by the development of globalization, although market demand is higher, competition is also more direct and intense. In addition to quality, the most direct competition is on the delivery time and price. The functional and individualized demand of electronic products has long overturned the thinking and operation mode of mass production, and the ecology of low-life products with small quantity, variety and high variation will become the mainstream. The ability to cater to the needs of the market with profession will be the key to the expansion of market and profit.

B. Supply situation

Taiwan has always had the advantage of flexibility, and with its diligence and hard work, it has long been known worldwide for its high quality and low prices. Under the collaborative division of labour between the two sides of the Taiwan Strait, Taiwan has taken full advantage of the price of land and labour in the Mainland, as well as preferential investment policies, to occupy a higher market share, playing a dominant role whether in the production of electronic components or in the research and development and manufacturing of electronic products. From OEM/ODM in the early years to EMS in recent years, Taiwan has been able to dominate the market, demonstrating its high performance, professional division of labour and integrated service model. As the core of electronic products, circuit board assembly, its related industry practitioners have experienced countless tests and have long been equipped with a world view of global operations and excellent capabilities. In the face of the trend of diversity, low quantity, and high difficulty in the future, any company must be professional enough to be able to win and achieve good development.

(2) Future market growth

The trade war between the US and China and the COVID-19 epidemic have affected the global industry, but the rapid changes in electronic technology and the emergence of a wide range of products with shorter and shorter product lifecycles have created a huge market demand and have shown a trend of development in different fields. For fields such as communication, industrial control, consumer electronics, medical electronics, and automotive electronics, there are more and more electronic products of economic scale. Even if the brands are able to complete mass production themselves, they can still rely on the professional services of EMS to make the manufacturing more flexible, increase or decrease production yield, and meet the demand in a timely manner. In addition, market competition is increasing the overall competitiveness of the supply chain and the proportion of outsourced services in all segments of the supply chain is increasing, focusing on market demand and adjusting product structure and business brands. This also

provides great opportunities for the development and cultivation of the EMS industry, bringing promising prospect in market growth.

4. Competitive niches

(1) Development and improvement of production technology and processes

With customer trust and investment efficiency in mind, the Company always maintains the latest production equipment and is capable of providing the most sophisticated PCB assembly services. The introduction of new equipment is complemented by the refinement of production technology and continuous process improvement to ensure product quality. In recent years, in addition to the continuous replacement of production equipment, we have also accumulated considerable investment in testing equipment for wireless communication products, and have now set up additional testing equipment for product reliability, which can help customers save time in product development and increase confidence in product sales (which can reduce the risk of defective product returns and abnormal product recalls). In terms of long-term product development and customer service, the Company is constantly looking at new processes, new equipment and related process technologies for application and development, introducing them in a timely manner, providing timely services to meet customer needs, consolidating orders and securing markets with excellent performance in quality and delivery.

The Company has an open orientation to provide a wide range of customers and products with different needs. Therefore, it is necessary to master the advanced process technology and changing needs for processes to provide customers with good production services. The company has a real-time and clear flexible production scheduling capability to meet the increase, decrease, and changes in customer orders. In addition, the Company is pleased to use its accumulated experience to provide feedback to customers on their manufacturing processes. Furthermore, the Company never stops its pace in R&D and has invested in front-end product producibility design software, which can assist customers in integrating production quality and efficiency considerations into product design or improvement. This is extremely beneficial to the development of products in competitive markets.

(2) Good and stable business relationship with upstream and downstream suppliers

As far as the supply chain is concerned, the upstream and downstream manufacturers are always partners on the same boat and any error in any link will jeopardize the overall performance. To cope with the soaring order or urgent order from customers, the shortage of production capacity in the peak season and the over-capacity in the off-season, and the inability to improve the process technology in line with the product development of the downstream industry, which may lead to the dilemma of poor order control or loss of orders, it is important to grasp the dynamics and needs of customers. The main key to success is to cultivate and develop good business relationships.

Similarly, PCB assembly and processing companies have a wide range of products to process, and there are countless raw materials required for each product. Therefore, it is important to have a stable source of raw materials and the full support of suppliers in order to keep the production line running and the products being shipped smoothly, so that there will not be a shortage of materials in the production line or a shortage of scheduling due to additional orders from customers.

Since its establishment, the Company has maintained good and stable long-term relationships with its major customers and suppliers, and its major customers are all leading domestic and international manufacturers in their respective industries. Our suppliers also fully cooperate with the company's production and material procurement policies. As a result, the Company is able to continue to grasp market

opportunities and expand its scale of operations in a timely manner.

(3) Economic scale and flexibility of production

The Company has been engaged in professional OEM for a long time, and its production lines have reached a large scale, and its technology is mature, making its production costs competitive with those of its peers. In addition to plants in Taiwan, the Company also has production bases in Shanghai and Suzhou, which enables us to provide customers with sufficient support in production locations and capacity with great production flexibility.

(4) Excellent management and work team

Our management team has extensive experience in the production and management of PCB assembly and processing business, so we can effectively plan and coordinate the Company's development strategy and cross-departmental cooperation. In addition, process developers and staff have accumulated sufficient information about the characteristics and technologies of various types of products. Therefore, in spite of the toughness, variety and differences of products outsourced for our processing, we are able to provide the best manufacturing services to meet the production orders of different types of products and to overcome any difficulties and challenges that may be faced.

(5) Continuous growth and globalization

Since our establishment, we have been responding to the trend and environment. Throughout the past 30 years of development, we have always focused on improving content and quality of PCB assembly service. With the recognition of well-known domestic and foreign manufacturers, we have established long-term and stable cooperative relationships with our customers. In recent years, we have actively participated in the customers' production confirmation of new products before mass production, directly contributing to shortening the development schedule, ensuring yield, and saving costs (reducing waste). In addition, in order to build up our market potential, we have also been seeking agents/dealers in overseas markets to assist in the introduction of high-end orders, thus promoting the continuous growth of our professional capabilities and performance, and becoming a competent and reputable professional foundry service company.

5. Favorable and unfavorable factors for the future development of the Company and measures to deal with them

(1) Positive factors

A. Continued increase in demand for professional OEMs

The more complex a society is, the finer the division of labor is bound to be. The competition and comparison brought about by globalization have made the life cycle of electronic products shorter and shorter. In order to speed up product development and market launch, both the R&D and manufacturing processes of various electronic products have undergone epoch-making changes and progress. The irreversible trend towards outsourcing and off-shore production in Europe and the US, as well as higher investment in the industry, has led to the rise of a professional foundry service industry, allowing product development companies to focus more on product design and marketing, leaving the physical production and manufacturing to the relevant foundry service providers. As the population continues to grow, so does demand, and this trend will not stop.

B. The growth in demand for electronic products has led to the growth of the PCB professional services industry, which has great potential for development

All the functions of electronic products that need to be plugged in or use batteries are basically structured and developed through the joining of PCBs and electronic components, and the electronic products are not only increasing, but

the functions are constantly evolving. Therefore, the application scope of PCB assembly services can almost reach all electronic industries, so the Company does not have any concerns about product substitution. As long as we can offer high quality, good technology and outstanding services, we will enjoy long term development.

C. Global distribution model, close to customers

Although Taiwan is small, it has an excellent and mature industrial chain. With the absolute advantage of geographic and cultural linkage with the Mainland, we have mastered more manufacturing orders. Our plants in Taiwan undertake high-end customers and products, while mainland factories undertake low-cost mass production customers and products. The Company has its own factory in Taiwan and has set up Top Union (Shanghai) and Top Union (Suzhou) in China. Based on customer needs and considering the optimal overall geoservice, we provide timely production services to our customers, which can help potential customers who need to make use of Taiwan to enter China and enhance the market niche of both parties.

D. Excellent manufacturing technology and stable product delivery

Without quality, everything is in vain! As far as PCB assembly service companies are concerned, production technology, process scheduling capability and stable product delivery are the key factors for customers' concerns and orders. Production technology is critical to quality, process scheduling is critical to production efficiency and delivery, and flexibility ensures product delivery. Our key management team has many years of experience in the management of PCB assembly services. Throughout the years, we have been able to coordinate with our business and manufacturing departments to plan and facilitate production schedules flexibly, so that our products can be delivered within the quality and deadline required by our customers.

(2) Negative factors

A. The proliferation of lobbyists and the fierce competition for new electronic products, has reduced the profitability of processing

With the opening up of globalization, there is a lot of competition in terms of capital, technology and markets, and the majority of companies and products are competing to gain a larger share of the market. With the price reduction of parts, the advancement of production technology, and the diversification of consumer demand differences, the life cycle of diversified electronic products is shorter, and the speed of product replacement is faster. This, coupled with the increasing competition between electronics companies, has resulted in electronic products having little to no honeymoon period in terms of the selling price.

In the face of fierce competition in the market, prices are falling much faster than in the past and, with only a few exceptions, profits are no longer high. When profits are low, the response is often to compress the profits of suppliers.

Contingency measures:

The Company is aware of the competitive environment in the electronics industry and has made a long-term position based on the consideration of business risks and long-term profits. Focusing on professional services, targeting high-quality customers, avoiding aggressive expansion and low price bidding with performance growth as the highest indicator, the Company continues to make progress and strengthen professional manufacturing capacity, so as to improve quality, reduce production costs, improve competitiveness, provide high-quality and long-term customers services. We take pride in making customers feel relieved, satisfied, and grow together healthily, and in having the ability to acquire more gains to lay a solid foundation for future development.

B. Impact on production capacity by changes in the downstream industry

PCB assembly services have always been focused on mass production orders. In addition to the investment in equipment, the demand for a large number of technologies and labor personnel is also very considerable. Although with the increase of product density, the dependence on automation is increasing, the stability and cost of human resources also play an important role. Shall we just hold on to the old mindset or forge ahead toward own land? The Company is committed to its profession. Breaking away from the shackles of price, we conser becoming a provider of higher values as the core and basis for our survival and development, With the goal of meeting the needs of regional markets, we aim to achieve efficient operational research results with the ability to allocate flexible production plans,

Contingency measures:

We take reasonable and effective market segmentation as a business strategy, adhere to profession and do not bid at low prices, so as to avoid being trapped in unprofitable vicious competition. The Company has built up a comprehensive range of PCB assembly services and excellent production quality over the years, which is definitely the best basis for long-term cooperation with customers.

C. Increasingly aggressive westward industrial development

With the rapid economic growth of the Mainland, it has already developed into an important link in the global supply chain of electronic products, and with its unique development conditions, it has attracted many electronic product manufacturers to invest and set up factories. The PCB assembly service industry must therefore respond to the distribution and flow of orders, and actively establish a presence and production capacity in line with the globalization of its product manufacturers.

Contingency measures:

The establishment of a business venture in China will not only meet the production needs of the original customer's globalization, but also serve potential customers in the vicinity of the location; when planning the production location of the customer's products, the parent company in Taiwan should not take price as the main consideration, but still, take into account the overall operational efficiency of the customer. In recent years, the general rise in wages and prices in Mainland China has gradually eliminated the absolute advantages of the Mainland. The planned production base in Taiwan can also be utilized more fully.

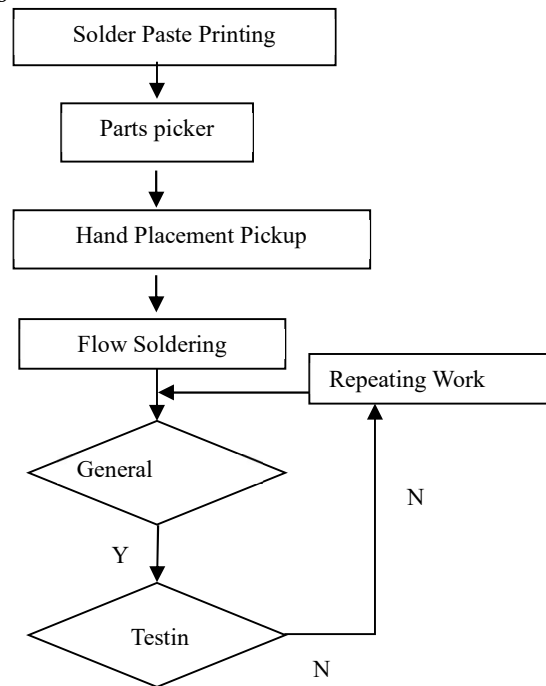
(2) Major product applications and production processes

1. Important applications of products.

Main Product Name	Important Uses or Functions
Processed Products	Wireless Network Card / Network Communication Products
	Thin film LCD monitors, computer products
	GPS products/clocks
	Others
Contracted Products	Microphone, Audio/Visual, etc.
	Video Processors, Communication Products, Automotive Electronics
	Others
Others	Mainly sales of raw materials
	Revenue from research and development of fixtures

2. Production process

The Company is a professional circuit board OEM service company, and our technical ability and service quality are unanimously praised by domestic and foreign The technical capability and service quality are unanimously approved by domestic and foreign manufacturers



(三) The supply of major raw materials

The company's production raw materials are mainly classified into electronic materials, structural materials, and packaging materials. Except for some ICs and other items sourced from abroad, most electronic materials are purchased domestically. The majority of structural and packaging materials are designed with custom molds and sourced from domestic suppliers, with supply conditions being normal and reasonable. Below is a summary of the supply status of the main raw materials:

Main raw materials	Supply Status
Capacitor	Sufficient supply
Resistor	Sufficient supply
Pins, connectors	Order to produce
Integrated Circuits (ICs)	Order to produce
TRANSISTOR transistors	Order to produce
INDUCTOR	Order to produce
PCB	Order to produce

(四) List of major purchasing and sales customers

1. List of product suppliers

Unit: NT\$ thousand

2023				2024				2025 Q1			
Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer	Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer	Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer
A	440,331	18.37	None	A	279,121	11.97	None	A	73,451	12.74	None
B	239,292	9.99	None	B	268,428	11.51	None	B	64,118	11.12	None
Other	1,716,843	71.64	None	Other	1,785,204	76.52	None	Other	438,772	76.14	None
Net	2,396,466	100.00		Net	2,332,753	100.00		Net	576,361	100.00	

2. List of major sales customers

Unit: NT\$ thousand

2023				2024				2025 Q1			
Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer	Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer	Name	Consolidation Amount	Percentage of net sales for the year(%)	The Relationship with Issuer
A	2,461,210	67.24	None	A	2,035,728	62.26	None	A	469,434	60.33	None
B	383,149	10.47	None	B	372,226	11.38	None	C	107,014	13.75	None
Other	815,956	22.29	None	C	338,175	10.34	None	Other	201,668	25.92	None
				Other	523,698	16.02	None				
Other	3,660,315	100.00		Net	3,269,827	100.00		Other	778,116	100.00	

Analysis of changes: The types, quantities and specifications of the electronic components required by the Company vary according to the needs of our customers due to the wide variety of products with different models and specifications of our OEM products. The Company's importers are mostly electronic component agents the quality and timeliness of supply or make adjustments based on factors such a purchase price. For the purchase of major raw materials, we purchase from designated raw material suppliers. All other purchases are made from two or more suppliers, taking into account the quotation, terms of trade and mode of cooperation. The supply situation is stable and there are no shortages or outages.

三、Employee information

Year		2023	2024	As of March 31, 2025
No. of Employee	Direct labor	461	450	477
	Indirect Labor	219	218	213
	Management	85	91	88
	Total	765	759	778
Average Age		36.21	38.42	36.30
Average length of service		6.10	6.93	5.87
Distribution of educational level ratio	Doctor	0.13	0.00	0.00
	Master's degree	3.83	3.84	3.34
	College	42.61	42.20	40.95
	High School	36.68	36.77	39.02
	Below high	16.75	17.19	16.69

4. Information on environmental protection expenses

- (a) For the most recent year and up to the date of printing, the total amount of losses (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, please specify the date of the penalty, the penalty number, the provision of the violation, the content of the violation, and the content of

the penalty) and the total amount of the penalty for environmental pollution: None.

(b) Countermeasures

1. Countermeasures

Set clear environmental objectives for energy conservation. To establish an environmental management system for the use of energy resources and the emission of pollution, and to continuously improve it and set management targets. We aim to achieve low pollution and low emissions in the development, production, use and disposal of our products. To achieve environmental protection objectives such as low pollution, low energy consumption and easy recycling.

2. Energy Conservation Management

- (1) In 2024, the Company continued to perform enhanced maintenance of lighting, power, air conditioning, air pressure, and water supply system infrastructure to improve the operation and functional efficiency of the equipment to achieve energy-saving benefits.
- (2) In 2024, the Company continued to monitor the temperature and humidity of the environment and to adjust the operation mode and time of air conditioning and chilled water equipment in a timely manner to achieve energy-saving benefits.
- (3) In 2024, the operational efficiency of on-site facilities and equipment was confirmed, and old equipment was replaced to improve operational efficiency using more energy-efficient equipment to achieve energy-saving benefits.
- (4) In 2024, the operational efficiency of on-site facilities and equipment was confirmed, and old equipment was replaced to improve operational efficiency using more energy-efficient equipment to achieve energy-saving benefits.

A. According to the scope of the greenhouse gas inventory categories one and two, carbon dioxide emissions related to electricity usage remain the main source of greenhouse gas emissions for our company. Actual data is based on the usage from Taiwan Power Company and carbon dioxide conversion.

Annual CO2 consumption in 2017: 2,364,149kg/year

Annual CO2 consumption in 2018: 2,147,335kg/year

Annual CO2 consumption in 2019: 2,568,718kg/year

Annual CO2 consumption in 2020: 2,685,262kg/year

Annual CO2 consumption in 2021: 2,956,945kg/year

Annual CO2 consumption in 2022: 3,169,950 kg/year

Annual CO2 consumption in 2023: 3,284,920 kg/year

Annual CO2 consumption in 2024: 3,010,108 kg/year

(i) According to the Bureau of Energy, MOEA, the average electricity saving rate will be 1.2% from 2015 to 2024. It was estimated that the average electricity saving rate will be more than 1.3% from 2015 to 2025.

(ii) The average annual energy saving rate for the whole period (2017~2025) should still reach 1.3% or more.

B. We continue to encourage our colleagues to respond to energy conservation and carbon reduction efforts, such as reducing photocopying, electronically archiving and systematizing document files, minimizing paper waste, shutting down computers after work, utilizing sensor lighting in unused spaces, using electronic invoices, and environmentally friendly utensils. In 2025, we will continue to implement the 6R policy within the factory to promote waste reduction and ensure environmental sustainability.

C. Electricity storage system equipment has been built to achieve the energy autonomy of continuous production without interruption.

3. Waste Reduction Management

- (1) In 2024, we cooperated with manufacturers to send chemical drums to processing

plants for recycling and reuse.

- (2) In 2024, we joined qualified recyclers to increase the range of recyclable items and implemented resource classification and recovery. We also added a paper recycling vendor and installed a paper box compressor in the factory to reduce paper accumulation, preventing environmental clutter and the accumulation of excessive combustible materials.
 - (3) In 2024, we replaced the tin slag recycling and reuse vendor for cleanup. From January to December, a total of 2069 KG of tin slag was cleaned up.
 - (4) In 2024, we continued to use environmentally friendly tableware and encouraged colleagues to bring their own utensils to reduce the use of disposable tableware, achieving waste reduction.
 - (5) In 2024, we implemented a policy where waste wood pallets were returned by customers for reuse, reducing waste output.
 - (6) In 2025, we will continue to promote waste reduction policies within the factory, reinforce the concept of waste reduction among colleagues, and ensure environmental sustainability.
- (C) In response to the EU Restriction of Hazardous Substances Directive (RoHS): The Company's management measures in response to RoHS.
1. Set up a special department to plan the response strategy and implementation structure, and passed QC080000 certification in March, 2007.
 2. Complete the establishment of the Company's material hazardous substances control specifications and compliance document management requirements.

V. Labor Relations

- (1) The Company's various employee welfare measures, training, training, retirement system and its implementation, as well as the agreement between labor and management and various measures to protect the rights and interests of employees.
1. Employee welfare measures.
 - (1) Insurance.

The Company not only takes out labor insurance and universal health insurance in accordance with the relevant government laws and regulations but also takes out group insurance for our employees, so that our employees can get more protection in medical treatment.
 - (2) Health and safety.
 - A. Employees are entitled to a free annual health examination, with examination items adjusted based on specific job attributes. Senior executives are provided with more comprehensive advanced health checkups, such as CT scans and MRI scans, to ensure their health. The company classifies and manages the health examination results of both new hires and current employees. For those with abnormal findings or special conditions, the company proactively arranges follow-up care, further examinations, and provides ongoing support. These efforts have contributed to the early detection, diagnosis, and treatment of health issues among employees in past years, effectively preventing the onset of diseases.
 - B. A full-time occupational health nurse is assigned to assist in providing employees with health education (e.g., maternal health, prevention of ergonomic diseases, overload prevention, prevention of unlawful acts in the workplace, prevention of emerging infectious diseases, prevention of occupational injuries, and natural disaster prevention), health examination management, and nursing care services. Continuous counseling and follow-up reexamination arrangements and reminders are offered to employees with abnormal health check results.

- C. Hire occupational medicine specialists to provide clinical services and health consultation.
- D. Various health promotion programs are implemented, such as smoking cessation classes, fitness classes, company-wide CPR and AED basic operation training sessions, a range of health seminars, family-friendly workplace seminars, free cancer screening activities, free vaccination campaigns, blood donation drives, and stress-relief massage activities.
- E. In order to strengthen the awareness of fire and disaster prevention among employees and to avoid accidents due to panic when fires or other disasters occur, the Company has established a self-defense firefighting team, and conducts fire drills and awareness-raising from time to time.

(3) Travel and employee welfare.

- A. The Company's Employee Welfare Committee organizes departmental dinners, afternoon tea, birthday coupons, restaurant coupons, holiday celebrations, family days, and club activities. As well as domestic and overseas trips every year to encourage work-life balance and excitement. The Company will pay additional travel subsidies according to performance.
- B. Each year, according to the income of the Welfare Committee, we will pay out holiday coupons or gifts; provide subsidies such as wedding and funeral allowances, childbirth allowance, hospitalization, major disasters and scholarships for children's education.

(4) Salary and bonuses

- A. Shareholding: The Company reserves 10~15% of the shares for employees when the Company is applying for cash capital increase.
- B. Bonus: 6% of the Company's annual profit will be allocated as employee's compensation, which will be distributed according to employee's performance.
- C. Salary Adjustment: Salary review and adjustment will be conducted from time to time, and we will continue to promote the professional organization structure.
- D. Bonuses: Three bonuses are given according to individual performance and quarterly bonuses are given according to the Company's profit.

2. Employees' education and training.

In order to encourage employees to learn and grow, there is no limit to the Company's education and training expenses, and the training items are as follows.

(1) New Employee Training

New employees will be trained by the management department on the day they report to work. The training content includes - company introduction, personnel management rules and regulations, basic awareness of work safety, awareness of quality environment, department introduction, ESD awareness and protection, HSF awareness, salary and benefits, etc., so that new employees can have a general understanding of the Company and accept the Company's culture. The new recruits are assigned to their respective departments. After the new employees are assigned to their respective departments, the department head will arrange for relevant training within the department, which includes major environmental considerations and departmental quality and environmental objectives; for those who are in contact with chemicals and pharmaceuticals and purchasing HSF products, they will need to receive additional training.

(2) On-the-job Training

A. Annual Training Plan

The management department will prepare an "Annual Training Plan" by the end of December of each year, and submit it to the top manager of the factory for approval and implementation of the training. The management department shall regularly monitor the actual implementation status of the "Annual Training Plan". If there is any change in the training course, the department/unit in need of training shall fill out the "Annual Training Plan Change Request Form" and submit a request for change in the training plan, and the change shall be approved by the top manager of the factory. The management department shall directly annotate and explain it on the "Annual Education and Training Plan Form".

B. Internal Training

Each department will organize training according to the demand and sign in the "Training Sign-in Sheet" as the training record, and ask the management department to assist in related matters when necessary.

C. External Training

Each department accepts external training. For those who participate in external training, the supervisor may request the trainees to arrange internal training according to their needs, so that the learning effect can be maximized.

Employee Training and Development in 2024

Training Programs	Total participants	Total hours	Total fees
Supervisory Training	79	2,057	291,791
Professional Function Training	100	3,113	415,045
Total	179	5,170	706,836

3. Employee conduct and ethical rules.

- (1) The corporate culture of the Company is based on human nature, the goodness of nature and the need for self-esteem and self-respect of individuals, and the adoption of trust, open authorization and responsible interaction. We value new talent in the community/industry and value the challenge of work and reward for achievement. The Company thrives on the addition of capable people, and individuals are tempered by the growth of the Company.

Expectations for supervisors at all levels

Task- orientation – link the superior and subordinate levels: cohesive consensus, good use of resources

Business orientation - Innovation and change: not willing to be ordinary, looking to the future

Education orientation - Live and let live: Accelerate development with a learning culture

Expectations for employees

Life Orientation - Willingness to learn: To change day by day, to enjoy learning, to be democratic and respectful, to value ourselves and others

Work Orientation - Proactive: Strive for performance, do not give up lightly, help others, and enjoy service

- (2) The Company's "Employee Code of Conduct" is as follows.

- A. Employees shall comply with all relevant governmental laws and regulations of the Company, and shall obey the work assignments, instructions, management and scheduling of supervisors at all levels.

- B. Employees shall not publish papers, speeches, news or advertisements related

to the Company without the consent or authorization of the General Manager or his or her agent.

- C. Employees shall not release company secrets to the outside world if they learn about them in the course of their duties.
- D. Employees shall not use the Company's name externally except for conducting the Company's business in accordance with their authority and responsibility.
- E. Employees shall not delay working hours, be absent without leave, or fail to report to work on time when their leave expires without reason.
- F. Employees shall not handle personal affairs during working hours without permission.
- G. Employees shall take good care of public property and shall not waste, damage, change or use it for personal use.
- H. Employees shall not distribute leaflets, books and magazines, sell goods, post slogans and notices in the Company except with the consent of the Company.
- I. Employees shall not use their position or information in their duties or responsibilities for personal gain.
- J. Employees should get along with each other and help each other.

4. Employee Retirement System:

The Company established the Labor Retirement Reserve Fund Supervisory Committee on July 6, 1993. The Company contributes 3.5% of the total monthly salary to the Labor Retirement Reserve Fund (handled by the Bank of Taiwan Trust Department). Since July 1, 2005, when the Labor Retirement Law came into effect, the retirement plan for employees who continue to opt for the Labor Standards Law pension system or who retain their service prior to the application of the pension system under the Law is determined in accordance with the relevant provisions of the Labor Standards Law. In addition, starting from July 1, 2005, employees who choose the Labor Pension Act and new employees will contribute 6% of their monthly wages to the Labor Pension Fund. The employee pension information for 2024 is as follows:

Project	Amount
Labor Retirement Fund Supervisory Committee Bank of Taiwan Pension Account	NT\$41,819 thousand

5. The agreement between employers and employees.

The Company has an employee welfare committee, a suggestion box and a grievance procedure, and employers and employees can communicate their opinions via e-mail to maintain good labor relations.

6. Work environment and employee safety protection measures.

In order to meet the service needs of our customers, to continuously improve the quality of our processes, to reduce material consumption and waste, and to control and continuously improve the impact of our operations on the environment, we have trained and organized emergency response teams and personnel in accordance with emergency preparedness and response procedures and fire protection plans, and have established a safety code of conduct for our factory. The main regulations are as follows.

- (1) In case of dangerous situations, we must use the safety facilities provided for the protection of our employees at all times.
- (2) When handling explosive and flammable materials, we should comply with the principles of fire prevention in each area.
- (3) The doors to the factory aisles should be closed at any time, and it is forbidden

to block the access and exit of materials and equipment.

(4) The warehouse and machine room must be accessed by the relevant personnel.

(5) Only authorized personnel are allowed to operate or repair various machinery and equipment.

(二) The Company's losses due to labor disputes in the last two years and up to the printing date of the annual report (including the results of labor inspections in violation of the Labor Standards Law, including the date of the penalty, the number of the penalty, the provisions of the law violated, the content of the law violated, and the content of the penalty), and disclose the estimated amount of current and potential future losses and measures to address them:

1. Disposition Date: September 6, 2024

2. Disposition Number: Fu-Lao-Dong-Zi NO.1130145358

3. Violation of Legal Provisions: Article 32, Paragraph 2 and Article 79, Paragraph 1 of the Labor Standards Act

4. Violation of Regulations: Provisions: Article 32, Paragraph 2 and Article 79, Paragraph 1 of the Labor Standards Act

5. Penalty Content: A total penalty of 110,000 NT dollars

Response Measure: HR and production unit supervisors will confirm the hours and days of scheduling to ensure that colleagues have sufficient rest time.

VI. Information Security Management

(1) To describe the information security risk management framework, information security policies, specific management plans and resources for information security management, etc.

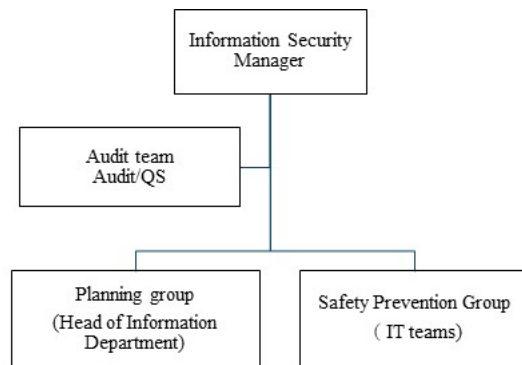
1. Information security risk management framework.

The company's information security authority is the "Information Security Committee", which is divided into the following three groups for overall planning and execution. The committee has also engaged the information security consultant "Free Systems Inc." to assist in internal and external cybersecurity defense efforts. The Information Department reports the company's information security governance overview to senior managers at each management review meeting.

Planning Group: The head of the Information Department is responsible for formulating internal information security policies, planning and executing information security operations, and promoting and implementing information security policies.

Security Prevention Group: Responsible for the information security personnel of the third factory, it conducts early warning, defense, and monitoring of information security management status, and promotes information security concepts and information security prevention.

Audit team: Audit and QS are the inspection units for information security supervision. They are responsible for supervising the implementation of internal information security. If any deficiencies are found during the inspection, the inspected unit will be immediately required to propose relevant improvement plans and specific actions.



2. Information Security Defense Measures: The Company utilizes Microsoft Defender products to ensure the security of devices and user accounts. This includes endpoint deployment, verification of system update versions, and monitoring threat detection rates.
3. Information security policy.
Enhancing cybersecurity, providing peace of mind services, intelligent protection, and ensuring smooth operations.
We are actively planning the establishment and maintenance of information system hardware and software to effectively improve information processing and sharing efficiency. We also ensure the normal operation of information system hardware and software, as well as the effective and secure classification, management, and storage of information. This allows us to provide timely and accurate information, thereby enhancing operational efficiency and quality.
4. Specific management plan and resources invested in information security management.
 - (1) We entrust a professional computer information vendor to carry out maintenance and management. We will have a fixed monthly information security report, track and confirm the Company's information security issues, strictly implement firewall policy audit, host endpoint protection, network intrusion detection, anti-virus system update, host and network equipment vulnerability repair, phishing mail detection, abnormal behavior determination, computer room management, etc.
 - (2) Execute appropriate access authorization and protection according to the confidentiality level of information assets.
 - (3) Unregularly conduct disaster preparedness drills for important systems so that in the event of a disaster, operations can be quickly resumed to ensure the Company's operational sustainability.
 - (4) We arrange information security courses every six months and conduct phishing letter tests from time to time to confirm and strengthen employees' awareness of information security.
5. External Information Security Assessment: Customer A conducts quarterly evaluations using the Security Rating Services platform to assess the cybersecurity defense capabilities of its suppliers. TOP UNION currently maintains higher scores than other contract manufacturers.
6. Key Focus Areas for Future Information Security Defense:
 - (1) Phishing Email and Malware Defense
 - (2) Zero Trust, Identity Security
 - (3) Monitored by Information Security Consultants
 - (4) Enhancing Cybersecurity Technology and Awareness

- (2) The Company shall state the possible impact of the losses suffered due to the major information security incidents in the most recent year and as of the date of printing of the annual report, and the measures to deal with them, and if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated: None.

VII. Major Contracts

March 31, 2025

Nature of Contract	Party	Contract Period	Main Content	Restrictions
Borrowing contract	Mega Commercial Bank	113/11/01~114/10/31	Guaranteed Loans	None

V、Review and Analysis of Financial Position and Financial Performance and Risk Analysis

1. Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Variance	
			Amount	%
Current Assets	2,828,259	2,479,083	349,176	14.08
Property, plant and equipment	563,885	607,919	(44,034)	(7.24)
Intangible Assets	1,002	3,087	(2,085)	(67.54)
Other Assets	177,679	243,547	(65,868)	(27.05)
Total Assets	3,570,825	3,333,636	237,189	7.12
Current liabilities	954,573	895,270	59,303	6.62
Other liabilities	111,479	135,582	(24,103)	(17.78)
Total liabilities	1,066,052	1,030,852	35,200	3.41
Share capital	1,450,067	1,382,333	67,734	4.90
Capital surplus	257,983	257,983	0	0.00
Retained earnings	749,961	636,110	113,851	17.90
Total equity	2,504,773	2,302,784	201,989	8.77

- The main reasons for the significant changes in assets, liabilities and shareholders' equity in the last two years and their effects, and if the effects are significant, the future plans:
 - The decrease in intangible assets is primarily due to the absence of significant expenditures in 2024, resulting in a reduction through amortization.
 - The decrease in other liabilities is primarily due to an increase in shipments of complete sets of materials, leading to a reduction in inventory.
- Future Response Plan: The above changes do not have a significant adverse impact on the company.

2. Financial Performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Variance	
			Amount	%
Operating Income	3,269,827	3,660,315	(390,488)	(10.67)
Operating Costs	2,652,144	3,110,327	(458,183)	(14.73)
Gross Profit	617,683	549,988	67,695	12.31
Operating Expenses	215,844	206,470	9,374	4.54
Operating Profit and Loss	401,839	343,518	58,321	16.98
Non-operating income and expenses	78,479	44,055	34,424	78.14
Profit before tax	480,318	387,573	92,745	23.93
Income tax expense	99,738	90,834	8,904	9.80
Net income for the period	380,580	296,739	83,841	28.25
Other comprehensive income	24,612	(1,889)	26,501	(1,402.91)
Total comprehensive income for the period	405,192	294,850	110,342	37.42

1. The main reasons for the significant changes in operating income, net operating income and net income before income tax in the last two years are as follows.
 - (1) Increase in non-operating income and expenses is primarily due to exchange rate fluctuations and increased foreign currency exchange gains.
 - (2) Increase in pre-tax net profit/current period net profit is primarily due to an increase in gross profit.
 - (3) Increase in other comprehensive income is primarily due to an increase in exchange differences from the translation of financial statements of foreign operating entities.
 - (4) The total comprehensive income for the period has increased, primarily due to an increase in both net profit and other comprehensive income compared to last year.
2. The expected sales volume and its basis, the possible impact on the Company's future financial operations, and the corresponding plans.

The operating unit prepares annual operating targets based on the annual processing demand from customers, the Company's existing production capacity and the estimated increase in production capacity. However, since the Company's business is a professional SMT foundry, the number of units of processed products is not meaningful because of the wide range of specifications.

3. Cash Flows

(1) Liquidity analysis for the last two years

Item \ Year	2024	2023	%
Cash Flow Ratio	65.77%	75.97%	(13.43)
Cash Flow Fair Ratio	116.56%	92.68%	25.77
Cash reinvestment ratio	17.42%	21.76%	(19.94)
Analysis of the percentage changes: The increase in the adequacy ratio of cash flow is primarily due to stable profits over the past five years, which have led to an increase in cash flows from operating activities. The decrease in the cash reinvestment ratio is mainly due to a reduction in cash inflows from operating activities this year, coupled with an increase in the distribution of cash dividends.			

(2) Liquidity Improvement Plan: None.

(3) Cash flow analysis for the coming year

Unit: NT\$ thousand

Opening Cash Balance	Estimated full-year net cash flows from operating activities	Estimated full-year net cash flows from investing and financing activities	Estimated remaining (shortfall) cash	Estimated Cash Shortfall Remedies	
				Investment Plan	Financial Plan
634,676	393,876	(388,599)	639,953	—	—
1. Analysis of changes in cash flows in the coming year: (1) Operating activities: Net cash inflow of \$393,876 thousand, mainly due to the anticipated revenue growth and increased profitability for the company in the coming year. (2) Investing activities: Net cash outflow of \$149,762 thousand is due to the expected retirement and replacement of equipment. (3) Financing activities: Net cash outflow of \$238,837 thousand was due to the expected repayment of bank loans and distribution of cash dividends from earnings.					
2. Planned Measures to Address Cash Shortfall and Liquidity Analysis: None					

4. Significant capital expenditures on financial operations in the recent year: None.
5. The most recent year's investment policy, the main reasons for profit or loss, improvement plans and investment plans for the coming year

Unit: NT\$ thousand unless otherwise specified

Unit: NT\$ thousand unless otherwise specified

Description Item	2024 Profit and loss amount	Policy	Main reasons for profit or loss	Improvement Plan	Future Other Investment Plans
ALLIED	(21,585)	Investment in China	Profit from subsidiaries	None	Replacement of old with new equipment
ORIENTAL	(26,840)	Practical management and market development	Insufficient orders	Improve management efficiency and actively expand business to obtain orders from customers	
Tai Young (Shanghai)	2,456				

6. Risk Analysis

1. The impact of interest rate, exchange rate and inflation on the Company's profit or loss and future measures.

Unit: NT\$ thousand

Item	2023	%	2024	%	2025 Q1	%
Net operating income	3,660,315	100.00	3,269,827	100.00	778,116	100.00
Interest expense	2,587	0.07	2,255	0.07	451	0.06
Exchange gain (loss)	2,726	0.07	41,607	1.27	9,651	1.24

1. Interest rate changes

The company's interest expense for 2024 was NT\$2.26 million, primarily to maintain the borrowing needs for cooperation with banks. In the first quarter of 2025, it is 450,000, with 240,000 attributed to bank loan interest and an additional 210,000 for lease liabilities interest.. The interest rates of the banks with which the Company currently cooperates are around 1.96%~2.235%. The company's capital needs are mainly short-term one-year capital needs, so the risk of future interest rate changes is relatively small.

2. Exchange rate changes

Looking ahead at the trend of the New Taiwan Dollar against the US Dollar, since President Trump took office, his fluctuating policies have led to increased market uncertainty, along with an unclear path for the Federal Reserve's interest rate cuts. The rapid appreciation of the New Taiwan Dollar in May this year is mainly due to the rise in the Taiwan stock market, which has increased foreign demand for New Taiwan Dollars. It continues to be influenced by global economic conditions, monetary policies, and geopolitical factors.

Our company's foreign sales ratio is about 70% to 80%, and our imports are about 85% in US dollars. Since our imports and exports are mainly in US dollars, we have agreed with our customers to adjust the quoted exchange rate when the exchange rate changes by 5%, and to adopt natural hedging methods. In order to avoid the impact of the unstable U.S. dollar in the future, the company closely monitors the changes in customer orders, integrates raw material procurement requirements, and effectively responds to the trend of foreign currency supply and demand, and reduces but maintains the appropriate foreign exchange position at any time to reduce the possible impact of exchange rate changes on the company. The finance department collects information provided by various financial institutions and fully monitors exchange rate trends. Based on this, the department reports to the company's management to make decisions on the appropriate hedging measures and determine

the proper timing for foreign exchange transactions, in order to mitigate the risks of significant exchange rate fluctuations.

3. Inflation

Inflation trends in 2024 will be affected by multiple factors, such as rising geopolitical risks, global raw material prices, and the emergence of various wars. However, as the economy improves, semiconductor downstream customers gradually reduce their shipments, and the serious supply shortage and even chain disconnection that have lasted for more than two years have gradually eased. The company's customer orders are expected to gradually pick up. The company will also actively develop customer sources and Continue to improve internal performance and reduce the company's impact on profitability. The company will continue to carefully evaluate the trends in raw material prices and formulate the most suitable procurement strategies in line with operational needs.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, loans to others, endorsement and guarantees, and derivative transactions, the main reasons for profit or loss, and future measures.

1. For the most recent year and as of the printing date of the annual report, the Company has not engaged in any high-risk, high-leverage investments, loans to others and derivative transactions, except for the financial endorsement guarantees for its subsidiaries that have been reinvested. In addition to prudent evaluation, regular returns, and control, the implementation of relevant policies, the Company has established "Procedures for the Acquisition and Disposal of Assets", "Procedures for the Lending of Funds to Others" and "Procedures for Endorsement and Guarantee" for compliance.

2. The endorsement guarantee shall be made in accordance with the procedures of the endorsement guarantee policy.

Risk Assessment:

(1) The Company has strict control over the seal. Each unit's application for the use of seal must be approved by the department head and submitted to General Manager together with the application for endorsement guarantee before the Finance Department can issue a promissory note for endorsement guarantee.

(2) The Company's endorsement and guarantee must be approved by the board of directors and submitted to the shareholders' meeting, and the approval authority of the endorsement and guarantee is stipulated. The amount of NT\$60 million or more is subject to the approval of the chairman of the board of directors before it can be made under controlled risk.

(3) Future R&D plans and estimated R&D expenses:

In 2024, the Company's R&D expenses are mainly related to the salaries of personnel in the R&D department and the equipment required for reliability experiments, depreciation of the apportioned plant, utilities and other related expenses. Future R&D plans and estimated R&D expenses in 2025 are not significantly different from those in 2024.

Unit: NT\$ thousand

Year	2023	2024	2025 projected input
R&D expense	22,770	25,396	26,058

(4) The impact of significant domestic and foreign policy and legal changes on the Company's financial operations and the measures to address them: None.

(5) Impact of technological changes (including information security risks) and industry changes on the Company's financial operations and measures to address them.

Technology changes have led to an increasing number of electronic products and a growing consumer population, making the overall demand more and more every day, the market and the Company's financial business will not fade or change drastically, there is only continuous response and acceptance of challenges to the European Union Restriction of Hazardous Substances Directive (RoHS), and continue to promote the ISO-14001 comprehensive management from the technical side, management side to achieve the goal of green.

In recent years, incidents of ransomware and various cyberattacks have become more frequent. These attacks could potentially disrupt production or result in the leakage of sensitive business operations, employee, or customer data. The company has taken proactive measures to strengthen information security. In addition to introducing a variety of cybersecurity defense equipment and mechanisms, the company also conducts internal cybersecurity incident response drills to minimize the impact of unforeseen attacks.

The company's management team is always aware of market changes and technological trends, and leverages technology and industry changes to benefit the company. At the same time, the team evaluates the risks and impact on product positioning. In the recent fiscal year and up to the publication date of the annual report, technological changes and industry shifts have not had a significant adverse impact on the company's financial or business operations.

- (6) The impact of corporate image change on the Company's crisis management and response measures: None.
- (7) Expected benefits and possible risks of mergers and acquisitions and measures to address them: None.
- (8) Expected benefits and possible risks of plant expansion and measures to address them: None.
- (九) Risks of concentration of imports or sales and measures to address them.
 - 1. There is no concentration of imports at present.
 - 2. The risks arising from the concentration of sales are listed below.

The Company's sales to a single customer, A, account for approximately 60% of the total sales. The concentration of sales is mainly due to the fact that the Company has a long relationship with A and has become A's number one processor due to the Company's good cooperation with A, excellent processing quality and prompt delivery. Therefore, the business relationship between The Company and SHURE is very stable. In addition to maintaining stable relationships with existing companies with good track records, the Company has been introducing new customers and will actively seek new customers with sound financial standing in the future, which will reduce the risk of concentration of the Company's sales.
- (10) The impact on the Company and the risk and measures to address the impact of a substantial shift or change in the shareholding of directors, supervisors or major shareholders holding more than 10% of the shares: None.
- (11) Effect of change in management rights on the Company and the risk and response measures: None.
- (12) For litigation or non-litigation events, the Company and its directors, supervisors, general managers, beneficial owners, majority shareholders holding more than 10% of the shares and subsidiaries should disclose the facts of the litigation, the amount of the litigation, the date of commencement of the litigation, the main parties involved in the

litigation and the price of the securities if the outcome of the litigation may have a significant impact on the shareholders' equity or the price of the securities. The Company should disclose the facts of the dispute, the amount involved, the commencement date of the litigation, the main parties involved in the litigation and the status as of the printing date of the annual report: None.

(十三) Other significant risks and responses:

To strengthen information security management and ensure the confidentiality, integrity, and availability of information, as well as the reliability of information equipment and network systems, the company has established information security and system management procedures. At the same time, under the framework of information security risk management, the company has progressively implemented systems such as intrusion prevention systems, anti-spam email systems, and endpoint antivirus systems to enhance information security protection. Additionally, regular drills for data off-site backup systems and disaster recovery mechanisms are conducted to ensure uninterrupted services.

7. Other important items: None.

VI. Special Notes

1. Information on affiliated companies.

(1) Consolidated business report of affiliated companies.

For relevant information, please refer to the Public Information Observation Station designated by the Financial Supervisory Commission
at <https://mops.twse.com.tw/mops> °

(2) Consolidated financial statements of affiliated companies.

For relevant information, please refer to the Public Information Observation Station designated by the Financial Supervisory Commission
at <https://mops.twse.com.tw/mops> °

(3) Relationship report: None.

2. The status of private placement of securities in the most recent fiscal year and up to the date of the annual report's publication: None.

3. Other necessary supplementary explanations: None.

VII. For the most recent year and up to the date of publication of the annual report, there were no events that had a significant impact on shareholders' equity or the price of securities as defined in Article 36.3.2 of the Securities and Exchange Act: None.