

Taiwan Chinsan Electronic Industrial Co., Ltd.

Annual Report for the Year 2024

Notice to readers

This English-version Annual Report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Public Information Disclosure Platform Inquiry Website: <http://mops.twse.com.tw>

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1. Spokesperson and Acting Spokesperson of the Company:
Company spokesperson: An-Chi Chen
Title: Director, Administration Department
Telephone: (02) 2995-0535
Email address: angel.chen@chinsan.com
Deputy Spokesperson: Mao-Sung Tsai
Title: Director, Finance Department
Telephone: (02) 2995-0535
Email address: mason.tsai@chinsan.com
2. Addresses and telephone numbers of the head office and factories
Head Office Address: 2F., No.1, Aly. 11, Ln. 68, Sec. 1, Guangfu Rd., Sanchong Dist., New Taipei City
Telephone: (02) 2995-0535
Factory address: 2F., No.1, Aly. 11, Ln. 68, Sec. 1, Guangfu Rd., Sanchong Dist., New Taipei City
Telephone: (02) 2995-0535
3. Stock Transfer Agency
Stock Affairs Proxy Department, Fubon Securities Co., Ltd.
Address: 6F., No.6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Website: <http://www.gfortune.com.tw/>
Telephone: (02) 2371-1658
4. Certified Public Accountant for the Most Recent Annual Financial Statements
Names of Certified Public Accountants: Chan-Yuan Tu, Tsung-Hsi Lai
Firm Name: PricewaterhouseCoopers Taiwan
Address: 27F., No.333, Section 1, Keelung Road, Xinyi District, Taipei City
Website: <https://www.pwc.tw/>
Telephone: (02) 2729-6666
5. Name of the trading venue for overseas listed securities and the method for obtaining information on such overseas securities: None.
6. Company website: <http://www.chinsan.com/>

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One. Report to Shareholders

Dear Shareholders,

Thank you to all Shareholders for taking time out of your busy schedules to attend the Chinsan Electronic Shareholders' Meeting. Respectfully submitted to: my deepest gratitude.

Following the challenges posed by the pandemic, the Russia-Ukraine conflict, and a sharp increase in inflation, the pace of recovery among major economies in 2024 has been uneven. According to IMF projections, the United States is expected to sustain solid growth, supported by a resilient labor market and increased capital investment in artificial intelligence. In contrast, China's economic growth remains below its historical long-term average, primarily due to a sluggish real estate market and reduced foreign investment. The European economy, which is more closely interconnected with China, is also experiencing a slower recovery as a result. Overall, the recovery trajectories of major economies differ, with the United States maintaining robust growth, China constrained by the real estate sector, and the Eurozone recovering only gradually.

Looking ahead to 2025, the trade policies of the Trump administration are expected to further exacerbate global economic uncertainty. JPMorgan Chase has cautioned that, should the United States fail to adjust its trade war strategy, the risk of economic recession may extend worldwide, with Europe likely to be significantly affected. Regarding the company's operations in 2025, while overall economic uncertainty persists and continues to impact the global environment, inventory adjustments among downstream customers are nearing completion. It is anticipated that there will be growth opportunities in applications such as computers, cloud computing, servers, 5G communications, artificial intelligence, and energy storage equipment (power supplies). Accordingly, the company will maintain a cautiously optimistic outlook in addressing these challenges. The company's three factories in Thailand commenced trial production in the first quarter of 2025. Mass production of solid capacitors is expected to begin in the second quarter of the year, with production of liquid capacitors in Thailand anticipated to commence in the fourth quarter. These developments will facilitate the future expansion of production capacity for solid capacitors, liquid capacitors, and new products, thereby enhancing the group's profitability.

1. Operating Results for the Year

(1) Results of Implementation of the Business Plan

The Company's consolidated net sales revenue for the year 2024 was NT\$ 3,430,181 thousand, representing an increase of 7.41% compared to NT\$ 3,193,488 thousand in the previous year. Profit after tax attributable to owners of the parent amounted to NT\$ 77,429 thousand, and earnings per share after tax were NT\$ 0.60.

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents \ Year	Year 2024	Year 2023
Net operating revenue	3,430,181	3,193,488
Gross profit from operations	674,554	553,558
Operating expenses	534,387	509,162
Operating profit	140,167	44,396
Profit before tax	137,199	132,430
Profit after tax	78,091	91,221
Profit after tax attributable to owners of the parent	77,429	92,670
Earnings per share (NT\$)	0.60	0.72

(2) Budget Execution Status

The Company did not prepare any unpublished financial forecasts for the year 2024; therefore, disclosure of budget execution is not required.

(3) Analysis of Financial Revenue, Expenditure, and Profitability

Unit: %

Contents	Financial Ratios	Year 2024	Year 2023
Financial Structure	Liabilities-to-Assets Ratio	53.67	51.70
	Long-term funds to property, plant and equipment ratio	230.76	249.00
Solvency	Current Ratio	147.13	167.61
	Quick Ratio	109.43	128.49
Profitability	Return on Assets	1.46	1.71
	Return on Equity	1.94	2.29
	Pre-tax profit to paid-in capital ratio	10.60	10.23
	Net profit margin	2.28	2.86
	Earnings per share (NT\$)	0.60	0.72

(4) Research and Development Status

A. Research Achievements for the Year 2024

- (A) Development of solid-state and liquid-type V-CHIP aluminum capacitors
- (B) Mass production of solid-state DIP/SMD products with a voltage range of 50–80V
- (C) Mass production of solid-state DIP 12.5π
- (D) 130°C High-Voltage Long-Life Capacitors

B. Future Research and Development

- (A) Development of solid and liquid aluminum capacitors for high-temperature applications at 135°C
- (B) Solid-state high temperature 125°C/4,000-hour development
- (C) Development of solid-state 100–160V
- (D) Development of Liquid Cooling Application Products
- (E) Development of liquid capacitors rated at 105°C/600V
- (F) Development of long-life, medium-to-high voltage-resistant liquid-type pin terminal capacitors for high-temperature applications up to 135°C (continued)
- (G) Development of Solid-State and Solid-Liquid Vehicle Application Specifications (continued)
- (H) Development of Liquid-Type High-Temperature 150°C Leadless Low-Voltage Capacitors (continued)

2. Summary of the Business Plan for the Year

(1) Business Policies

- A. Implementation of intelligent and automated production processes to enhance product quality and reduce labor costs.
- B. Continue to expand production capacity and scale, and strengthen vertical integration of upstream and downstream operations to achieve synergy.
- C. Expand into new markets, acquire new customers, and enhance the breadth and depth of product applications.
- D. Continue to invest in the research and development of new products and new technologies to enhance and improve product quality.
- E. Integrate group resources to enhance operational efficiency and effectively reduce management costs.
- F. Strengthen corporate governance and fulfill corporate social responsibility

(2) Business objectives and anticipated sales volume

Over the long term, the Company has pursued the ultimate goal of creating mutually beneficial outcomes with customers, suppliers, Shareholders, Employees, and the general public. In response to the rapid evolution of technology and market dynamics, the Company steadfastly implements its established growth strategies with a pragmatic approach. Through differentiated services, ongoing innovation in product development, and continuous quality enhancement, the Company leads all Employees in advancing toward its strategic blueprint. The Company's ambition and capabilities are evidenced by tangible operational results.

3. Future Corporate Development Strategy

The Company recognizes that, in the current era of narrow profit margins within the electronics industry, it is essential not only to continue developing new products to enhance competitiveness, but also to accelerate the advancement of innovative products and higher value-added solutions. In addition, the Company actively provides training for Employees to acquire new knowledge and is committed to fostering synergy through collaboration among group entities and the integration of related product technologies to maximize overall efficiency. The management team will remain diligent in overcoming challenges and pioneering new opportunities for the Company, with the goal of achieving stable growth and profitability.

4. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

The company is actively developing niche products that meet customer cost requirements and launching new products in response to market demand, thereby effectively expanding into larger-scale markets. As a result, we maintain a cautiously optimistic outlook regarding future operations and prospects. The aforementioned measures are expected to minimize the adverse effects of external competition and regulatory environments on the company. In terms of regulatory and operating environments, the company is actively implementing corporate governance systems to comply with government policies and to strengthen the protection of Shareholder rights and interests, thereby further driving high-quality growth. Additionally, by considering the value system of the overall macro environment to identify competitive advantages and foster innovation, the company aims to establish a leading position for the group's core businesses and enhance differentiation from competitors, with profitability improvement as the primary objective in the pursuit of high-quality corporate growth.

Finally, I extend my best wishes to all Shareholders.

Wishing you good health and all the best in your endeavors.

Chairman of the Board: CHIANG, SHIH-HSIN

Two. Corporate Governance Report

1. Information on Directors, General Manager, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

(1) Director Information (1)

2025/04/15

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and other companies.	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage			Job Title	Name	Relationship	
Chairman of the Board	Republic of China	Hong-Pu Investment Co., Ltd.		2023.05.31	3 Years	2000.09.20	7,428,154	5.74%	10,648,154	8.22%					None	None	None	None	None	None
	Republic of China	Representative: CHIANG, SHIH-HSIN	Male 71-80	2023.05.31	3 Years	2000.09.20	1,467,950	1.13%	1,467,950	1.13%	726,477	0.56%	0	0	Mechanical Engineering Department, Tatung Industrial High School	Chairman of the Board of Hong-Pu Investment Co., Ltd. Director of Kingsoft (Cayman) Enterprises Co., Ltd. Chairman of the Board, Chinsan (BVI) Chairman of the Board, EAGLE ZONE (SAMOA) Chairman of the Board, Chinsan Electronic Industrial (Thailand) Co., Ltd. Chairman of the Board, Chinsan Tai-An Co., Ltd. Director, Taiwan Tower Corporation, Ltd. Chairman of the Board, Royal Cheng Investment Co., Ltd.	Director and General Manager	CHIANG, CHING-SHIN	Parent and subsidiary	None
Director	Republic of China	TRICKLE CO., LTD.		2023.05.31	3 Years	2023.05.31	2,058,345	1.59%	2,058,345	1.59%					None	None	None	None	None	None
	Republic of China	Representative: CHEN, SHIH-YANG	Male 61-70	2023.05.31	3 Years	2023.05.31	84,113	0.06%	84,113	0.06%	46,580	0.04%	0	0	Department of Accounting, Soochow University	Managing Partner, Taipei Branch, Zhongshan United CPAs Consultant, Taxation Committee, National Federation of Certified Public Accountants Associations of the Republic of China Director of Shinkong Steel Co., Ltd. Independent Director, Wantek Technology Co., Ltd. Independent Director, Dahua Construction Co., Ltd. Deputy Editor-in-Chief, Monthly Financial and Tax Practice Review	None	None	None	None

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and other companies.	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage			Job Title	Name	Relationship	
Director	Republic of China	HSU, CHUNG-YUAN	Male 61-70	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Doctor of Philosophy in Accounting, University of Memphis, United States Master of Accounting, Department of Accounting, National Chengchi University Bachelor of Commerce in Statistics, National Chengchi University Chair, Department of Accounting, National Chengchi University	Adjunct Professor, Department of Accounting, National Chengchi University Consultant to the Taxation Committee of the National Federation of Certified Public Accountants Associations, Republic of China Advisor to the Audit Committee and Advisor to the Taiwan Financial Reporting Standards Committee Advisor to the Enterprise Accounting Standards Committee Members of the Ministry of Examination Test, Question Setting, and Question Review Committees Independent Director of VSO Electronics Co., Ltd.	None	None	None	None
Director	Republic of China	DAVID CHAN	Male 61-70	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Graduate Institute of Accounting, Soochow University Manager, Taoyuan Branch, SinoPac Bank; Finance Manager, DuPont Taiwan Group (U.S.); and Credit Manager, Greater China Region	None	None	None	None	
Director	Republic of China	CHIANG, CHING-SHIN	Male 41-50	2023.05.31	3 Years	2008.06.13	1,175,712	0.91%	1,175,712	0.91%	0	0	0	0	University of New South Wales ,BA.of Commerce The Institute of Chartered Accountants Australia (CA)	Director of Chinsan Electronic Industry (Thailand) Co., Ltd.	Chairman of the Board	CHIANG, SHIH-HSIN	Parent and subsidiary	Increase the number of seats for independent directors
Independent Director	Republic of China	TSAI, CHIH-WEI	Male 41-50	2023.05.31	3 Years	2011.06.24	0	0	0	0	0	0	0	0	Master of Science, Graduate Institute of Accounting, National Chengchi University Cheng Yi Certified Public Accountants Responsible Person of Cheng Yi Management Consultant Co., Ltd.	Cheng Yi Certified Public Accountants Independent Director, Sheng Da Technology Co., Ltd. Independent Director, Yankee Engineering Co., Ltd. Independent Director, Chia Pei Yu Co., Ltd.	None	None	None	None

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and other companies.	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage			Job Title	Name	Relationship	
Independent Director	Republic of China	SHEN, HSUEH-JEN	Male 51-60	2023.05.31	3 Years	2020.06.12	0	0	0	0	0	0	0	0	Graduate Institute of Management, Fu Jen Catholic University Consultant, New Vision Management Consulting Co. Associate Investment Manager, Zhirong Brand Management Consulting Company	Independent Director of Liang De Electric Co., Ltd. Director of Thermatake Technology Co., Ltd. Lida-KY Independent Director Independent Director, Taiwan Port Engineering Co., Ltd.	None	None	None	None
Independent Director	Republic of China	SHEN, CHIH-CHENG	Male 61-70	2023.05.31	3 Years	2020.06.12	0	0	0	0	0	0	0	0	Master's Degree, Graduate Institute of Law, National Chengchi University	Managing Partner, SHEN, CHIH-CHENG Law Firm President of the Taiwan Association for Traffic Accident Care	None	None	None	None
Independent Director	Republic of China	HUANG, WEN-CHI	Female 41-50	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Department of Accounting, National Pingtung University	Certified Public Accountants in Practice, Yong Yi United CPAs Firm Representative Director of Leadtrend Technology Corporation Lecturer, Workforce Development Agency, Ministry of Labor	None	None	None	None

Note 1: Corporate Shareholders shall separately disclose the name of the Corporate Shareholder and the Representative (for Representatives of Corporate Shareholders, the name of the Corporate Shareholder must be specified), and shall complete Table 1 below.

Note 2: Please indicate the actual age, which may be expressed in ranges, such as 41–50 years or 51–60 years.

Note 3: Please indicate the date of initial appointment as Director of the company. If there was any interruption, an Explanation shall be provided.

Note 4: Experience relevant to the current position, including any employment at an audit and attestation CPA firm or an affiliated enterprise during the aforementioned period, must specify the title held and the responsibilities undertaken.

Note 5: If the Chairman of the Board and the General Manager or an equivalent position (the highest-ranking executive) are the same individual, spouses, or first-degree relatives, an explanation shall be provided regarding the reasons, reasonableness, necessity, and corresponding measures.

The number of Independent Director positions has been increased in compliance with legal requirements, and currently, the majority of Directors do not concurrently serve as Employees or managerial officers.

Table 1: Major Shareholders of Corporate Shareholders

2025/04/15

Name of Corporate Shareholder (Note 1)	Major Shareholders of Corporate Shareholder (Note 2)	Shareholding Percentage (Note 2)
Hong-Pu Investment Co., Ltd.	CHIANG, SHIH-HSIN	36.19%
	Jiang Huang Bai Lian	45.84%
	Jiang Yi-Che	12.67%
	Jiang Qingying	1.81%
	CHIANG, CHING-SHIN	1.81%
	Chiang Ching-Yang	1.69%
TRICKLE CO., LTD.	CHANG, TIEN-CHEN	34.84%
	Chang Tai-Dou	12.37%
	Chang Yu-Sheng	9.34%
	Zhang Yu-Tang	8.60%
	Zhang Yingxuan	6.38%

Note 1: Where a Director or Supervisor serves as a representative of a corporate Shareholder, the name of the corporate Shareholder shall be specified.

Note 2: Enter the names and respective shareholding ratios of the principal Shareholders of the corporate Shareholder (i.e., those whose shareholding ratios rank among the top ten). If any of these principal Shareholders are corporations, Table 2 below must also be completed.

Note 3: For institutional Shareholders that are not organized as companies, the required disclosure of Shareholder name and shareholding ratio refers to the name of the contributor or donor (as may be verified through Judicial Yuan public announcements) and their respective contribution or donation ratio: None.

Table 2: Major Shareholders of the Corporate Shareholders Listed in Table 1: None.

Director Information (2)

Disclosure of Directors' Professional Qualifications and Independence of Independent Directors

Conditions Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public companies concurrently serving as Independent Director
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	Work experience in business, finance, management, industry expertise, crisis management, and other competencies required for company operations. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	None
TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG	Possesses work experience essential for company operations, including expertise in business, finance, management, and crisis management. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	2
HSU, CHUNG-YUAN	Work experience relevant to company operations, encompassing business, financial, crisis management, managerial competencies, and an international market perspective. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	1
DAVID CHAN	Work experience relevant to company operations, encompassing business, financial, and management competencies, crisis management skills, and an international market perspective. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.	Not applicable	None

Conditions Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public companies concurrently serving as Independent Director
	Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.		
CHIANG, CHING-SHIN	Work experience relevant to company operations, encompassing business, financial, and management expertise, crisis management skills, an international market perspective, and industry knowledge. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	None
TSAI, CHIH-WEI	Work experience in business, crisis management, finance, and operational management relevant to company operations. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	(1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a Director or Supervisor of the Company or any of its affiliated enterprises. (3) Neither the individual, their spouse, minor children, nor any person holding shares in the Company on their behalf holds 1% or more of the total issued shares of the Company, nor is among the top ten individual Shareholders. (4) Not a manager as specified in item (1), nor the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of any person listed in items (2) or (3). (5) Not a Director, Supervisor, or employee of a corporate Shareholder that directly holds 5% or more of the total issued shares of the Company, is among the top five Shareholders, or appoints a Representative to serve as a Director or Supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act. (6) Not a Director, Supervisor, or employee of another company whose Director seats or voting shares representing more than half of such seats or shares are controlled by the same person who controls more than half of the Director seats or voting shares of the Company. (7) Not a Director, Supervisor, or employee of another company or institution where the	3
SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry knowledge, an international market perspective, and management capabilities. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.		3
SHEN, CHIH-CHENG	Work experience in business operations, legal affairs, crisis management, management, and other functions essential to the conduct of company business. For details regarding experience, please refer to 1(1) Information on Directors and		0

Conditions Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public companies concurrently serving as Independent Director
	Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Chairman of the Board, President, or an equivalent position of the Company is the same person or the spouse of such person. (8) Not a Director, Supervisor, manager, or Shareholder holding more than 5% of the shares in any specified company or institution that has financial or business dealings with the Company. (9) Not a professional, sole proprietor, partner, owner, Director, Supervisor, manager, or their spouse of a company or institution providing audit or other business, legal, financial, or accounting services to the Company or its affiliated enterprises, or who has received remuneration for such services within the past two years. (10) Does not have a spousal relationship or a second-degree kinship with any other Director. (11) Not elected as a government, legal entity, or its Representative pursuant to Article 27 of the Company Act.	
HUANG, WEN-CHI	Work experience relevant to company operations, encompassing expertise in business, finance, and industry, as well as an international market perspective and management capabilities. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.		0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each Director and Supervisor. For members of the Audit Committee with accounting or financial expertise, state their accounting or financial background and work experience. Additionally, provide an Explanation as to whether they are not subject to any of the circumstances specified in each subparagraph of Article 30 of the Company Act.

Note 2: Independent Directors shall disclose the circumstances demonstrating their independence, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a Director, Supervisor, or employee of the Company or its affiliated enterprises; the number and percentage of shares of the Company held by the individual, their spouse, or relatives within the second degree of kinship (including shares held in the name of others); whether the individual serves as a Director, Supervisor, or employee of any company having a specific relationship with The Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the past two years for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises.

Note 3: In accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained statements of independence from each Independent Director, confirming that all Independent Directors meet the statutory qualifications for independence as required by law.

Board Diversity Policy and Independence

Duties of the Board of Directors:

The Board of Directors of the Company shall guide the Company's strategy, supervise management, and be accountable to the Company and the Shareholders. All operations and arrangements of the Company's corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with applicable laws, the Articles of Incorporation of the Company, or the Resolutions of the Shareholders' Meeting.

Professionalism and Independence of the Board of Directors:

The Company adopts a candidate nomination system, whereby all Director candidates are nominated and their qualifications reviewed by the Board of Directors. Upon approval by Board Resolution, the candidates are submitted to the Shareholders' Meeting for election. Pursuant to Article 20, Paragraph 3 of the Company's Corporate Governance Best Practice Principles, Directors should generally possess the knowledge, skills, and character necessary to perform their duties. To achieve the optimal objectives of corporate governance, the Board of Directors as a whole should possess the following competencies:

- (1) Ability to exercise operational judgment.
- (2) Proficiency in accounting and financial analysis.
- (3) Managerial competence.
- (4) Crisis management capabilities.
- (5) Industry expertise.
- (6) International Market Outlook.
- (7) Leadership skills.
- (8) Decision-making capability.
- (9) Knowledge and competence in risk management.

Specific Management Objectives of the Director Diversity Policy

Pursuant to Article 20 of the Corporate Governance Best Practice Principles, the number of Directors concurrently serving as managers of the company shall not exceed one-third of the total seats on the Board of Directors in order to fulfill supervisory objectives. The composition of the Board should take into account the company's operational structure, business development direction, future trends, and other relevant needs. Consideration should also be given to various aspects of diversity, including but not limited to: basic composition (such as gender, age, and nationality), professional knowledge and expertise, professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Specific management objectives:

1. The current Board of Directors is composed of 9 Directors, including 4 Independent Directors and 5 non-independent Directors. All Directors must be distinguished individuals from either industry or academia.
2. The Company places great importance on gender equality in the composition of its Board of Directors. Currently, there is one female Director, and the Company aims for female Directors to account for at least one-third (33%) of the total number of Directors.
3. Professional background, expertise, or industry experience: At least (1) three individuals with a background in finance and accounting, of whom at least two must be certified public accountants; (2) one individual with a legal background (preferably an Attorney); (3) one individual with management expertise; and (4) two individuals with an industry background or industry experience.
4. Each Director shall have distinct industry experience and professional expertise.
5. To ensure effective supervision, the number of Directors concurrently serving as managers of the Company shall not exceed one-third of the total number of Director positions.

Implementation of the Board Diversity Policy by Directors

1. The current Board of Directors is composed of 9 Directors, including 4 Independent Directors. The Directors possess practical experience in business management of listed companies, have held managerial positions in government agencies, served as managing partners of accounting firms or heads of law firms, and have acted as Independent Directors, corporate Directors, or Supervisors of listed companies. Each Director brings a diverse background, extensive industry experience, professional expertise, and exceptional insight. Among the 4 Independent Directors: SHEN, CHIH-CHENG is an Attorney at SHEN, CHIH-CHENG Law Firm (formerly served as an Independent Director of a petroleum manufacturer in China) and Chairman of the Car Accident Care Association; TSAI, CHIH-WEI is a partner at Cheng Yi CPAs and head of Cheng Yi Management Consulting Company, and concurrently serves as an Independent Director for three listed companies in the fields of high-tech plant construction, low-orbit satellites, and battery manufacturing; HUANG, WEN-CHI is a practicing accountant at Yong Yi CPAs, a corporate Director of a listed company in the power management IC design industry, and a Lecturer for the Ministry of Labor's Industrial Talent Investment Program; SHEN, HSUEH-JEN previously served as a Consultant at Xin Yan Management Consulting Company and as Investment Associate Manager at Zhirong Brand Management Consulting Company, and concurrently serves as an Independent Director for three listed companies in the component distribution, equipment manufacturing, and power cord manufacturing industries. These Independent Directors possess expertise in finance and accounting, legal practice, risk management, corporate governance, and operational management and judgment, providing complementary skills that help prevent blind spots in oversight. Among the non-Independent Directors: the Chairman of the Board, CHIANG, has over 40 years of experience in passive components; CHIANG, CHING-SHIN has over 20 years of experience in passive components, specializing in the business, production, technology, and financial management of aluminum capacitors, and maintains deep connections throughout the industry supply chain. CHIANG, CHING-SHIN also possesses professional knowledge in sustainable development and ESG, and currently serves as the convener of the Company's Sustainability Committee. CHEN, SHIH-YANG is currently the managing accountant at Zhongshan United CPAs Taipei office and Chairman of the Taxation Committee of the National Federation of Certified Public Accountants Associations of the Republic of China, and concurrently serves as an Independent Director or Director for three listed companies in the construction, steel, and AI server high-speed cable manufacturing industries. HSU, CHUNG-YUAN previously served as Chair of the Department of Accounting at National Chengchi University, and is currently an adjunct Professor at the Department of Accounting at National Chengchi University, a Consultant to the Taxation Committee of the National Federation of Certified Public Accountants Associations of the Republic of China, a Consultant to the Accounting and Auditing Committee, a Consultant to the Taiwan Financial Reporting Standards Committee, a Consultant to the Enterprise Accounting Standards Committee, and a member of the Examination, Question Setting, and Review Committees of the Ministry of Examination. He also concurrently serves as an Independent Director for one listed company in the copper-clad laminate manufacturing industry. DAVID CHAN previously served as Manager of the Taoyuan Branch of Bank SinoPac, Financial Supervisor of DuPont Taiwan Group, and Credit Manager for Greater China. Based on the above, it is evident that the Company's Directors and Independent Directors are drawn from a wide range of industries, providing the Board with diverse perspectives and professional judgment, as well as expertise in marketing, technology, business management, industry knowledge, and operational decision-making.
2. Directors with Employee status comprise 22.22% of the Board, not exceeding one-third of the total number of Director seats.
3. Independent Directors comprise 44.44% of the Directors of the Company. Among the Directors, one Independent Director has served for three consecutive terms, two Independent Directors have each served for two consecutive terms, and one Independent Director is newly appointed in the current term.

4. The Company places great importance on gender equality in the composition of the Board of Directors. The current board members were elected in 2023, and at that time, there were no female candidates on the nomination list, which was in compliance with the regulations then in effect. Although a by-election was held in 2025 and one female independent director was appointed, the proportion of female directors still does not reach one-third. In the next board election, we will encourage the nomination of female candidates to enhance gender diversity on the Board.
5. Age distribution of Directors: 3 Directors aged 40 to 50, representing 33.33%; 5 Directors aged 50 to 70, representing 55.56%; and 1 Director aged over 70, representing 11.11%.
6. Professional background, expertise, or industry experience of Directors
 (1) Five individuals with backgrounds in finance and accounting (including two with finance backgrounds and three certified public accountants). (2) One individual with a legal background (Attorney). (3) One individual with expertise in management. (4) Two individuals with industry backgrounds.
7. An analysis of the basic composition of the Board of Directors is as follows:

Director's Name	Gender	Nationality	Employment status	Age			Term of Office of Independent Director		
				40-50	50-70	Over 70	Less than 3 Years	3 to 9 years	Over 9 years
HONG PU INVESTMENT CO., LTD. REPRESENTATIVE: CHIANG, SHIH-HSIN	Male	Republic of China	✓			✓			
TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG	Male				✓				
CHIANG, CHING-SHIN	Male		✓	✓					
HSU, CHUNG-YUAN	Male				✓				
DAVID CHAN	Male				✓				
TSAI, CHIH-WEI	Male			✓					✓
SHEN, HSUEH-JEN	Male				✓			✓	
SHEN, CHIH-CHENG	Male				✓			✓	
HUANG, WEN-CHI	Female			✓			✓		

8. The following is an analysis of the capabilities of the Board of Directors in promoting diversity:

Director's Name	Employment status	Qualifications of Directors								
		Legal Affairs	Management judgment	Accounting and Financial Affairs	Business Operations and Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership skills	Decision-making competence
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	✓		✓		✓	✓	✓	✓	✓	✓
TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG			✓	✓	✓	✓			✓	✓
HSU, CHUNG-YUAN			✓	✓	✓	✓		✓	✓	✓
DAVID CHAN			✓	✓	✓	✓		✓	✓	✓
CHIANG, CHING-SHIN	✓		✓		✓	✓	✓	✓	✓	✓
TSAI, CHIH-WEI			✓	✓	✓	✓	✓	✓	✓	✓
SHEN, HSUEH-JEN			✓		✓	✓	✓	✓	✓	✓
SHEN, CHIH-CHENG		✓	✓		✓	✓			✓	✓
HUANG, WEN-CHI			✓	✓	✓	✓		✓	✓	✓

(2) Information regarding the General Manager, Vice President, Assistant Vice President, and the Heads of Departments and Branch Offices

2025/04/15

Job Title (Note 1)	Nationality	Name	Gender	Date of Appointment or Election	Equity Holdings		Shares held by spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 2)	Currently holding concurrent positions at other companies	Managers with a spouse or relatives within the second degree of kinship			Notes (Note 3)
					Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage			Job Title	Name	Relationship	
General Manager	Republic of China	CHIANG, CHING-SHIN	Male	2013.06.01	1,175,712	0.91%	0	0	0	0	University of New South Wales - B.A. of Commerce The Institute of Chartered Accountants Australia (CA)	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Chairman of the Board	CHIANG, SHIH-HSIN	Parent and subsidiary	Increase the number of seats for independent directors
Research and Development Division Director	Republic of China	Hsu Wan-Hsing	Male	2022.08.09	46,593	0.04%	0	0	0	0	Oriental Institute of Technology	None	None	None	None	None
Sales Department Assistant Vice President	Republic of China	Kang Cheng-Chung	Male	2008.09.01	15,913	0.01%	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology Business Manager, Jie Shang Enterprise Co., Ltd.	None	None	None	None	None
Head of the Finance Department	Republic of China	Tsai Mao-Sung	Male	2018.12.14	0	0%	0	0	0	0	Department of Accounting, Soochow University Chief Financial Officer, Songmu Polymer Technology Co., Ltd. Financial Manager, Taiwan Aust Corporation Vice President of ViewSonic International Corporation	None	None	None	None	None
Director of the Accounting Department	Republic of China	Wang Hsuan-Hung	Male	2025.03.25	0	0%	0	0	0	0	Fu Jen Catholic University, Department of Accounting Deputy Audit Manager, PricewaterhouseCoopers Taiwan Accounting Manager, Guangzhou Kingtachi Electronic Co., Ltd. Accounting Manager, Taiwan Chinsan Electronic Industrial Co., Ltd.	None	None	None	None	None

Note 1: This shall include information on the General Manager, Vice President, Assistant Vice President, heads of all departments and branch offices, as well as any individuals whose positions are equivalent to General Manager, Vice President, or Assistant Vice President, regardless of their official titles, all of whom must be disclosed.

Note 2: Experience relevant to the current position, including any employment at an audit and attestation CPA firm or an affiliated enterprise during the aforementioned period, must specify the title held and the duties and responsibilities performed.

Note 3: If the Chairman of the Board and the General Manager or an equivalent position (the highest-ranking manager) are the same person, spouses, or first-degree relatives, an explanation of the reasons, rationality, necessity, and corresponding measures shall be provided. The number of Independent Director seats has been increased in accordance with legal requirements, and the majority of Directors do not concurrently serve as Employees or managers.

2. Remuneration Paid to Directors, President, and Vice Presidents for Year 2024

(1) Remuneration of Directors and Independent Directors

Unit: Thousands of New Taiwan Dollars (NT\$)

Job Title	Name	Directors' remuneration								Total amounts of items A, B, C, and D and their respective proportions of profit after tax (Note 10)		Remuneration received by part-time employees								Total amounts of items A, B, C, D, E, F, and G, and their respective proportions of profit after tax (Note 10)		Remuneration received from investee entities other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement Benefits (B)		Directors' Remuneration (C) (Note 3)		Operating Execution Costs (D) (Note 4)				Salaries, bonuses, special allowances, and other related expenses (E) (Note 5)		Retirement and Pension Funds (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	the Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)	
Director	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	0	0	0	0	1,965	1,965	840	840	2,805 3.62%	2,805 3.62%	2,984	7,208	73	73	0	0	0	0	5,862 7.57%	10,086 13.02%	None
	CHIANG, CHING-SHIN																					
	TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG																					
	SHI HEN ENTERPRISE LTD.																					
	MY'W INVESTMENT LIMITED																					
Independent Director	TSAI, CHIH-W	0	0	0	0	1,572	1,572	672	672	2,244 2.90%	2,244 2.90%	0	0	0	0	0	0	0	0	2,244 2.90%	2,244 2.90%	None
	SHEN, HSUEH																					
	SHEN, CHIH-CHENG																					
	CHIU, TA-SHE																					
1. Please specify the remuneration payment policy, system, standards, and structure for Independent Directors, and explain the correlation between the amount of remuneration paid and factors such as responsibilities undertaken, risks assumed, and time invested. The remuneration of the Company's Directors is determined in accordance with the provisions of the Articles of Incorporation. 2. In addition to the disclosures presented in the above table, during the most recent year, remuneration received by Directors for providing services (such as serving as Consultants not classified as Employees) to all companies included in the financial statements: None. 3. Provide one vehicle for official use by CHIANG, SHIH-HSIN.																						

Remuneration Schedule

Remuneration ranges for each Director of the Company	Director's Name			
	Total remuneration for items A, B, C, and D		Total remuneration for items A through G (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than NT\$ 1,000,000	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG	TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG	TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)			CHIANG, CHING-SHIN	
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)			Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)				Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN CHIANG, CHING-SHIN
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)				
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)				
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)				
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)				
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)				
Exceeding NT\$100,000,000				
Total	9	9	9	9

Note 1: The names of Directors shall be listed individually (for corporate Shareholders, both the name of the corporate Shareholder and the Representative shall be listed separately).

General Directors and Independent Directors shall also be listed separately, with the aggregate amounts of each payment disclosed. If a Director concurrently serves as General Manager or Vice President, such information shall be included in both this table and the following table.

Note 2: Refers to the remuneration of Directors for the most recent year, including Director salaries, position allowances, severance payments, various bonuses, incentive payments, and other related compensation.

Note 3: This represents the amount of Director remuneration approved for allocation by the Board of Directors for the most recent year.

Note 4: Refers to the relevant business execution expenses of Directors for the most recent year (including transportation allowances, special allowances, various subsidies, dormitory,

assigned vehicles, and other in-kind provisions). Where housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, shall be disclosed. Furthermore, if a driver is assigned, an explanatory note regarding the remuneration paid by the company to the driver shall be provided; however, such remuneration shall not be included in the Directors' compensation.

- Note 5: This refers to the total remuneration received in the most recent year by Directors concurrently serving as Employees (including those concurrently serving as General Manager, Vice President, other managers, and Employees), which comprises salary, position allowances, severance pay, various bonuses, incentive payments, transportation allowances, special allowances, various subsidies, dormitory accommodation, company car, and other in-kind benefits. Where housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, must be disclosed. Additionally, if a driver is provided, an Explanation regarding the remuneration paid by the company to the driver should be included; however, such remuneration is not to be included in the total remuneration. Furthermore, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted Employee shares, and participation in cash capital increases for share subscriptions, must also be included in the remuneration.
- Note 6: This refers to Directors concurrently serving as Employees (including those concurrently serving as General Manager, Vice President, other managerial personnel, and Employees) who received employee compensation (including stock and cash) in the most recent year. The amount of employee compensation approved for distribution by the Board of Directors for the most recent year shall be disclosed. If the amount cannot be reasonably estimated, the proposed distribution amount for the current year shall be calculated based on the proportion of the actual distribution amount from the previous year. In addition, Schedule 1-3 must also be completed.
- Note 7: The total amount of all types of remuneration paid to the Directors of the Company by all entities included in the consolidated financial statements (including the Company) shall be disclosed.
- Note 8: The total remuneration paid by the Company to each Director is disclosed within the applicable remuneration range, along with the name of the Director.
- Note 9: The total remuneration paid to each Director of the Company by all entities included in the consolidated financial statements (including the Company) shall be disclosed, and the names of the Directors shall be presented within the respective remuneration bands to which they pertain.
- Note 10: Profit after tax refers to the profit after tax for the most recent year. For entities that have adopted International Financial Reporting Standards, profit after tax refers to the profit after tax for the most recent year as presented in the individual or separate financial statements.
- Note 11: a. This column shall clearly state the amount of remuneration received by Directors from investee enterprises other than subsidiaries.
b. If any Director receives remuneration from investee enterprises other than subsidiaries, such remuneration shall be included in column I of the remuneration tier table, and the column heading shall be revised to "All Investee Enterprises."
c. Remuneration refers to compensation, emoluments (including Employee, Director, and Supervisor remuneration), business execution expenses, and other related remuneration received by Directors of the Company in their capacity as Directors, Supervisors, or managerial personnel of investee enterprises other than subsidiaries.
- *The remuneration disclosed in this table differs from the definition of income under the Income Tax Act. Therefore, this table is intended solely for information disclosure purposes and shall not be used for taxation purposes.

(2) Remuneration of the General Manager and Vice President

Unit: Thousands of New Taiwan Dollars (NT\$)														
Job Title	Name	Salaries (A) (Note 2)		Retirement and pension plans (Note B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Total amounts of items A, B, C, and D and their respective percentages of Profit after tax (%) (Note 8)		Remuneration received from investee entities other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	the Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements (Note 5)	
								Cash balance	Share capital	Cash balance	Share capital			
General Manager	CHIANG, CHING-SHIN	924	3,828	73	73	0	0	0	0	0	0	997 1.29%	3,901 5.04%	None

*Regardless of job title, all positions equivalent to General Manager or Vice President (e.g., President, Chief Executive Officer, Director, etc.) shall be disclosed.

Remuneration Schedule

Remuneration brackets for each General Manager and Vice President of the Company	Names of the General Manager and the Vice President	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Less than NT\$ 1,000,000		
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	CHIANG, CHING-SHIN	
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)		
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)		CHIANG, CHING-SHIN
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)		
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)		
Exceeding NT\$100,000,000		
Total	1 person	1 person

Note 1: The names of the General Manager and Vice President shall be listed separately, and the amounts of each payment shall be disclosed in aggregate. If a Director concurrently serves as General Manager or Vice President, such information shall be disclosed in both this table and the preceding table.

Note 2: Discloses the salaries, position allowances, and severance payments of the General Manager and Vice President for the most recent year.

Note 3: Disclose the total amounts of all bonuses, incentive payments, transportation allowances, special allowances, various subsidies, dormitory accommodations, company vehicles, other in-kind benefits, and other forms of remuneration provided to the President and Vice Presidents for the most recent year. If housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, must be disclosed. Additionally, if a driver is assigned, provide an Explanation regarding the remuneration paid by the company to the driver; however, such remuneration should not be included in the total remuneration. Furthermore, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," including the acquisition of Employee stock warrants, restricted Employee shares, and participation in cash capital increases for share subscriptions, must also be included in the remuneration.

Note 4: This item discloses the amount of employee remuneration (including shares and cash) allocated to the General Manager and Vice President as approved by the Board of Directors for the most recent year. If the amount cannot be reasonably estimated, the proposed distribution for the current year shall be calculated based on the actual distribution ratio of the previous year. Schedule 1-3 must also be completed. Profit after tax refers to the profit after tax for the most recent year; for entities that have adopted International Financial Reporting Standards, profit after tax refers to the profit after tax as presented in the individual or separate financial statements for the most recent year.

Note 5: The total amount of all types of remuneration paid to the General Manager and Vice President by all companies included in the consolidated financial statements (including the Company) shall be disclosed.

Note 6: The total remuneration paid by the Company to each President and Vice President is disclosed within the applicable range, along with the names of the President and Vice President.

Note 7: The total remuneration paid by all entities included in the consolidated financial statements (including the Company) to each General Manager and Vice President of the Company shall be disclosed. The names of the General Manager and Vice President shall be presented within the respective remuneration bands to which they belong.

Note 8: Profit after tax refers to the profit after tax for the most recent year. For entities that have adopted International Financial Reporting Standards (IFRS), profit after tax refers to the profit after tax for the most recent year as presented in the individual or separate financial statements.

Note 9: a. This column shall clearly state the amount of remuneration received by the company's President and Vice President from investee enterprises other than subsidiaries.
b. If the General Manager or Vice President receives remuneration from investee enterprises other than subsidiaries, such remuneration shall be included in column E of the remuneration tier table, and the column heading shall be changed to "All Investee Enterprises."
c. Remuneration refers to the compensation, emoluments (including Employee, Director, and Supervisor remuneration), business execution expenses, and other related remuneration received by the Company's General Manager and Vice President in their capacity as Director, Supervisor, or managerial personnel of investee enterprises other than subsidiaries.

*The remuneration disclosed in this table differs from the definition of income under the Income Tax Act. Therefore, this table is intended solely for information disclosure purposes and shall not be used for taxation purposes.

(3) Names of managers and distribution status of Employee bonuses: None.

(4) Provide a comparative analysis of the ratio of total remuneration paid to the Company's Directors, Supervisors, President, and Vice Presidents by the Company and all consolidated entities in each of the most recent two years to the profit after tax as presented in the individual or separate financial statements. In addition, provide an explanation of the remuneration policy, standards, and composition, the procedures for determining remuneration, and the relationship between remuneration, business performance, and future risks.

Job Title	Proportion of total remuneration to net profit after tax				Increase (decrease) percentage	
	Year 2024		Year 2023			
	the Company	All companies included in the consolidated financial statements	the Company	All companies included in the consolidated financial statements	the Company	All companies included in the consolidated financial statements
Director	10.47%	15.92%	8.64%	13.19%	1.83%	2.73%
Supervisor	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
President and Vice President	1.29%	5.04%	1.08%	4.21%	0.21%	0.83%

The remuneration of Directors in the distribution of the Company's earnings is administered in accordance with the provisions set forth in the Company's Articles of Incorporation. The procedures for determining such remuneration require approval by the Remuneration Committee, the Board of Directors, and the Shareholders' Meeting. The remuneration for the General Manager and Deputy General Managers is determined based on the positions held and the responsibilities undertaken, with reference to prevailing standards for comparable positions within the industry, and is subject to approval by both the Remuneration Committee and the Board of Directors. The remuneration for managers is established by considering the Company's overall operating performance, prospective industry operational risks, and development trends, as well as individual performance metrics and contributions to the Company, in order to ensure reasonable compensation. This approach is intended to minimize potential future operational risks and to achieve a balance between the Company's sustainable operations and effective risk management.

3. Corporate Governance Practices

(1) Operations of the Board of Directors

In the year 2024, the Board of Directors convened 6 meetings (A), and the attendance of the Directors was as follows:

Job Title	Name (Note 1)	Actual number of attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note 2)	Notes
Chairman of the Board	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	6	0	100.00%	None
Director	CHIANG, CHING-SHIN	6	0	100.00%	None
Director	TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG	6	0	100.00%	None
Director	Shih Heng Industrial Co., Ltd. Representative: RU, SHAO-PIN	6	0	100.00%	Resigned on 2025/01/13.
Director	Konoha Wen Investment Co., Ltd. Representative: LIU, WEN-LIANG	6	0	100.00%	Resigned on 2025/01/13.
Independent Director	TSAI, CHIH-WEI	6	0	100.00%	None
Independent Director	SHEN, HSUEH-JEN	6	0	100.00%	None
Independent Director	SHEN, CHIH-CHENG	5	1	83.33%	None
Independent Director	CHIU, TA-SHENG	6	0	100.00%	Resigned on 2025/01/13.
Average actual attendance rate of all directors				98.15%	

Other Matters to Be Disclosed:

1. If any of the following circumstances occur in the operation of the Board of Directors, the date of the Board meeting, session number, content of the proposal, all Independent Directors' opinions, and the company's response to the Independent Directors' opinions shall be disclosed.

(1) Matters stipulated in Article 14-3 of the Securities and Exchange Act.

(2) Except for the aforementioned matters, other resolutions of the Board of Directors to which Independent Directors expressed dissenting or reserved opinions, with such opinions duly recorded or submitted in written statements:

The Company did not encounter any of the aforementioned circumstances in year 2024. For further details regarding the most recent year and up to the date of publication of this annual report, as well as significant Resolutions of the Shareholders' Meeting and the Board of Directors, please refer to pages 75–77 of this annual report.

2. The implementation of Director recusal from matters involving conflicts of interest shall specify the Director's name, the content of the proposal, the reason for recusal, and the Director's participation in voting.

Board of Directors Meeting Date	Director's Name	Proposal Details	Due to conflict of interest considerations	Voting Participation
2024.01.24	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN CHIANG, CHING-SHIN	Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2023	CHIANG, SHIH-HSIN and CHIANG, CHING-SHIN concurrently serve as Chief Executive Officer and General Manager of the Company, respectively.	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.
2024.04.08	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG	Proposal for the Distribution of Individual Director Remuneration for Year 2023	Director of the Company	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.
2024.04.08	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG; CHIU, TA-SHENG	Proposal for Director Transportation Allowance for the Year 2023	Director of the Company	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.

3. Objectives for Strengthening the Functions of the Board of Directors in the Current and Most Recent Year (e.g., establishment of the Audit Committee, enhancement of information transparency) and Evaluation of Implementation: The Company has formulated the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure compliance, and discloses the attendance of Directors at Board meetings via the Market Observation Post System. The Company's Remuneration Committee is responsible for making recommendations, evaluating, and supervising the Company's overall remuneration policy, the remuneration levels of the General Manager and managerial officers, Employee stock option plans, Employee profit-sharing plans, and other Employee incentive programs. To encourage Directors to pursue continuing education, the Company arranges annual training courses for Directors to promote more effective interaction.

4. Attendance of Independent Directors at Board Meetings in the Current Year and the Previous Year:

◎: Present in person ☆: Represented by proxy *: Absent

Year 2024	First Time	Second Time	Third Time	Fourth Time	Fifth Time	6th Time
TSAI, CHIH-WEI	◎	◎	◎	◎	◎	◎
SHEN, HSUEH-JEN	◎	◎	◎	◎	◎	◎
SHEN, CHIH-CHENG	◎	☆	◎	◎	◎	◎
CHIU, TA-SHENG	◎	◎	◎	◎	◎	◎

5. Implementation of Directors' Performance Evaluation

Assessment Period (Note 3)	Assessment Period (Note 4)	Scope of Assessment (Note 5)	Evaluation Method (Note 6)	Assessment Content (Note 7)
Conducted annually.	2024/01~2024/12	Board of Directors	Member Self-Evaluation	(i) Understanding of the company's objectives and mission (ii) Awareness of Director responsibilities (iii) Level of involvement in company operations (iv) Management and communication of internal relationships

				(v) Professional expertise and continuing education of Directors (vi) Internal control
Conducted annually.	2024/01~2024/12	Board of Directors	Assessment of Deliberative Bodies	(i) Degree of participation in company operations (ii) Enhancement of the quality of Board of Directors' decision-making (iii) Composition and structure of the Board of Directors (iv) Selection and ongoing training of Directors (v) Internal control
Conducted annually.	2024/01~2024/12	Members of Functional Committees (Compensation Committee, Audit Committee)	Assessment of Deliberative Bodies	(i) Level of participation in company operations (ii) Understanding of the responsibilities of functional committees (iii) Improvement of the decision-making quality of functional committees (iv) Composition of functional committees and selection of members (v) Internal control

(1) The operation of the Company's Board of Directors is conducted in accordance with applicable laws, the Articles of Incorporation, and Shareholders' Meeting Resolutions in the exercise of its authority. All Directors, in addition to possessing the professional knowledge, skills, and competence required to perform their duties, act in accordance with the principles of loyalty, integrity, and duty of care to maximize the interests of all Shareholders.

(2) The Company has established an Audit Committee and a Remuneration Committee to assist the Board of Directors in the performance of its duties and supervisory responsibilities. In order to enhance supervisory functions and strengthen management capabilities, the Company has also adopted the "Rules of Procedure for Board of Directors Meetings," which specify the principal agenda items, operating procedures, matters to be recorded in the minutes, public disclosure requirements, and other matters to be observed, thereby establishing a robust governance framework for the Board of Directors.

(3) In year 2024, the self-assessment questionnaire method was adopted. The evaluation results were determined using a simple average, and the scores were classified into four levels. Explanation is as follows:

Average Score	Level
A score of 95 or higher	Excellent
A score of 90 or higher	Satisfactory
A score of 85 or higher	Ordinary
A score of 80 or higher	Requires improvement

A. Board of Directors Performance Self-Evaluation Evaluator: Self-evaluation conducted by the responsible unit

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Level of Participation in Company Operations	6	30	29	30%	28
B. Enhancing the quality of Board of Directors' decision-making	5	25	24	25%	24
C. Composition and Structure of the Board of Directors	5	25	25	25%	24
D. Appointment and Ongoing Training of Directors	2	10	10	10%	10
E. Internal Control	2	10	9	10%	10
Total	20	100	97	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the Directors' performance self-evaluation was 96, meeting the company's expectations.

B. Self-Evaluation of the Performance of Board of Directors Members Evaluators: CHIANG, SHIH-HSIN, Chairman of the Board; CHIANG, CHING-SHIN, Director; CHEN, SHIH-YANG, Director; TSAI, CHIH-WEI, Independent Director; SHEN, HSUEH-JEN, Independent Director; SHEN, CHIH-CHENG, Independent Director (total of 6 individuals).

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Comprehension of the Company's Objectives and Mission	3	135	131	15%	14.50
B. Awareness of Directors' Responsibilities	2	90	90	10%	10.00
C. Level of Participation in Company Operations	7	315	299	35%	32.33
D. Internal Relations Management and Communication	3	135	134	15%	14.33
E. Professional Qualifications of Directors and	2	90	86	10%	9.17
F. Internal Control	3	135	133	15%	14.17
Total	20	900	873	100%	94.50
Overall Evaluation Results				Satisfactory	

Result: The overall score of the Directors' performance self-evaluation was 94.50, in line with the company's expectations.

C. Functional Committee (Audit Committee) Self-Assessment Evaluator: Self-assessment conducted by the responsible unit

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Level of Participation in Company Operations	3	15	15	15%	15
B. Understanding of the Responsibilities of Functional Committees	5	25	25	25%	25
C. Enhance the decision-making quality of functional committees	7	35	33	35%	33
D. Composition of Functional Committees and Appointment of Members	3	15	14	15%	14
E. Internal Control	2	10	10	10%	9
Total	20	100	97	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the functional committee (Audit Committee) performance self-assessment was 96, in line with the company's expectations.

Functional Committee (Remuneration Committee) Self-Assessment Evaluator: Secretariat Self-Assessment

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Level of Participation in Company Operations	3	15	15	15%	15
B. Understanding of the Responsibilities of Functional Committees	5	25	25	25%	25
C. Enhance the decision-making quality of functional committees	7	35	33	35%	33
D. Composition of Functional Committees and Appointment of Members	3	15	14	15%	14
E. Internal Control	2	10	10	10%	9
Total	20	100	97	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the functional committee (Remuneration Committee) performance self-assessment was 96, which met the company's expectations.

Overall Comment: The performance evaluation results for the Board of Directors, individual Directors, and functional committees for the year 2024 indicate that overall operations are satisfactory.

Note 1: If the Director or Supervisor is a legal entity, the name of the Shareholder and the name of its Representative shall be disclosed.

Note 2: (1) If any Director or Supervisor resigns prior to the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Board meetings convened and the number of meetings actually attended during their tenure.

(2) If a re-election of Directors or Supervisors occurs before the end of the year, both the newly appointed and outgoing Directors and Supervisors shall be listed. The remarks column shall indicate whether each Director or Supervisor is outgoing, newly appointed, reappointed, and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of Board meetings held and the actual number of attendances during their respective terms of office.

Note 3: This refers to the execution cycle of the Board of Directors evaluation, for example, conducted annually.

Note 4: This indicates the coverage period of the Board of Directors' evaluation. For example, the evaluation may assess the performance of the Board of Directors for the period from January 1, 2024 to December 31, 2024.

Note 5: The scope of the evaluation encompasses the performance assessments of the Board of Directors, individual Directors, and functional committees.

Note 6: Methods of evaluation include internal self-assessment by the Board of Directors, self-assessment by individual Directors, peer evaluation, engagement of external professional institutions or experts, or other appropriate methods for performance assessment.

Note 7: The assessment contents, based on the scope of assessment, shall include at least the following contents.

(1) Board performance evaluation: At a minimum, this encompasses the level of participation in company operations, the quality of board decision-making, board composition and structure, the selection and ongoing professional development of Directors, and internal controls.

(2) Individual Director Performance Evaluation: At a minimum, this includes the Director's understanding of the company's goals and mission, awareness of Director responsibilities, level of participation in company operations, management and communication of internal relationships, professionalism and ongoing professional development of the Director, and internal control.

(3) Performance evaluation of functional committees: degree of participation in company operations, awareness of the responsibilities of functional committees, quality of decision-making, composition and selection of committee members, internal control, and related matters.

(2) Operations of the Audit Committee

1 .Information on Members of the Audit Committee

Classification of Identity	Conditions	Professional Qualifications and Experience	Independence Status	Number of other public companies in which the individual also serves as a member of the Audit Committee
	Name			
Independent Director	TSAI, CHIH-WEI	Experience in business, finance, corporate management, crisis management, and other competencies essential for company operations. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3
Independent Director	SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry knowledge, an international market perspective, and management capabilities. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3

Classification of Identity	Conditions	Professional Qualifications and Experience	Independence Status	Number of other public companies in which the individual also serves as a member of the Audit Committee
	Name			
Independent Director	SHEN, CHIH-CHENG	Work experience in business, legal affairs, management, crisis management, and other competencies required for corporate operations. Passed the national Attorney examination and holds a certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	0
Independent Director	HUANG, WEN-CHI	Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	0

***The current Audit Committee comprises four members. One member has a legal background and is a practicing Attorney; two members possess backgrounds in finance and accounting and are currently practicing accountants; the remaining member is an industry expert with experience in business management. Two members are aged between 40 and 50, one is between 50 and 60, and one is between 60 and 70. All four Independent Directors have specialized expertise and are able to raise questions and engage in discussions from diverse perspectives during the review of proposals, in compliance with the Board of Directors' policy on member diversity.

2. Summary of the Audit Committee's Annual Key Focus Areas:

- Financial Statements
- Audit and accounting policies and procedures.
- Internal control systems and related policies and procedures.
- Significant transactions involving assets or derivative instruments;
- Significant loans, endorsements, or guarantees provided.
- Raising or issuing marketable securities;
- Derivative financial instruments and cash investments.
- Regulatory compliance
- Whether managers and Directors have engaged in any related party transactions or have any potential conflicts of interest.
- Appeals Report
- Fraud Prevention Plan and Fraud Investigation Report
- Corporate Information Security
- Enterprise Risk Management
- Qualifications, independence, and performance assessment of the certifying accountant;
- Appointment, dismissal, or remuneration of the certifying accountant;
- Appointment or removal of heads of finance, accounting, or internal audit;
- Execution of the Audit Committee's responsibilities; and
- Audit Committee performance evaluation self-assessment questionnaire, and related materials.

Pursuant to the laws of the Republic of China, the Audit Committee shall be composed entirely of Independent Directors. The Company's Audit Committee is in full compliance with these legal requirements. In addition, the Audit Committee conducts an annual self-assessment of its performance and discusses matters that warrant particular attention in the future.

To fulfill its responsibilities, the Audit Committee is authorized under its charter to conduct any appropriate audits and investigations, and maintains direct communication channels with the company's internal auditors, certifying accountants, and all Employees.

3. Operations of the Audit Committee during the year:

Meeting Time	Proposal Details	Resolution Outcome
2024.01.24	1. Replacement of the attesting CPA firm and certified public accountant, and assessment of the independence and suitability of the newly appointed attesting certified public accountant 2. Formulation of the "Procedures for the Acquisition or Disposal of Securities"	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2024.03.11	1. Assessment of the Effectiveness of the Internal Control System and Statement on the Internal Control System for the year 2023 2. Business Report and Financial Statements for Year 2023	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2024.04.08	1. Proposal for Earnings Distribution for the Year 2023	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2024.05.13	1. Consolidated Financial Statements for the First Quarter of 2024	The proposal was approved as submitted without objection

Meeting Time	Proposal Details	Resolution Outcome
	2. Proposed pre-approval for the signing certified public accountant, their firm, and the firm's affiliated entities to provide non-assurance services to the Company and its subsidiaries.	following consultation by the Chairman with all attending committee members.
2024.08.12	1. Consolidated Financial Statements for the Second Quarter of 2024 2. The Company has provided an endorsement guarantee with a limit of CNY 50 million for its subsidiary, Guangzhou Kingtachi Electronic Co., Ltd. (the guarantee limit will be renewed upon expiration).	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2024.11.11	1. The Company's Audit Plan for the Year 2025 2. Consolidated Financial Statements for the Third Quarter of 2024 3. Establishment of the Company's Internal Control System for Sustainable Information Management	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2025.01.21	1. Assessment of the Independence of the Certifying Accountant, Appointment, and Remuneration Proposal	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2025.02.14	1. Proposal to Release Director from Non-Competition Restrictions 2. Appointment of Chief Internal Auditor	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.
2025.03.25	1. Assessment of the Effectiveness of the Internal Control System and Statement on Internal Control System for the Year 2024 2. Business Report and Financial Statements for the Year 2024 3. Proposal for the Appropriation of Earnings for the Year 2024 4. Amendment to the Articles of Incorporation 5. Scope of the Company's Basic-Level Employees 6. Appointment of the Company's Accounting Supervisor	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.

4. In 2024, the Audit Committee convened 6 times (A), and the attendance of the Independent Directors was as follows:

Job Title	Name	Actual Number of Attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note)	Notes
Independent Director	TSAI, CHIH-WEI	6	0	100.00%	None
Independent Director	SHEN, HSUEH-JEN	6	0	100.00%	None
Independent Director	SHEN, CHIH-CHENG	6	0	100.00%	None
Independent Director	CHIU, TA-SHENG	6	0	100.00%	Resigned on 2025/01/13.
Independent Director	HUANG, WEN-CHI	N/A	N/A	N/A	Assumed office on 2025/03/13.

Other Matters to Be Disclosed:

1. If any of the following circumstances occur in the operation of the Audit Committee, the date and session of the Board of Directors, the content of the proposal, the Resolution of the Audit Committee, and the company's response to the Audit Committee's opinions shall be disclosed.
 - (1) Matters stipulated in Article 14-5 of the Securities and Exchange Act.
 - (2) Except for the aforementioned matters, any other resolutions not approved by the Audit Committee but approved by at least two-thirds of all Directors.
2. The implementation of recusal by Independent Directors in matters involving conflicts of interest shall specify the names of the Independent Directors, the content of the proposals, the reasons for recusal, and their voting participation.
3. Communication between Independent Directors, the Internal Audit Supervisor, and Accountants (including significant matters, methods, and outcomes of communication regarding the company's financial and business operations).
 - (1) Communication Policy between Independent Directors, Chief Internal Auditor, and Certified Public Accountants
 1. At least once annually, a separate meeting shall be held between the certified public accountant and the chief audit officer to discuss the internal audit findings completed by the chief audit officer and the external audit opinions provided by the certified public accountant, as well as to communicate regarding any audit deficiencies identified during the year. The outcomes of such communications shall be documented and reported to the Board of Directors.
 2. The internal audit supervisor provides regular reports to the Audit Committee.
 - (1) Annual Internal Audit Plan.
 - (2) Annual professional training program for audit personnel;
 - (3) Regularly report to the Audit Committee on the execution of internal audit activities.
 3. The certified public accountant shall attend the Audit Committee at least once per year to present the annual audit results.
 4. In the event of significant irregularities, or when the Independent Director, audit supervisor, or accountant deems it necessary to communicate independently, meetings may be convened at any time as required for such communication.
 - (2) Communication between Independent Directors, the Chief Internal Auditor, and Certified Public Accountants
 1. The chief auditor and the accountant may communicate directly with the Independent Directors as necessary, and such communications have been satisfactory.
 2. In addition to receiving monthly audit reports, the Independent Directors are also provided with audit reports on the Company and its subsidiaries by the chief auditor, who reports directly to the Independent Directors in separate quarterly meetings. The execution and effectiveness of audit operations have been thoroughly communicated.
 3. At each quarterly meeting, the auditor presents to the Independent Directors the results and findings of the financial statement audit.

The status of quarterly communication meetings between Independent Directors, the Chief Internal Auditor, and Certified Public Accountants for the year 2024 is as follows:

Date	Key Communication Points	Communication status and results
2024.01.24	1. Report on the Remediation of Internal Control Deficiencies and Irregularities for the Fourth Quarter of Year 2023	Communication was satisfactory, and the Independent Director had no comments.
2024.03.11	1. Audit Matters and Key Audit Matters for the Consolidated and Separate Financial Statements for the Year 2023 2. Assessment of the Effectiveness of the Internal Control System and Statement on the Internal Control System for the Year 2023	Communication was satisfactory, and the Independent Director had no comments.
2024.05.13	1. Audit Matters Concerning the Consolidated Financial Statements Reviewed for the First Quarter of 2024 2. Report on the Remediation of Internal Control Deficiencies and Irregularities for the First Quarter of 2024 3. Amendment to the "Remuneration Committee Charter"	Communication was satisfactory, and the Independent Director had no comments.
2024.08.12	1. Audit Matters Regarding the Consolidated Financial Statements Reviewed for the Second Quarter of 2024 2. Report on the Remediation of Internal Control Deficiencies and Irregularities for the Second Quarter of 2024	Communication was satisfactory, and the Independent Director had no comments.
2024.11.11	1. Audit Matters Regarding the Consolidated Financial Statements Reviewed for the Third Quarter of 2024 2. Report on the Remediation of Internal Control Deficiencies and Irregularities for the Third Quarter of 2024 3. Audit Plan for the Year 2025	Communication was satisfactory, and the Independent Director had no comments.
2025.01.21	1. Report on the Remediation of Internal Control Deficiencies and Irregularities for the Fourth Quarter of 2024	Communication was satisfactory, and the Independent Director had no comments.
2025.03.25	1. Audit Matters and Key Audit Matters for the Consolidated and Separate Financial Statements for the Year 2024 2. Assessment of the Effectiveness of the Internal Control System and Statement on the Internal Control System for the year 2024	Communication was satisfactory, and the Independent Director had no comments.

* If an Independent Director resigns prior to the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings convened and the number of meetings attended by the director during their tenure.

* If a re-election of Independent Directors occurs prior to the end of the year, both the newly appointed and outgoing Independent Directors shall be listed. The remarks column shall specify whether each Independent Director is outgoing, newly appointed, or reappointed, as well as the date of re-election. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings convened and the number of meetings actually attended by each Independent Director during their respective terms of office.

(3) Status of corporate governance operations, differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
1. Has the company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for Listed Companies?	V		<p>The Company's "Corporate Governance Best Practice Principles" were approved by the Board of Directors on November 14, 2014, with the most recent amendment approved on January 9, 2023. These principles have been published on the Company's website and the Market Observation Post System. In its operations, the Company has referred to these principles and, taking into account the Company's actual circumstances, has established a comprehensive internal control system and various management measures, all of which have been effectively implemented. The control functions remain robust, and there are no material discrepancies in actual operations.</p> <p>Company Website: Investor Relations \ Corporate Governance \ Key Laws and Regulations \ Corporate Governance Best Practice Principles</p> <p>Market Observation Post System: Corporate Governance \ Corporate Governance Structure \ Establishment of Relevant Regulations and Rules for Corporate Governance \ OTC \ 8042</p>	No differences
2. Company Shareholding Structure and Shareholders' Equity				
(1) Has the company established internal procedures for handling Shareholder suggestions, inquiries, disputes, and litigation matters, and implemented such procedures accordingly?	V		(1) The Company has established a range of internal operating procedures. Shareholders may contact the Company at any time via telephone, e-mail, or letter should they have any suggestions or inquiries. In the event of any disputes or litigation, notification may be made to the Company in accordance with legal procedures, and the Company's appointed legal Consultant will provide assistance in handling such matters.	No differences
(2) Does the company maintain a list of the principal Shareholders who exercise actual control over the company, as well as the ultimate controllers of such principal Shareholders?	V		(2) The Company designates a dedicated unit and stock affairs personnel to monitor changes in shareholdings held by insiders, and, through successive Shareholder registers, seeks to identify major Shareholders and their ultimate controllers, and regularly discloses relevant information.	No differences
(3) Has the company established and implemented risk management and firewall mechanisms for related parties?	V		(3) Supervision procedures for subsidiaries have been established and implemented, and relevant operations have been appropriately set up in accordance with the requirements of the internal control system, including the establishment of suitable risk management and firewall mechanisms for related parties.	No differences
(4) Has the company established internal policies prohibiting insiders from trading securities	V		(4) 1. On November 13, 2020, the Board of Directors of the Company approved the consolidation of the "Procedures for Preventing Insider Trading" and the	No differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
using material non-public information?			<p>"Procedures for Handling Material Internal Information" into the "Regulations for the Prevention of Insider Trading and Internal Material Information Handling and Operating Procedures." Article 8 of these regulations and procedures expressly prohibits insiders of the Company from utilizing non-public information available in the market to trade securities for their own benefit or in the name of others.</p> <p>2. On January 9, 2023, the Board of Directors approved amendments to the Company's Corporate Governance Best Practice Principles. Article 10 of these Principles stipulates stock trading control measures for insiders upon becoming aware of the Company's financial reports or related performance information, including, but not limited to, prohibiting Directors from trading their shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report.</p> <p>3. On November 11, 2024, an educational session was conducted for current Directors (including Independent Directors), managers, and employees. The course, titled "Insider Trading Prevention Education and Advocacy," had a duration of one hour and was attended by 20 participants. The curriculum included confidentiality procedures for material information, the causes and identification process of insider trading, explanations of trading cases, the scope of internal material information, confidentiality procedures, disclosure procedures, and the handling of violations. Upon conclusion of the session, the presentation materials were distributed via email to all Directors and employees for their reference.</p>	
<p>3. Composition and Duties of the Board of Directors</p> <p>(1) Has the Board of Directors established and implemented a diversity policy regarding its composition?</p>	V		<p>(1) 1. In accordance with the "Corporate Governance Best Practice Principles" adopted by resolution of the Company's Board of Directors on 2014/11/14 and amended on 2022/11/09, a diversification policy is stipulated in Chapter 3, "Enhancing the Functions of the Board of Directors." The nomination and selection of the Company's Directors are carried out in accordance with the Articles of Incorporation, utilizing a candidate nomination system. In addition to assessing the academic and professional qualifications of each candidate, the opinions of stakeholders are also considered, and the "Regulations for the Election of Directors and Supervisors" are duly observed.</p> <p>2. Diversification Policy and Specific Management</p>	No differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
(2) In addition to the statutory establishment of the Remuneration Committee and the Audit Committee, does the company voluntarily establish any other functional committees?	V		Objectives Please refer to the Directors' Diversity Policy and Specific Management Objectives (pages 11–13 of this annual report).	No differences
(3) Has the company established a Board of Directors performance evaluation policy and corresponding assessment methods, conducted regular annual performance evaluations, reported the results to the Board of Directors, and utilized the evaluation results as a reference for determining the remuneration and nomination for reappointment of individual Directors?	V		(2) The Compensation Committee and the Audit Committee of the Company are each composed of four Independent Directors. The Sustainability Development Committee is comprised of four Independent Directors and one Director. The establishment of other functional committees will be considered and evaluated as necessary in the future. (3) 1. On February 3, 2021, at the 5th meeting of the 18th Board of Directors, the Company approved the "Board of Directors Performance Evaluation Measures" in accordance with Article 18 of the "Guidelines for the Establishment and Exercise of Powers of the Board of Directors of OTC Companies." 2. Article 3 of the Company's Rules for Performance Evaluation of the Board of Directors stipulates that the Board of Directors shall conduct an internal performance evaluation annually in accordance with the evaluation procedures and indicators specified in Articles 6 and 7. The evaluation results shall be finalized before the end of the first quarter of the subsequent year. 3. On March 13, 2025, at the 13th meeting of the 19th Board of Directors, the Company submitted the report on the Board of Directors' performance evaluation results for the year 2024 to the Board of Directors.	No differences
(4) Does the company conduct regular assessments of the independence of the certifying accountants?	V		(4) 1. The certified public accountants engaged by the Company are not Directors, Supervisors, managers, employees, or Shareholders of the Company or its affiliates. It is confirmed that they are not related parties and comply with the independence requirements as stipulated by the competent authority. For further details, please refer to the Certified Public Accountant Independence Assessment Table in Note 7. 2. The Company conducts annual assessments of the professionalism and independence of the certifying accountant for the following year. 3. The Company has evaluated the professionalism and independence of the certifying accountants, incorporating Audit Quality Indicators (AQIs) into its assessment. The certifying accountants have also provided an independent declaration regarding their engagement, affirming compliance with independence requirements. This matter was approved at the 2nd term, 9th meeting of the Audit	No differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
			Committee and the 19th term, 11th meeting of the Board of Directors on 2025/01/21. In addition, the appointment and remuneration of the financial and tax certifying accountants for the year 2025 were approved at this Board of Directors meeting.	
4. Has the listed or OTC company appointed an adequate and appropriate number of corporate governance personnel and designated a corporate governance officer responsible for corporate governance matters (including, but not limited to, providing Directors and Supervisors with the information necessary for the performance of their duties, assisting Directors and Supervisors in complying with laws and regulations, handling matters related to Board of Directors and Shareholders' meetings in accordance with legal requirements, and preparing minutes of Board of Directors and Shareholders' meetings)?	V		<p>On April 18, 2023, the Board of Directors appointed Mr. Tsai Mao-Sung, Director of the Finance Department, as the Corporate Governance Officer of the Company and established a corporate governance promotion unit to safeguard Shareholder Equity and strengthen the functions of the Board of Directors.</p> <p>Scope of Authority of the Corporate Governance Officer:</p> <p>(1) Assist Independent Directors and Directors in the performance of their duties, provide necessary information, and arrange continuing education for Directors.</p> <p>(2) Assist the Board of Directors and Shareholders' meetings with meeting procedures and compliance with matters related to Resolutions.</p> <p>(3) The agenda for the Board of Directors meeting, together with the relevant meeting materials, shall be provided to the Directors at least seven days in advance. If any agenda item requires recusal due to a conflict of interest, prior notice shall be given. The minutes of the Board of Directors meeting shall be completed within twenty days following the meeting.</p> <p>(4) Conduct advance registration of the Shareholders' Meeting date in accordance with legal requirements, prepare the meeting notice, Meeting Handbook, and minutes within the statutory period, and carry out amendment registration procedures in the event of amendments to the Articles of Incorporation or re-election of Directors.</p> <p>Details regarding the continuing education of the Corporate Governance Officer for the year 2024 are provided in Note 3.</p>	No differences
5. Has the company established communication channels with stakeholders (including, but not limited to, Shareholders, Employees, customers, and suppliers), created a dedicated stakeholder section on the company website, and appropriately responded to significant corporate social responsibility issues raised by stakeholders?	V		The Company has consistently placed great importance on maintaining a balance between the rights and obligations of stakeholders, including Shareholders, Employees, customers, upstream and downstream suppliers, and banks. A dedicated stakeholder section and contact information are provided on the Company's website. Stakeholders may contact the Company's designated representative at any time via telephone, email, or letter. The Company will respond appropriately to significant corporate social responsibility issues raised by stakeholders.	No differences
6. Has the Company engaged a professional shareholder services agent to administer	V		In addition to establishing a stock affairs unit, concurrently managed by personnel from the Finance Department, the Company has also engaged the Stock Affairs Agency	No differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
matters related to the Shareholders' Meeting?			Department of Fubon Securities Co., Ltd. as a professional stock affairs agent to assist with stock affairs and matters related to Shareholders' Meetings.	
7. Information Disclosure				
(1) Does the company maintain a website to disclose financial, business, and corporate governance information?	V		(1) The Company has established a website through which all information is disclosed in a transparent manner, and financial, business, and corporate governance information is accessible via the Company's website. Financial Information: Investor Section\Financial Information Business Information: Product Segment Corporate Governance: Investor Section\Corporate Governance	No differences
(2) Has the company adopted any other methods of information disclosure (such as establishing an English-language website, appointing a designated person responsible for the collection and disclosure of company information, implementing a spokesperson system, or publishing the proceedings of institutional investor conferences on the company website, etc.)?	V		(2) The Company has established both Chinese and English websites and has a dedicated department responsible for the collection and disclosure of various corporate information. Contact information is provided to facilitate Shareholders in making inquiries to the Company. All information is communicated to external parties exclusively by the spokesperson.	No differences
(3) Has the company publicly disclosed and filed the annual financial report within two months after the end of the fiscal year, and has it disclosed and filed the financial reports for the first, second, and third quarters, as well as the monthly operating results, within the prescribed deadlines?	V		(3) In compliance with applicable laws and overall group planning, the Company announces and files its annual and quarterly financial reports, as well as monthly operating results, within the prescribed deadlines.	No differences
8. Are there any other significant matters that may facilitate an understanding of the company's corporate governance practices (including, but not limited to, Employee Equity, Employee care, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, implementation of risk management policies and risk measurement standards, implementation of customer	V		Notes 1 to 6.	No differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
policies, and the company's purchase of liability insurance for Directors and Supervisors, etc.)?				
9. Explanation of improvements implemented in response to the most recent annual corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, as well as the priority areas and measures identified for further enhancement where improvements have not yet been achieved. (1) The specific management objectives of the Board of Directors' diversity policy have been disclosed on the company's website and in the annual report. (2) The company's website and annual report have each disclosed the Board of Directors' supervision of sustainable development.				

Note: An explanation must be provided in the summary Explanation column regardless of whether "Yes" or "No" is selected for the operating status.

Note 1: Protection of Employee Equity and Employee Care: Please refer to Chapter 4, Section 5, Labor Relations in this annual report.

Note 2: Investor Relations, Supplier Relations, and Stakeholder Rights: The Company has designated spokespersons and deputy spokespersons who are specifically responsible for handling matters concerning Shareholders and stakeholders. Communication and exchange of opinions may be conducted via telephone or through the Company's website. The Company maintains mutually supportive and cooperative relationships with its suppliers and customers.

Note 3: Continuing education of Directors, managers, and corporate governance officers:

The continuing education status of the Directors and managerial officers of the Company for the year 2024 is as follows:

Job Title	Name	Continuing Education Programs	Organizer	Hours
Chairman of the Board	CHIANG, SHIH-HSIN	Discussion of Blind Spots and Countermeasures in Information Security Governance	Taiwan Investor Relations Association	3
		Sustainable Development Strategies and Plans for Listed Companies	The Securities and Futures Market Development Foundation	3
Director	CHIANG, CHING-SHIN	Sustainable Development Committee and Chief Sustainability Officer Symposium	The Securities and Futures Market Development Foundation	3
		Sustainable Development Strategies and Plans for Listed Companies	The Securities and Futures Market Development Foundation	3
		Discussion of Blind Spots and Countermeasures in Information Security Governance	Taiwan Investor Relations Association	3
Director	CHEN, SHIH-YANG	Corporate Responses and Strategies Amid Global Economic Fluctuations	Chinese Corporate Governance Association	3
		How does the Board of Directors formulate ESG sustainability governance strategies?	Chinese Corporate Governance Association	3
		Trends and Developments in Anti-Money Laundering and Counter-Terrorist Financing Management in the Financial Industry	Chinese Corporate Governance Association	3
Director	RU, SHAO-PIN	Analysis of Legal Liabilities and Case Studies Related to Disputes over Corporate Control	Accounting Research and Development Foundation, Republic of China	3
		Corporate ESG Practical Topics: Legal Liability Cases Concerning Gender Equality and Human Rights	Accounting Research and Development Foundation, Republic of China	3
Director	LIU, WEN-LIANG	2024 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	3
Independent Director	TSAI, CHIH-WEI	Vietnam Investment Practices and Thailand Investment Information	Chinese Corporate Governance Association	3
		Key Investment Priorities and Practical Implementation in Thailand	Chinese Corporate Governance Association	3
Independent Director	SHEN, HSUEH-JEN	Fundamental Knowledge of Sustainability Reporting	Chinese Corporate Governance Association	3
		Legal Responsibilities, Corresponding Risks, and Preventive Measures for Directors and Supervisors	Chinese Corporate Governance Association	3
Independent Director	SHEN, CHIH-CHENG	Enterprise Risk Management and Crisis Response – Perspectives of the Board of Directors and Supervisors	The Securities and Futures Market Development Foundation	3
		Innovative Strategies for Corporate Growth in the AI Era	Chinese Corporate Governance Association	3
Independent Director	CHIU, TA-SHENG	Analysis of Legal Liabilities and Case Studies Related to Disputes over Corporate Control	Accounting Research and Development Foundation, Republic of China	3
		Corporate ESG Practical Topics: Legal Liability Cases Concerning Gender Equality and Human Rights	Accounting Research and Development Foundation, Republic of China	3
		2026 Corporate Sustainability Transformation: TNFD Strategic Deployment, Biodiversity Opportunities, Corporate Strategies, and Case Studies	Taipei Financial Research and Development Foundation	3

Job Title	Name	Continuing Education Programs	Organizer	Hours
Chief Financial Officer	Tsai Mao-Sung	Continuing Professional Education for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges	Accounting Research and Development Foundation	12
Chief Audit Executive	Chiu Wei-Sheng	Labor Law Knowledge Required of Auditors: From Recruitment to Termination	Institute of Internal Auditors, Republic of China	6
		Enhance corporate sustainable value and improve the risk management system.	Institute of Internal Auditors, Republic of China	6
		Essential ChatGPT Proficiency for Internal Auditors	Institute of Internal Auditors, Republic of China	6

Status of Continuing Education for the Corporate Governance Officer:

Date	Name	Continuing Education Programs	Organizer	Hours
2024.09.10	Tsai Mao-Sung	Enterprise Risk Management and Crisis Response – Perspectives of the Board of Directors and Supervisors	The Securities and Futures Market Development Foundation	3
2024.09.11	Tsai Mao-Sung	Sustainable Development Strategies and Plans for Listed Companies	The Securities and Futures Market Development Foundation	3
2024.10.25	Tsai Mao-Sung	Latest Annual Report / Sustainability Information / Compilation and Analysis of Financial Reporting Regulations and Internal Control Management Practices	Accounting Research and Development Foundation, Republic of China	6

Note 4: Implementation of risk management policies and risk measurement criteria.

The daily operational risk management of the Company and its subsidiaries is assigned to each respective unit according to the nature of the risk. Internal control and internal audit systems have been established, and the Audit Office develops and implements an annual risk-based audit plan based on the existing or potential risks identified in each operation. This ensures that the Company and its subsidiaries can effectively implement various risk prevention measures at key control points for significant risks. The execution and management units responsible for each type of risk are detailed as follows:

Risk Management and Execution Unit	Implementation Status
General Manager	Responsible for overseeing the company's operational objectives, formulating overall corporate business strategies, planning and evaluating business development initiatives, and managing the planning, decision-making, and execution of external cooperation projects, in order to mitigate the company's overall strategic risks.
Administration Department	Responsible for human resources planning, establishment of personnel systems, general administrative affairs, fire safety and occupational health management, and the maintenance and management of Assets and equipment, in order to mitigate operational risks.
Information Technology Department	Information systems management and the implementation of information security controls and protective measures to reduce information security risks.
Finance Department	Responsible for financial planning and utilization, as well as the establishment of hedging mechanisms to reduce financial risks; responsible for drafting financial policies and management reports, enhancing internal control functions to ensure their continued effectiveness, and ensuring the reliability of financial oversight.
Business Department and Overseas Department	Responsible for formulating marketing strategies, promoting products, monitoring market trends, and maintaining customer relationships to reduce business operational risks.
Research and Development Division	Establish product technologies, conduct research on new technologies, develop and commercialize new products, assist customers in resolving technical issues related to product applications, and carry out product development, testing, and cost optimization, in order to increase market share and reduce the risk of obsolescence in the marketplace.
Investment Department	Responsible for formulating investment strategies, identifying investment targets, and conducting short-term investments, including the purchase and sale of stocks and funds.

Note 5: Implementation of Customer Policies: The Company maintains sound relationships with its customers to achieve mutual profitability.

Note 6: Purchase of Liability Insurance for Directors and Supervisors: The Company purchases directors and officers liability insurance, including manager coverage, for Directors and Independent Directors on an annual basis.

Note 7: Criteria for Assessing Auditor Independence

Item No.	Standards for Evaluating the Independence of Certified Public Accountants	Assessment	
		Yes	No
1	The auditor has no shareholding or investment relationship with the Company.		V
2	The auditor has no direct or material indirect financial interest in the Company.		V
3	The accountant has not engaged in any financing or guarantee transactions with the Company or its Directors.		V
4	The auditors have not engaged in any conduct that would compromise the audit work due to concerns regarding the potential loss of engagement with the Company.		V
5	The auditor has not entered into any contingent fee agreements with the Company in relation to audit engagements.		V
6	The auditor has no close business relationship or potential employment relationship with the Company.		V
7	The certified public accountant and members of the audit team are not currently, nor have they been within the past two years, serving as Directors, managers, or holding any positions in the Company that could have a material impact on the audit work.		V
8	The auditor did not provide the Company with any non-assurance service contents that could have a direct impact on the audit work.		V
9	The auditor has not served as an intermediary for any shares or other securities issued by the Company.		V
10	The auditor has not acted as the Company's legal counsel or represented the Company in negotiations or in the resolution of disputes with third parties.		V
11	The certified public accountant does not have any familial relationship with the Director, managerial personnel, or any personnel of the Company who hold positions that have a material influence on the audit engagement.		V
12	No certified public accountant who has resigned within one year has served as a director, supervisor, manager, or held any position with significant influence over the audit engagement of the Company.		V
13	The members of the audit service team have not received any gifts or benefits of significant value from the Company or its directors, supervisors, or managers.		V
14	The members of the audit service team have neither been subjected to nor perceived any undue influence or improper requests from the Company's management concerning the selection of accounting policies or the disclosures in the financial statements.		V
15	The members of the audit service team have neither been subjected to nor perceived any requests from the Company's management to reduce the audit procedures to be performed on the grounds of lowering fees.		V
16	The auditor has no litigation relationship with the Company.		V

Assessment of Audit Quality Indicators (AQI) for Certified Public Accountants

The Company submitted the matter to the 9th meeting of the 2nd Audit Committee and the 11th meeting of the 19th Board of Directors on 2025/01/21 for review of the Audit Quality Indicators (AQI) commencing from year 2025. In accordance with the AQI disclosure framework promulgated by the Financial Supervisory Commission, the quantitative indicators for comparability encompass five principal dimensions—professionalism, independence, quality control, supervision, and innovation capability—comprising a total of 13 assessment indicators. The evaluation results meet the standards for suitability, thereby confirming the reliability of the financial reports issued by the certifying accountants.

(4) Composition, Responsibilities, and Operations of the Remuneration Committee

A. Information on Members of the Remuneration Committee

Classification of Identity (Note 1)	Conditions	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of other public companies in which the individual also serves as a member of the Compensation Committee
	Name			
Independent Director	TSAI, CHIH-WEI	Work experience in business operations, crisis management, finance, and corporate management as required for company activities. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3
Independent Director	SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3

Independent Director	SHEN, CHIH-CHENG	<p>Work experience in business operations, legal affairs, crisis management, corporate management, and other areas essential for company operations.</p> <p>Passed the national Attorney examination and holds a certificate.</p> <p>For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information.</p> <p>None of the circumstances set forth in Article 30 of the Company Act apply.</p>	<p>As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.</p>	0
Independent Director	HUANG, WEN-CHI	<p>Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities.</p> <p>Passed the national certified public accountant examination and holds the relevant certificate.</p> <p>For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information.</p> <p>None of the circumstances set forth in Article 30 of the Company Act apply.</p>	<p>As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.</p>	0

Note 1: Please specify in the table the relevant years of service, professional qualifications and experience, and independence status of each member of the Remuneration Committee. For Independent Directors, you may indicate in the remarks to refer to page OO, Schedule 1, Directors and Supervisors Information (1) for related details. Please indicate whether the member is an Independent Director or other; if the member serves as the convener, please note this accordingly.

Note 2: Professional qualifications and experience: Disclose the professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Compliance with Independence Requirements: Specify the circumstances under which members of the Remuneration Committee satisfy the independence requirements, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a Director, Supervisor, or employee of the Company or its affiliated enterprises; the number and percentage of shares in the Company held by the individual, their spouse, or relatives within the second degree of kinship (or held in the name of others); whether the individual serves as a Director, Supervisor, or employee of a company having a specific relationship with The Company (refer to

Article 6(1)(5) to (8) of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Listed on the Stock Exchange or Traded Over the Counter by Securities Firms); and the amount of remuneration received in the past two years for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises.

B. Duties of the Remuneration Committee

- (1) The Remuneration Committee is established to assist the Board of Directors in implementing and evaluating the company's overall compensation and benefits policies, as well as the remuneration of Directors and managerial personnel.
- (2) In accordance with the laws of the Republic of China, members of the Remuneration Committee are appointed by the Board of Directors. Pursuant to the Company's Remuneration Committee Charter, the committee shall consist of at least three Independent Directors. The Remuneration Committee of the Company is composed entirely of Independent Directors.
- (3) The Remuneration Committee shall convene meetings at least twice per year. For information regarding the convening of committee meetings and the attendance rate of each member, please refer to the Company's annual reports for each respective year.

C. Information on the Operations of the Remuneration Committee

- (1) The Company's Remuneration Committee comprises four members.
- (2) Term of office for the current committee members: from 2023/05/31 to 2026/05/30. In the most recent year, the Remuneration Committee convened 2 meetings (A). The qualifications and attendance of the committee members are as follows:

Job Title	Name	Actual Number of Attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note)	Notes
Chairperson	TSAI, CHIH-WEI	2	0	100%	
Committee Member	SHEN, HSUEH-JEN	2	0	100%	
Committee Member	SHEN, CHIH-CHENG	2	0	100%	
Committee Member	CHIU, TA-SHENG	2	0	100%	Resigned on 2025/01/13.
Committee Member	HUANG, WEN-CHI	N/A	N/A	N/A	Assumed office on 2025/03/13.

Other Matters to Be Disclosed:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date of the Board meeting, the term, the content of the proposal, the result of the Board Resolution, and the company's handling of the opinions of the Remuneration Committee shall be specified. If the remuneration approved by the Board of Directors is more favorable than that recommended by the Remuneration Committee, the differences and reasons shall be stated: None.
2. Resolutions of the Remuneration Committee: If any member has objections or reservations that are recorded or stated in writing, the date of the Remuneration Committee meeting, session, agenda items, all members' opinions, and the handling of such opinions shall be specified: None.

Note 1: For any member of the Compensation Committee who resigned prior to the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Compensation Committee meetings convened and the number of meetings attended by the member during their term of service.

Note 2: If a re-election of the Remuneration Committee takes place before the end of the year, both the former and newly appointed members of the Remuneration Committee shall be listed. The remarks column shall indicate whether each member is a former, new, or reappointed member, as well as the date of re-election. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings convened and the number of meetings actually attended by each member during their respective terms of service.

(3) Actual performance of the Remuneration Committee:

Meeting Time	Proposal Details	Resolution Outcome	Company's Response to the Remuneration Committee's Recommendations
2024.01.24	1. Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2023	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.
2024.04.08	1. Proposal for the Allocation of Employee Remuneration and Director Remuneration for the Year 2023 2. Remuneration Allocation Plan for Individual Directors for Year 2023 3. Proposal for Payment of Directors' Transportation Allowances for the Year 2024	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.
2025.01.21	1. Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2024	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.
2025.03.25	1. Proposal for the Allocation of Employee Remuneration and Director Remuneration for the Year 2024 2. Remuneration Allocation Plan for Individual Directors for the Year 2024 3. Proposal for Directors' Remuneration for Transportation Allowance for the Year 2024	The proposal was approved as submitted without objection following consultation by the Chairman with all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.

(5) Implementation of sustainable development initiatives and any differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed companies, together with the reasons for such differences

Assessment Items	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
1. Has the company established a governance structure to promote sustainable development, set up a dedicated or concurrent unit responsible for advancing sustainable development, authorized senior management by the Board of Directors to manage related matters, and what is the status of oversight by the Board of Directors? Listed and OTC companies are required to disclose the status of implementation; this does not constitute compliance or interpretation.	V		<p>1. In accordance with the company's ESG policy vision and mission, the Board of Directors serves as the highest decision-making authority for sustainability-related matters. On 2024/01/24, the functional "Sustainable Development Committee" was established, with the General Manager serving as Chairman. The other members consist of the company's four Independent Directors, whose areas of expertise include Certified Public Accountant, Attorney, financial expert, and industry expert.</p> <p>2. The ESG team (a part-time unit), composed of the General Manager and several senior executives from diverse fields, jointly reviews the company's core operational capabilities and formulates short-, medium-, and long-term sustainable development plans.</p> <p>3. The ESG Task Force functions as a cross-departmental communication platform, facilitating both vertical integration and horizontal coordination. Through quarterly meetings and three issue-specific task groups—the Sustainable Environment Group (E), the Social Welfare Group (S), and the Corporate Governance Implementation Group (G)—each convened by the respective department head, the Task Force is responsible for advancing sustainability initiatives, monitoring implementation effectiveness, and ensuring that sustainable development strategies are thoroughly embedded in the company's daily operations.</p> <p>4. The ESG Committee convened a total of four meetings in 2024, with agenda items including:</p> <p>(1) Identify material sustainability issues requiring attention and formulate corresponding action plans.</p> <p>(2) Review the implementation reports of each ESG working group;</p> <p>(3) Oversee the implementation of each sustainability matter by the respective ESG working groups and assess the status of execution.</p> <p>5. The ESG team shall submit a work execution report to the Sustainable Development Committee every six months. The Sustainable Development Committee shall present the supervised ESG team work execution report to the Board of Directors. For further details, please refer to the Company website \ Investor Relations \ Corporate Governance \ Sustainable Development Committee \ Sustainable Development Business Execution Report and Sustainable Development Plans and Strategies.</p> <p>6. The ESG team shall prepare the ESG report and submit it to the Sustainable Development Committee for review. Upon the committee's approval, the report shall be submitted to the Board of Directors. Following review, revision, and approval by the Board of Directors, the report shall be disclosed on the Market Observation Post System and the company's website.</p> <p>7. On November 11, 2024, the Sustainable Development Committee formulated short-, medium-, and long-term plans, as well as management guidelines, objectives, policies, and strategies for sustainability-related matters proposed by the ESG team. Upon approval by Resolution of the Committee, these were submitted to the Board of Directors on November 11, 2024, for discussion. The Directors are required to discuss and review the management guidelines, objectives, policies, and strategies proposed by the Sustainable Development Committee, adopt a Resolution, and forward it to the Sustainable Development Committee to instruct the management team and ESG team to implement accordingly.</p>	No differences

Assessment Items	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
2. Has the company conducted risk assessments of environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and established corresponding risk management policies or strategies? (Note 2)	V		<p>1. This disclosure presents the Company's sustainability performance at its principal locations from January 2024 to December 2024. The risk assessment boundary is primarily defined by the Company and encompasses existing sites in Taiwan, Mainland China, and Thailand. In consideration of their relevance to core business operations and the extent of their impact on material topics, the subsidiaries Chinsan Electronic Industrial (Thailand) Co., Ltd., King Nichi Technology Guangzhou Co., Ltd., and Guangzhou Kingtachi Electronic Co., Ltd. are also included within the scope.</p> <p>2. The Sustainable Development Committee directs the ESG team to conduct analyses in accordance with the materiality principle outlined in the Sustainability Report, engage in communication with internal and external stakeholders, and assess material ESG issues by reviewing domestic and international research reports and literature, as well as by integrating evaluation data from various departments and subsidiaries. Based on these assessments, effective risk management policies are established for the identification, measurement, evaluation, supervision, and control of risks, and concrete action plans are implemented to mitigate the impact of related risks.</p> <p>3. The Company conducts risk assessments of material issues in accordance with the materiality principle of corporate social responsibility and, based on the results of such assessments, establishes relevant risk management policies or strategies. For further details, please refer to Note 3.</p>	No differences
3. Environmental Issues				
(1) Has the company established an appropriate environmental management system in accordance with the characteristics of its industry?	V		<p>(1)1. The company is dedicated to the management of environmental and occupational health and safety systems. In 2010, it obtained certification for the OHSAS 18001 Occupational Health and Safety Management System. In 2018, the company was certified under the ISO 45001 Occupational Health and Safety Management System for the period from 2018/01 to 2021/12, and subsequently renewed this certification for the period from 2022/01 to 2025/01. Previously, in January 2004, the company obtained ISO 14001:1996 Environmental Management System certification and has since established and implemented an environmental management system in accordance with ISO 14001. This enables the company to effectively manage environmental affairs, implement pollution prevention measures, comply with environmental protection regulations, pursue sustainable corporate development, and continuously improve its environmental performance. In 2023, the company renewed its ISO 14001 Environmental Management System certification for the period from 2023/12 to 2026/12.</p> <p>2. The Company has obtained the AFNOR ISO 14001:2015 Environmental Management System certification, valid from December 2023 to December 2026. Scope: Production of aluminum electrolytic capacitors; certificate number 2020/89544.2.</p>	No differences
(2) Has the company undertaken initiatives to enhance the efficiency of resource utilization and to employ recycled materials with minimal environmental impact?	V		<p>(2) 1. The Company utilizes raw materials that are in compliance with EU RoHS, REACH, and halogen-free regulations.</p> <p>2. The Company is committed to the recycling and reuse of materials, the production of products utilizing renewable energy, and the reduction of pollution throughout the manufacturing process to mitigate environmental impact. In the area of green manufacturing, the Company strives to minimize unnecessary resource consumption and actively develops technologies for waste reduction and reuse. Across the entire value chain, both upstream and downstream, collaborative efforts are undertaken to promote the recycling and shared use of packaging materials. Additionally, the</p>	No differences

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(3) Has the company assessed the potential risks and opportunities that climate change may pose to its business, both currently and in the future, and implemented relevant response measures?	V		<p>Company is dedicated to testing the application of recycled materials with low environmental impact in its products, thereby maximizing the benefits of the circular economy. Through the recycling of raw materials in production processes, the development of waste reduction technologies, and the design and sale of circular products, the Company generates circular value and drives growth in economic scale.</p> <p>(3) The Company has designated the Board of Directors as the highest decision-making authority for climate-related matters and has established a Sustainability Development Committee consisting of five members. The General Manager serves as the Chairman, while the remaining four members are Independent Directors. The committee conducts an annual review of the Company’s climate change strategies and objectives, oversees the management of climate change risks and opportunities, assesses the status of implementation, discusses future plans, and reports its findings to the Board of Directors. The Company’s assessment of climate change-related risks and opportunities, as well as the corresponding response measures, is disclosed in Appendix 2-2-3 of this annual report.</p>	No differences																																				
(4) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste generated over the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?	V		<p>(4) In terms of greenhouse gas emissions management: The Company completed the ISO 14064-1 greenhouse gas inventory (Scopes 1 to 3) for all group entities in March 2024.</p> <p>Group-wide greenhouse gas inventory for all consolidated entities for the year 2023 in accordance with ISO 14064-1 (Scopes 1 to 3).</p> <table><tr><th>Company</th><th>Category 1 (t CO2e)</th><th>Scope 2 (t CO2e)</th><th>Category I + Category II (t CO2e)</th><th>Unit product emission (KG t Co2e /Kpcs)</th><th>Category III (t CO2e)</th></tr><tr><td>Chinsan, Taiwan</td><td>42.69</td><td>222.97</td><td>265.66</td><td>-</td><td>239.42</td></tr><tr><td>Chinsan, Thailand</td><td>123.09</td><td>4,800.26</td><td>4,923.35</td><td>0.0095</td><td>2,074.58</td></tr><tr><td>Guangzhou Kingtachi</td><td>268.44</td><td>6,460.03</td><td>6,728.47</td><td>0.0079</td><td>14,363.17</td></tr><tr><td>Guangzhou King Nichi</td><td>83.62</td><td>1,763.06</td><td>1,846.68</td><td>0.0852</td><td>27.66</td></tr><tr><td>Total</td><td>517.84</td><td>13,246.32</td><td>13,764.16</td><td>0.0099</td><td>16,704.83</td></tr></table> <p>This statistical analysis table for the 2023 greenhouse gas inventory is based on verification by AFNOR as of July 30, 2024.</p>	Company	Category 1 (t CO2e)	Scope 2 (t CO2e)	Category I + Category II (t CO2e)	Unit product emission (KG t Co2e /Kpcs)	Category III (t CO2e)	Chinsan, Taiwan	42.69	222.97	265.66	-	239.42	Chinsan, Thailand	123.09	4,800.26	4,923.35	0.0095	2,074.58	Guangzhou Kingtachi	268.44	6,460.03	6,728.47	0.0079	14,363.17	Guangzhou King Nichi	83.62	1,763.06	1,846.68	0.0852	27.66	Total	517.84	13,246.32	13,764.16	0.0099	16,704.83	No differences
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			<p>Summary Explanation</p> <p>With respect to water resource management: This statistical water usage table is prepared based on the plant sites of the group entities.</p> <p style="text-align: right;">Unit: metric tons / KPCS</p> <table border="1"> <thead> <tr> <th>Year</th><th>Group entity manufacturing facilities</th><th>Total Water Consumption</th><th>Water consumption per unit</th></tr> </thead> <tbody> <tr> <td>2023</td><td>Chinsan, Taiwan</td><td>1,307</td><td>-</td></tr> <tr> <td>2023</td><td>Chinsan, Thailand</td><td>120,870</td><td>0.2322</td></tr> <tr> <td>2023</td><td>Guangzhou Kingtachi</td><td>46,494</td><td>0.0549</td></tr> <tr> <td>2023</td><td>Guangzhou KingNichi</td><td>1,750</td><td>0.0808</td></tr> <tr> <td>2023</td><td>Total</td><td>170,421</td><td>0.1227</td></tr> </tbody> </table> <p style="text-align: right;">Unit: metric tons / KPCS</p> <table border="1"> <thead> <tr> <th>Year</th><th>Group entity manufacturing facilities</th><th>Total Water Consumption</th><th>Water consumption per unit</th></tr> </thead> <tbody> <tr> <td>2024</td><td>Chinsan, Taiwan</td><td>1,428</td><td>-</td></tr> <tr> <td>2024</td><td>Chinsan, Thailand</td><td>136,590</td><td>0.2231</td></tr> <tr> <td>2024</td><td>Guangzhou Kingtachi</td><td>59,289</td><td>0.0588</td></tr> <tr> <td>2024</td><td>Guangzhou KingNichi</td><td>1,450</td><td>0.0665</td></tr> <tr> <td>2024</td><td>Total</td><td>198,757</td><td>0.1211</td></tr> </tbody> </table> <p>● Management Policies and Performance: In 2024, the Group's total water consumption amounted to 198,757 tons, representing an increase of 28,336 tons compared to 170,421 tons in 2023. This increase was primarily attributable to an 18.19% growth in the Group's production volume in 2024. Unit water consumption for 2024 was 0.1211 tons/KPCS, compared to 0.1227 tons/KPCS in 2023, reflecting a year-on-year reduction of 1.32%. The decrease in unit water consumption was mainly due to increased production at the Thailand Chinsan facility. Further reductions in water consumption were achieved through process improvements, including the recycling and reuse of process water. The reduction in unit water consumption at Guangzhou King Nichi was primarily the result of recycling and reuse of domestic water. The target for unit water consumption in 2025 is an additional reduction of 1%.</p>	Year	Group entity manufacturing facilities	Total Water Consumption	Water consumption per unit	2023	Chinsan, Taiwan	1,307	-	2023	Chinsan, Thailand	120,870	0.2322	2023	Guangzhou Kingtachi	46,494	0.0549	2023	Guangzhou KingNichi	1,750	0.0808	2023	Total	170,421	0.1227	Year	Group entity manufacturing facilities	Total Water Consumption	Water consumption per unit	2024	Chinsan, Taiwan	1,428	-	2024	Chinsan, Thailand	136,590	0.2231	2024	Guangzhou Kingtachi	59,289	0.0588	2024	Guangzhou KingNichi	1,450	0.0665	2024	Total	198,757	0.1211
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			<p>With respect to waste management: This statistical table is compiled based on the group's physical manufacturing sites.</p> <table><tr><th>Year</th><th>Group entity manufacturing facilities</th><th>Hazardous industrial waste</th><th>Non-hazardous industrial waste</th><th>Total waste</th><th>Unit product output (t/kpcs)</th></tr><tr><td>2023</td><td>Chinsan, Taiwan</td><td>-</td><td>1.27</td><td>1.27</td><td>-</td></tr><tr><td>2023</td><td>Chinsan, Thailand</td><td>58.45</td><td>41.38</td><td>99.83</td><td>0.000190</td></tr><tr><td>2023</td><td>Guangzhou Kingtachi</td><td>28.16</td><td>403.83</td><td>431.99</td><td>0.000510</td></tr><tr><td>2023</td><td>Guangzhou KingNichi</td><td>3.05</td><td>146.15</td><td>149.20</td><td>0.006887</td></tr><tr><td>2023</td><td>Total</td><td>89.66</td><td>592.63</td><td>682.29</td><td>0.000494</td></tr></table> <table><tr><th>Year</th><th>Group entity manufacturing facilities</th><th>Hazardous industrial waste</th><th>Non-hazardous industrial waste</th><th>Total waste</th><th>Unit product output (t/kpcs)</th></tr><tr><td>2024</td><td>Chinsan, Taiwan</td><td>-</td><td>0.74</td><td>0.74</td><td>-</td></tr><tr><td>2024</td><td>Chinsan, Thailand</td><td>44.40</td><td>62.82</td><td>107.22</td><td>0.000175</td></tr><tr><td>2024</td><td>Guangzhou Kingtachi</td><td>70.76</td><td>321.91</td><td>392.67</td><td>0.000389</td></tr><tr><td>2024</td><td>Guangzhou KingNichi</td><td>3.32</td><td>105.79</td><td>109.11</td><td>0.005006</td></tr><tr><td>2024</td><td>Total</td><td>118.48</td><td>491.26</td><td>609.74</td><td>0.000371</td></tr></table> <p>●Management policies and performance: In 2024, the total volume of waste was 609.74 metric tons, compared to 682.29 metric tons in 2023. The waste generated per unit of product output was 0.000371 t/kpcs in 2024 and 0.000494 t/kpcs in 2023. The unit waste output of the Group in 2024 decreased by 24.89% compared to 2023. The increase in hazardous waste in 2024 was primarily attributable to Guangzhou Jinli scrapping a batch of electrolyte. The reduction in non-hazardous waste was mainly due to a decrease in general solid waste at Guangzhou Jinli and Guangzhou King Nichi, resulting from resource recycling and reuse. At Thailand Chinsan, non-hazardous waste from BAR bars in 2024 decreased by 1,450 tons compared to 2023, also as a result of resource recycling and reuse, making it the best-performing Contents among individual items. In 2025, the unit waste output of the Group is expected to decrease by a further 5%. The Company has established policies for energy conservation, carbon reduction, and greenhouse gas mitigation, and actively promotes the procurement of green and energy-efficient products. In office operations, initiatives include the implementation</p>	Year	Group entity manufacturing facilities	Hazardous industrial waste	Non-hazardous industrial waste	Total waste	Unit product output (t/kpcs)	2023	Chinsan, Taiwan	-	1.27	1.27	-	2023	Chinsan, Thailand	58.45	41.38	99.83	0.000190	2023	Guangzhou Kingtachi	28.16	403.83	431.99	0.000510	2023	Guangzhou KingNichi	3.05	146.15	149.20	0.006887	2023	Total	89.66	592.63	682.29	0.000494	Year	Group entity manufacturing facilities	Hazardous industrial waste	Non-hazardous industrial waste	Total waste	Unit product output (t/kpcs)	2024	Chinsan, Taiwan	-	0.74	0.74	-	2024	Chinsan, Thailand	44.40	62.82	107.22	0.000175	2024	Guangzhou Kingtachi	70.76	321.91	392.67	0.000389	2024	Guangzhou KingNichi	3.32	105.79	109.11	0.005006	2024	Total	118.48	491.26	609.74	0.000371
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			of digital workflows, turning off lights during lunch breaks, and creating slogans to encourage Employees to reduce energy consumption. At the factory level, packaging materials are reused, such as the circulation and reuse of logistics pallets and cushioning materials, to lower indirect energy consumption during production. Waste is sorted to increase the recycling rates of metals and plastics, thereby reducing the energy consumption associated with raw material extraction.	
4. Social Issues (1) Has the company established relevant management policies and procedures in compliance with applicable laws and international human rights conventions?	V		<p>(1) Human Rights Policy: In strict compliance with the laws and regulations of the jurisdictions in which our global operations are located, we adhere to internationally recognized human rights standards, including the International Labour Organization's Fundamental Core Labour Standards, and implement the Responsible Business Alliance (RBA) Code of Conduct. We are committed to treating and respecting all current employees, contract workers, and temporary personnel with dignity.</p> <p>Human Rights Assessment: The Company complies with the Labor Standards Act, the Employment Service Act, and the Act of Gender Equality in Employment, and has established personnel recruitment and appointment procedures, as well as compensation and benefits procedures, to safeguard the legal Equity of Employees and to establish appropriate management measures. The Company respects and supports relevant human rights standards, including the Universal Declaration of Human Rights of the United Nations and the United Nations Guiding Principles on Business and Human Rights, and has formulated internal Employee codes of conduct in accordance with these principles. The Company continuously and proactively fosters a positive working environment and formulates internal employment management measures in strict compliance with the laws and regulations of its place of operation.</p> <p>The company is committed to ensuring that the working environment within its supply chain and Employee are respected and treated with dignity, and that its operations promote environmental protection and adhere to ethical standards. To demonstrate this commitment, the company has joined the world's largest electronics industry alliance, the Responsible Business Alliance (formerly known as ELCC), as a member and has undertaken a comprehensive due diligence process to ensure that its own code of conduct is aligned with, or even more stringent than, the RBA Code of Conduct. In addition to utilizing the standardized risk assessment questionnaire (SAQ) developed by the RBA, the company conducts annual independent identification of the highest social, environmental, and ethical risks within its business operations.</p> <p>The company provides comprehensive personnel education and training for new Employees within one week of their commencement, covering legal protections related to human rights policies, human rights assessments, and other relevant Equity, as well as the company's prohibitions and regulations regarding rewards and disciplinary actions. For Employee who have been employed for more than one year, when new human rights policies, human rights assessments, or other legal protections, as well as company prohibitions and reward and punishment regulations related to Equity are introduced, announcements and notifications regarding these rights will be communicated during gatherings. The relevant regulations will also be published on the company's internal website.</p>	No differences
(2) Has the company established and implemented reasonable Employee welfare measures	V		(2) The compensation structure is primarily designed to support the company's objectives and to effectively recruit, motivate, and retain talent. Externally, the company continuously	No differences

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(including compensation, leave, and other benefits), and appropriately reflected operating performance or results in Employee compensation?			collects and analyzes market salary data and adjusts compensation in response to changes in the cost of living to maintain overall salary levels and competitiveness. Internally, the company aims to incentivize outstanding employees. For new hires, salaries are determined based on the responsibilities and grade of the position, as well as the individual's educational background and work experience, without any discrimination based on gender, race, religion, political affiliation, marital status, or group membership. The allocation of bonuses appropriately reflects the company's operating performance or results for the year and is incorporated into the year-end bonus. The company has also established a reward and penalty management policy, with relevant rewards and penalties simultaneously reflected in the annual performance appraisal scores, which serve as the basis for year-end bonus distribution. Business bonuses are assessed quarterly based on business contribution and the achievement rate of quarterly targets, and are granted whenever the relevant criteria are met.	
(3) Does the company provide Employee with a safe and healthy working environment and regularly conduct safety and health education for Employee?	V		<p>(3) 1. Standardize the employment system to protect the legitimate rights and Equity of Employees The company, in accordance with the requirements of the Labor Law, the Labor Contract Law, and other relevant laws and regulations, safeguards the legitimate rights and Equity of Employees, and has established and continuously improved a compensation and benefits system that includes social insurance and medical insurance. The company has also implemented the ISO 45001 Occupational Health and Safety Management System, proactively conducts regular testing of occupational disease hazard factors in the workplace, and strengthens risk management to prevent potential occupational health and safety risks. In addition, the company conducts annual occupational safety education and training, as well as regular health check-ups for Employees.</p> <p>2. The Company obtained ISO 45001 Occupational Health and Safety Management System certification for the period 2024–2025. Guangzhou King Nichi: 2024/01–2027/01; Guangzhou King Nichi: 2025/01–2028/01.</p> <p>3. The Group did not experience any occupational accidents or fires in 2024.</p> <p>4. The Company respects human rights, values harmonious labor relations, and is committed to the continuous improvement of occupational safety and health practices, striving to create a work environment that meets human needs and promotes both physical and mental well-being. To safeguard Employee safety and health, the Company has implemented protective measures concerning the work environment and Employee personal safety. Furthermore, specific work safety regulations have been established for the Company's facilities in Thailand and Mainland China.</p> <p>5. For detailed information regarding protective measures for the work environment and Employee personal safety, please refer to Chapter 4, Section 5, Labor Relations.</p>	No differences
(4) Has the company established an effective career competency development training program for Employee?	V		<p>(4) The Company provides a diverse range of on-the-job training programs and a series of seminars to develop human resources in accordance with organizational requirements and individual development plans, thereby assisting Employees in enhancing their professional expertise and managerial competencies.</p> <p>The Company, adhering to the principles of sustainable operation and organizational resilience, actively promoted training programs related to Employee career development in 2024 and integrated these initiatives into its core ESG strategies to achieve the objectives of talent cultivation and competency enhancement. During the year, training was planned and implemented for three key areas: information security management,</p>	No differences

Assessment Items	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
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(5) Does the company comply with relevant laws and international standards concerning customer health and safety in relation to its products and services, customer privacy, marketing, and labeling, and has it established appropriate policies and complaint procedures to protect consumer or customer Equity?	V		<p>establishment of greenhouse gas inventory systems, and preparation of ESG sustainability reports. Through systematic courses and cross-departmental collaboration, the Company strengthened Employees' professional competencies and their ability to address future challenges.</p> <p>Firstly, in the field of information security, the company has implemented the ISO/IEC 27001:2022 Information Security Management System and obtained certification, thereby establishing comprehensive information security policies and management frameworks. To ensure the effective implementation of the system, a series of training courses were developed for information-related personnel and core department Employees, covering topics such as risk identification, information security control measures, and internal audit procedures. Through intensive training, the ability of personnel to identify and respond to information security threats has been strengthened, and information management operations have progressed toward greater standardization and institutionalization.</p> <p>On the other hand, with respect to environmental governance, the company has implemented the ISO 14064-1:2018 greenhouse gas inventory system and obtained the corresponding certification. The adoption of this system enables the company to effectively monitor carbon emissions arising from its operational activities, thereby establishing a foundation for subsequent energy conservation and carbon reduction strategies. Training programs are centered on inventory principles, data source verification, calculation methodologies, and practical exercises, supporting relevant departments in establishing inventory procedures and enhancing the efficiency of data collection and communication. This ensures that carbon inventory processes are both repeatable and verifiable.</p> <p>At the same time, in order to enhance the overall quality of ESG management and information disclosure, the Company organized sustainability report preparation and practical training courses. These initiatives were designed to strengthen the capabilities of internal ESG personnel and to ensure the completion of the 2023 ESG Report. The training curriculum encompassed topics including SDGs and sustainability development trends, GRI standards, sustainability and risk management, stakeholder issue identification, and international sustainability-related reporting standards. Through practical case studies and internal data consolidation exercises, the courses promoted collaboration and consensus building across different departments.</p> <p>In summary, in 2024, multiple internal and external training sessions and workshops were conducted under the three major thematic projects, accumulating a total of 1,389 training hours and 393 participants, encompassing dedicated personnel, management, and general Employees. The company also encourages Employees to proactively participate in externally organized ESG, information security, and carbon management courses to enhance their ability to align with industry development trends.</p> <p>(5) All products manufactured by the Company are classified as green and environmentally friendly products. These products have passed SGS inspection and are certified to comply with the EU RoHS 2.0 non-toxic environmental protection standards, as well as being registered under REACH for chemical composition, thereby qualifying as EU-approved import products. The Company further guarantees that all metals contained in products sold to customers comply with conflict-free regulations, contain no hazardous substances, and are PFOS FREE. Each export carton of the Company's products is labeled with the RoHS environmental mark. As the Company's products are sold to manufacturers, there is no consumer protection policy; however, a customer Equity policy has been established.</p>	No differences

Assessment Items	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			<p>Since most customers are major manufacturers, suppliers enter into procurement quality agreements with the Company. All products of the Company are managed under a rigorous quality system, with each product assigned an international BAR CODE. Upon provision of the BAR CODE by the customer, the Company can trace the batch number of the product, thereby facilitating the tracking of production quality and environmental conditions at the time of manufacture for that batch.</p> <p>The Company has established a complaint mailbox on its website to provide transparent and effective handling of complaints regarding its products and services.</p>	
(6) Has the company established a supplier management policy requiring suppliers to comply with relevant regulations concerning environmental protection, occupational safety and health, or labor rights, and what is the status of its implementation?	V		(6) The Company and its subsidiaries are required to conduct supplier assessments prior to engaging in any transactions, evaluating whether the suppliers' operations and management policies comply with relevant regulations concerning environmental protection, occupational safety and health, and labor rights. Suppliers are also required to provide relevant information regarding newly enacted regulations for the Company's assessment purposes. Contracts with major suppliers explicitly stipulate the obligation to "comply with international environmental protection regulations." Furthermore, should a supplier breach the contract or fail to remedy a breach, the Company may terminate or rescind the contract. The Company conducts regular annual evaluations of suppliers, with the evaluation contents including whether suppliers comply with applicable regulations on environmental protection, occupational safety and health, and labor rights. If a supplier does not meet the Company's required standards, guidance for improvement will be provided; if there is still no improvement, the business relationship will be terminated.	No differences
5. Has the company prepared sustainability reports or other reports disclosing non-financial information with reference to internationally recognized reporting standards or guidelines? Have such reports obtained assurance or attestation opinions from independent third-party verification bodies?	V		The Company has prepared its sustainability report in accordance with the international standards of GRI and SASB; however, it has not yet obtained assurance from a third-party verification body. As the Company's capital is less than 2 billion, current regulations do not require assurance from a third-party verification body.	No differences
6. If the Company has established its own Sustainable Development Best Practice Principles in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please specify the implementation status and any differences between the Company's principles and the prescribed guidelines. The Company has established the Sustainable Development Best Practice Principles, which have been approved by the Board of Directors and disclosed on the Company's website under Investor Relations \ Corporate Governance \ Important Regulations. There are no material differences between actual operations and the provisions of these Principles.				
7. Other significant information to facilitate understanding of the implementation of sustainable development initiatives: <ol style="list-style-type: none"> (1) Chinsan Electronic is a member of the Electronic Industry Citizenship Coalition (EICC), now known as the Responsible Business Alliance (RBA), and is committed to complying with the EICC Code of Conduct, currently referred to as the RBA Code of Conduct. (2) Chinsan Electronic Environmental Policy: Compliance with laws and regulations, innovation and consumption reduction, full participation, and pollution prevention. (3) Chinsan Electronic has joined the Conflict-Free Minerals Procurement Program. <p>In addition to maintaining product quality and ensuring customer satisfaction, the Company recognizes the impact that its business activities, products, and services may have on the environment, occupational safety, and health. The Company is committed to promoting global environmental protection initiatives, preventing pollution, and safeguarding Employee occupational safety and health. The Company makes the following commitments:</p> <ol style="list-style-type: none"> 1> Comply with all applicable national environmental, occupational safety, and health laws and regulations; establish a sound environmental, occupational safety, and health management system; and fulfill environmental, occupational safety, and health commitments agreed upon with customers or relevant parties (including substances prohibited under SONY SS-00259 and those restricted by RoHS). Ensure that environmentally hazardous substances are not introduced, produced, or released, thereby guaranteeing zero pollution in environmental products. 2> Fully implement energy and resource conservation measures, as well as recycling and reuse practices, to reduce resource waste. 3> Comply with all regulations pertaining to environmental, occupational safety, and health management; regularly review and evaluate the effectiveness of their 				

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<p>implementation; and pursue continuous improvement to support sustainable operations.</p> <p>4> Promote accurate concepts of environmental protection, occupational safety, and health; cultivate sound practices in pollution prevention, waste reduction, and adherence to safety and hygiene standards; and ensure the active participation of all personnel in green environmental initiatives and social responsibility activities.</p> <p>5> Industrial safety and Employee health shall take precedence over profit; all activities are based on the principles of safety and health.</p> <p>6> Provide information and facilitate the exchange of experiences related to environmental, occupational safety, and health matters to enable customers, suppliers, and relevant parties to understand the Company's environmental, occupational safety, and health policy.</p> <p>7> Publicly disclose the Company's environmental, occupational safety, and health policies, as well as their implementation status, to contribute to the protection of the Earth and the harmonious coexistence with nature.</p> <p>(4) Description of Green Engineering</p> <p>In order to comply with international environmental standards and national environmental laws and regulations, CHINSAN announced the establishment of the ISO 14001 Environmental Management System in 2003 to ensure environmental quality. To meet environmental requirements, the company is committed to environmental protection, energy conservation and carbon reduction, resource utilization and recycling, and minimizing resource waste. The company promotes comprehensive participation in green environmental initiatives throughout the organization to preserve the earth's natural ecological environment, thereby enabling the sustainable flourishing of all living things. All facilities across the organization are dedicated to providing customers with environmentally friendly products and technologies in all aspects of business operations, thereby demonstrating a strong commitment to environmental responsibility. The company obtained ISO 14001 certification in January 2004.</p> <p>1> RADIAL LEAD TYPE & SNAP-IN TYPE</p> <p>The casings of these aluminum electrolytic capacitors are made of PET material, and all components comply with RoHS, PFOS, HF, and REACH environmental management substance control requirements, ensuring cadmium-free and lead-free production.</p> <p>2> SPECIAL TYPE</p> <p>All of these are large-capacity aluminum electrolytic capacitors. The casing material is PVC rather than PET; however, the products are fully compliant with lead-free requirements.</p> <p>3> CS-CAP Solid Electrolytic Capacitor</p> <p>The casing material of the solid-state capacitor is made of PVC rather than PET; however, the product fully complies with lead-free requirements.</p> <p>(5) Social Responsibility (S)</p> <p>1> Labor Policies</p> <p><1> The company does not employ individuals under the age of 16 and does not compel any Employee to perform work.</p> <p><2> The Company does not discriminate against any Employee on the basis of race, color, age, gender, sexual orientation, disability, pregnancy, religion, political affiliation, labor union membership, or marital status.</p> <p><3> The company respects and protects Employee human rights, including the freedom of association, freedom of assembly, and the right to open and direct communication with management.</p> <p><4> The company complies with applicable labor laws and customer requirements, and provides fair wages and benefits.</p> <p>2> Business Ethics Policy</p> <p><1> Operate with integrity and do not engage in any illegal activities.</p> <p><2> Improper transactions are strictly prohibited, and engagement in activities that conflict with the interests of the company is not permitted.</p> <p><3> All information provided must be accurate, complete, and publicly disclosed.</p> <p><4> Gifts or hospitality must be appropriate.</p> <p><5> Respect intellectual property rights and maintain the confidentiality of client and company information, as well as the identities of whistleblowers.</p> <p>(6) Social Welfare Promotion (S):</p> <p>1> Community Engagement and Care:</p> <p>In 2024, the Company undertook a series of community engagement initiatives, including "One Vegetarian Meal per Quarter for the Earth," "Volunteer Service at Tzu Chi Sanchong Environmental Education Station," "Charity Blood Donation," "Massage Therapy for the Visually Impaired," "Charity Invoice Donation," "Plastic Reduction Beach Cleanup," as well as donations to social welfare organizations. These activities were designed to address a range of social issues, including environmental protection, health, social equality, and support for the underprivileged. The Company encourages voluntary participation by Employee, thereby translating corporate social influence into tangible action. This approach not only strengthens the bond between Employee and the community but also demonstrates the Company's commitment to shared prosperity with the local area. The majority of these activities are conducted in New Taipei City, aligning with the ESG principle of "caring for the local community" and reflecting the Company's objective of being a responsible community partner. The Company believes that genuine sustainability is achieved through ongoing participation and mutual benefit. Looking ahead, the Company will continue to adhere to ESG principles, further enhance the creation of social value, and serve as a key driver in fostering a positive</p>				

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social cycle. The Company’s headquarters are located in New Taipei City. To give back to the local community, the Company’s employment policy prioritizes local residents, with residents of New Taipei City comprising more than 57.97% of the Company’s total Employee.				
The implementation status of public welfare activities for the year 2024 is detailed in the following table:				
Activity Contents		Community / Unit	Number of Participants	Activity Expenses (NTD)
Quarterly “Love the Earth” Vegetarian Meal Activity		National Vegetarian Sanchong Branch	240	22,880
Environmental Volunteer Activities at the Tzu Chi Sanchong Environmental Protection Education Station		Tzu Chi Sanchong Environmental Protection Education Center	11	0
Public Welfare Blood Donation Activity		Xinzhuang No. [] Blood Donation Vehicle, Taipei Blood Center	18	3,960
Public Welfare Massage and Wellness Stress Relief Activity for the Visually Impaired		New Taipei City Association for the Visually Impaired	23	10,900
Donation of Uniform Invoices for Charitable Activities		Eden Social Welfare Foundation	6	0
Plastic Reduction and Coastal Cleanup Activity		No.9, Guosheng Beach, Wanli District, New Taipei City	51	65,646
Total			349	103,386
<p><1> On 2024/10/19, the "CHINSAN Electric Plastic Reduction and Ocean Conservation Beach Cleanup Activity" was held at the beach located at No.9 Guosheng, Shanhai Fangyuan Section, Wanli District, New Taipei City. In less than one hour, a total of 140 kilograms of waste was collected. Despite the considerable physical effort required and the large volume of debris gathered, participants expressed satisfaction in contributing to the preservation of the marine environment. This activity underscored that caring for the ocean extends beyond participating in cleanup initiatives; more importantly, it begins at the source by reducing the use of plastic products by individuals and their families.</p> <p><2> 2024/05/18 [Tzu Chi Sanchong Environmental Protection Education Station] To demonstrate the Company’s commitment to environmental protection and its continued engagement in social welfare initiatives, the Company organized the “Tzu Chi Sanchong Environmental Protection Education Station Observation and Volunteer Service Activity.” Employees and their families were invited to participate as environmental protection volunteers at the education station, where they assisted in the sorting and classification of recyclable materials. Furthermore, through presentations on environmental topics by Tzu Chi volunteers, participants learned how to reduce waste and consumption at the source, conserve resources, and prevent unnecessary waste. It is anticipated that this activity will enhance volunteers’ understanding of the principle that “a better life begins with environmental protection,” thereby encouraging greater efforts to protect the Earth.</p> <p><3> 2024/06/28 [Charity Blood Donation Event] Chinsan Electronic has consistently supported social welfare initiatives and is dedicated to sustainable development. In order to help alleviate the blood shortage and assist more individuals in need, the company organized a "Charity Blood Donation" event, upholding the principle of "Donate a bag of blood, save a life." Employees are encouraged to roll up their sleeves and donate blood, with the hope that the warmth of their contributions will convey love and care. Through tangible actions, the company demonstrates its commitment to compassion and fulfills its social responsibility.</p> <p><4> 2024/07/19 [Massage for the Visually Impaired and Health Stress Relief Public Welfare Activity] In order to promote massage services provided by the visually impaired and to increase employment opportunities for visually impaired individuals, thereby enabling visually impaired massage therapists to achieve more stable economic income and to experience support and care from enterprises, the Company has once again organized the "Massage for the Visually Impaired and Health Stress Relief" public welfare activity. Through the skilled hands of visually impaired massage therapists, the Company aims to communicate the concepts of massage, stress relief, and health to Employees. Simultaneously, this public welfare activity is intended to help alleviate potential soreness and fatigue in the head, shoulders, neck, and back of Employees, assist Employees in relieving stress, and thereby enhance work efficiency and the corporate image.</p> <p><5> 2024/08/14 [Donate Receipts for Charity Event] Chinsan Electronic, upholding its commitment to corporate social responsibility, organized the "Donate Receipts for Charity" event to strengthen the implementation of charitable initiatives. Employees are encouraged to donate their surplus paper uniform invoices, which the company will collect and forward to social welfare organizations, thereby extending compassion and contributing further to society.</p>				
2> Social Contributions:				
<p><1> Hualien County Major Disaster Private Relief Donation Account.</p> <p><2> Donation to the Mustard Seed Mission Foundation [0403 Earthquake Relief Project for Disaster-Affected Households].</p> <p><3> Donation to the YoYo Social Welfare Charity Foundation for the Hualien Disaster Relief Project for Disadvantaged Children and Youth.</p> <p><4> Donation to the Hualien County Elderly and Family Care Association Foundation (for households affected by the Hualien earthquake).</p> <p><5> Donation to the Mennonite Foundation (Eastern Taiwan Elderly and Disabled Disadvantaged Family Care Program).</p> <p><6> Donation to the Hualien County Private Kaige Garden Juvenile Halfway House, affiliated with the Taiwan Christian Agape Foundation Agape Home Counseling Center</p>				

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<p>(for Hualien earthquake repair works).</p> <p><7> Donation to Xibao Elementary School, Xiulin Township, Hualien County (for Hualien earthquake restoration).</p> <p><8> Donation to World Vision Taiwan [10 Red Envelopes for Education, Health, Safety, and Hope].</p> <p><9> Donation to the Chinese Christian Relief Association Foundation.</p> <p><10> Donation to Huashan Foundation (Hualien Guangfu Station) [20 sets of New Year meals].</p> <p><11> Donation to Genesis Social Welfare Foundation (Banqiao Branch) [10 gift sets delivered to recipients' homes].</p> <p><12> Expand participation in sponsorship of social welfare organizations, including Maria Social Welfare, Sunshine Social Welfare, Syin-Lu Foundation, and other entities.</p> <p>3>Employee Relations:</p> <p><1> 2024/09 [2024 Daily 8,888 Steps Walking Activity]: A total of 33 participants achieved the daily goal of walking 8,888 steps, resulting in a completion rate of 84.6%.</p> <p><2> 2024/11/30 [Xindian Bitan Hemei Mountain Trail], held on the morning of November 30, 2024, with enthusiastic participation from 44 employees and their family members.</p> <p>4>Employee Training and Development:</p> <p><1> 2024/06/14 [2024 CHINSAN Electric Happiness Seminar: New Perspectives on Financial Management for Dual-Income Couples] Seminar.</p> <p><2> 2024/09/13 [2024 CHINSAN Electric Happiness Seminar: Dementia Prevention and Joyful Aging Advocacy] Seminar.</p> <p><3> 2024/11/07 [2024 AI Workplace Applications – ChatGPT Practical Course] Seminar.</p> <p><4> 2024/12/19 [2024 CHINSAN Electric Happiness Seminar: Understanding Emotions and Resolving Conflicts] Seminar.</p> <p>5> Employee Benefits:</p> <p><1> The Company (Taiwan) serves as the operational headquarters. Due to the limited number of personnel, no labor union has been established and no collective agreement has been executed; however, labor-management consultations are conducted on a quarterly basis.</p> <p><2> Obtained the Talent Development Quality Management System (TTQS) certification from the Workforce Development Agency in the year 2024.</p> <p><3> Completed the adult education and training program for the year 2024 and received a government subsidy of approximately NT\$259,565.</p> <p><4> For additional Employee benefits, please refer to "Four. Operational Overview / 5. Labor Relations / Employee Benefits" (pages 102-104 of this annual report).</p> <p>(7) The certifications obtained by the Company over the years in the areas of environmental protection and information security are as follows:</p> <table><tr><th>Company</th><th>Contents</th><th>Certified company</th><th>For the period from ... to ...</th></tr><tr><td>Chinsan, Taiwan</td><td>ISO 9001</td><td>Afnor</td><td>2023.12~2026.12</td></tr><tr><td>Chinsan, Taiwan</td><td>ISO 14001</td><td>Afnor</td><td>2023.12~2026.12</td></tr><tr><td>Guangzhou Kingtachi</td><td>ISO 9001</td><td>BSI</td><td>2023.07~2026.07</td></tr><tr><td>Guangzhou Kingtachi</td><td>ISO 14001</td><td>BSI</td><td>2025.01~2028.01</td></tr><tr><td>Guangzhou Kingtachi</td><td>ISO 45001</td><td>BSI</td><td>2025.01~2028.01</td></tr><tr><td>Guangzhou Kingtachi</td><td>IATF16949</td><td>BSI</td><td>2024.08~2025.08</td></tr><tr><td>Guangzhou King Nichi</td><td>ISO 45001</td><td>BSI</td><td>2024.01~2027.01</td></tr><tr><td>Guangzhou King Nichi</td><td>ISO 9001</td><td>BSI</td><td>2024.02~2027.02</td></tr><tr><td>Guangzhou King Nichi</td><td>ISO 14001</td><td>BSI</td><td>2024.01~2027.01</td></tr><tr><td>Group</td><td>ISO 27001</td><td>Afnor</td><td>2024.11~2027.11</td></tr><tr><td>Chinsan, Thailand</td><td>ISO 45001</td><td>CISQ</td><td>2023.12~2027.02</td></tr><tr><td>Chinsan, Thailand</td><td>ISO 9001</td><td>CISQ</td><td>2025.03~2028.02</td></tr><tr><td>Chinsan, Thailand</td><td>ISO 14001</td><td>CISQ</td><td>2025.03~2028.01</td></tr></table> <p>(8) Environmental Protection Initiatives (E):</p> <p>1> Completed the group greenhouse gas inventory for the year 2024 in accordance with ISO 14064-1 (Scope 1 to Scope 3).</p> <p>2> Completion of the Group's inventory of total electricity consumption, total water consumption, and total waste generated</p> <p>3> Enhance supplier management operations</p> <p>4> Invited to participate in environmental protection operations courses organized by select clients.</p> <p>5> Obtained ISO 45001:2018 Occupational Health and Safety Management System certification for Guangzhou King Nichi for the period from January 2024 to January 2027, and for Guangzhou King Nichi for the period from January 2025 to January 2028.</p> <p>6> In 2024, the Group's greenhouse gas inventory in accordance with ISO 14064-1 (Scope 1 to Scope 3) was completed and certified by AFNOR International Certification Company.</p>					Company	Contents	Certified company	For the period from ... to ...	Chinsan, Taiwan	ISO 9001	Afnor	2023.12~2026.12	Chinsan, Taiwan	ISO 14001	Afnor	2023.12~2026.12	Guangzhou Kingtachi	ISO 9001	BSI	2023.07~2026.07	Guangzhou Kingtachi	ISO 14001	BSI	2025.01~2028.01	Guangzhou Kingtachi	ISO 45001	BSI	2025.01~2028.01	Guangzhou Kingtachi	IATF16949	BSI	2024.08~2025.08	Guangzhou King Nichi	ISO 45001	BSI	2024.01~2027.01	Guangzhou King Nichi	ISO 9001	BSI	2024.02~2027.02	Guangzhou King Nichi	ISO 14001	BSI	2024.01~2027.01	Group	ISO 27001	Afnor	2024.11~2027.11	Chinsan, Thailand	ISO 45001	CISQ	2023.12~2027.02	Chinsan, Thailand	ISO 9001	CISQ	2025.03~2028.02	Chinsan, Thailand	ISO 14001	CISQ	2025.03~2028.01
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<p>7> Received a government subsidy of NT\$160,000 for the ISO 14064-1 (Scopes 1 and 2) greenhouse gas inventory in Chinsan, Taiwan for the year 2023.</p> <p>(9) Corporate Governance Initiatives (G):</p> <p>1> The Board of Directors approved the addition and the amendment.</p> <p><1>Proposal for the Establishment of the Sustainable Development Committee and the Organizational Charter of the Sustainable Development Committee (2024.01.24)</p> <p><2>Proposal to appoint one of the Big Four accounting firms as the auditor for the year 2024 (2024.01.24)</p> <p><3>Independence Assessment and Appointment of the Certified Public Accountant for Year 2024 (2024.01.24)</p> <p><4>2024 Sustainability Report Draft</p> <p><5>Internal Control System for Sustainability Information Management</p> <p><6> 2025 Sustainable Development Plan and Strategic Proposal (2024.11.11)</p> <p>2> Board of Directors' Report</p> <p><1>Report on the Company's Sustainable Development Operations for the Year 2024 (2024.11.11)</p> <p><2>Report on the Implementation Status of Ethical Business Practices for the Year 2024 (2025/01/21)</p> <p><3>Report on the Implementation of Insider Trading Prevention Measures for the Year 2024 (2025.01.21)</p> <p><4>Year 2024 Supplier Management Report</p> <p><5> Report on Succession Planning and Operations for Directors and Key Management for the Year 2024 (2025/01/21)</p> <p><6> Report on the Information Security and Communications Management Policy and Its Implementation for the Year 2024 (2025/01/21)</p> <p><7> Report on Communication with Stakeholders of Various Categories for the Year 2024 (2025/01/21)</p> <p><8> Workplace Diversity and Gender Equality Policies and Implementation for the Year 2024 (2025/01/21)</p> <p><9> Diversity, independence, and implementation status of the Board of Directors for the year 2024 (2025.01.21)</p> <p><10> Employee Personal Safety and Workplace Environment Protection Measures and Their Implementation for the Year 2024 (2025.01.21)</p> <p><11> Risk Management Responsibilities and Implementation Status for Year 2024 (2025/01/21)</p> <p>3> Other</p> <p><1>Obtained ISO 27001 certification for information security and communications management for the year 2024, certified by AFNOR International Certification Company for the period from November 2024 to November 2027.</p> <p>(10) Investment in renewable energy</p> <p>1>In 2024, we invested in the installation of Solar PV Tier 1 Modules with a contracted capacity of 446.40 kWp, with a total investment of NT\$11,496 thousand. The energy-saving outcome reached 651,744 kWh, which translates to a reduction of approximately 285.46 metric tons of carbon emissions.</p> <p>2>In alignment with the government’s core policy on sustainable resource management—“Setting Targets for Resource Sustainability and Fostering Innovation through Circular Utilization”—and to further advance domestic resource sustainability and circular utilization, enhance national resource use efficiency, promote effective and sustainable resource recycling, reduce industrial greenhouse gas emissions and environmental impact, and thereby strengthen the nation’s overall green competitiveness and establish a resource-sustainable circular society, the Company has, since 2016, successively invested a total of NT\$245 million in Sustainable Development Co., Ltd. This entity primarily invests in Yongcheng Environmental Technology Co. (waste incineration treatment), Yongmao Environmental Technology Co. (solid recovered fuel (SRF) manufacturing), and Guangqing Environmental Protection Co. (waste collection and transportation). Currently, Yongcheng Environmental Technology Co. has a maximum annual liquid waste treatment capacity of approximately 314.4 million metric tons (with an application for solid waste treatment currently in progress), Yongmao Environmental Technology Co. can produce up to 18,000 metric tons of SRF per year, and Guangqing Environmental Protection Co. is capable of collecting and transporting up to 35,700 metric tons of environmental waste annually.</p>				

Note 1: If "Yes" is selected for the implementation status, please provide specific explanations of the key policies, strategies, and measures adopted, as well as the implementation status. If "No" is selected, please explain the differences and reasons in the "Differences and Reasons Compared to the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies" column, and describe future plans for adopting relevant policies, strategies, and measures. For Contents 1 and 2, TWSE/TPEX listed companies shall specify the governance and supervisory structure for sustainable development, including but not limited to management policies, strategy and goal setting, and review measures. In addition, please specify the company's risk management policies or strategies for environmental, social, and corporate governance issues related to operations, as well as the status of their assessment.

Note 2: The principle of materiality refers to environmental, social, and corporate governance matters that have a significant impact on the company's investors and other stakeholders.

Note 3: The Company conducts risk assessments of material issues in accordance with the materiality principle for sustainable development and, based on the risks identified through these assessments, formulates corresponding risk management policies or strategies as follows:

Issue	Risk Category	Risk Items	Risk Management Strategy	Risk Management Department
Environment	External Risks	Climate change	Annually collect and analyze information pertaining to climate change issues, and identify and assess related risks in order to mitigate the potential adverse impacts of climate change on the company.	General Affairs / Plant Operations
	External Risks	Water Resources Management	1. Implement energy and water conservation improvement measures to reduce energy consumption and water costs. 2. Establish a water shortage emergency response team to monitor the current status of water sources within the facility, strengthen emergency response capabilities, and mitigate the risk of water shortages in the plant. 3. Promote projects and technological research and development to improve the use of ultrapure water in manufacturing processes, reduce ultrapure water consumption, and implement rainwater recycling, thereby enhancing the efficiency of water resource recycling and utilization.	General Affairs / Plant Operations
	Strategic Risk	Greenhouse Gas Emissions and Energy Management	1. Promote the integration of corporate energy and resources, review implementation progress, and enhance various technologies for energy conservation and carbon reduction. 2. The Company has established a Greenhouse Gas Inventory and Reduction Management Team, which compiles greenhouse gas emission data on a monthly basis to ensure effective management and control of greenhouse gas emissions. 3. The primary reduction and mitigation measures include converting fixed-frequency air compressors to variable-frequency models, implementing waste heat recovery from air compressors, reducing diesel consumption, and strengthening energy-saving and carbon reduction performance in production processes.	General Affairs Department / Plant Affairs Department / Research and Development Department / Manufacturing Department
	Strategic Risk	Air Pollution Management	1. Implement measures to reduce exhaust gas emissions, decrease volatile organic compound (VOC) levels, and control odors. 2. In addition to reducing greenhouse gas emissions and the emissions of various air pollutants. 3. Establish monitoring standards for the management of the plant environment and install additional air pollution control equipment to reduce pollutant emissions.	General Affairs / Plant Operations
	Strategic Risk	Waste and Air Pollution Control	1. In line with the principles of the circular economy, efforts are focused on source reduction of waste, minimization of waste during production processes, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization. 2. Optimization of wastewater treatment results in a reduction in the waste sludge generation ratio by %. 3. Waste management practices include the implementation of waste segregation, as well as the recycling and reuse of cardboard boxes and used pallets during the production process, in order to achieve waste reduction targets. 4. In accordance with legal requirements, implement and enforce the qualification review and management of waste removal and disposal contractors to ensure that all waste is properly processed, thereby achieving the objective of minimizing environmental impact.	General Affairs / Plant Operations
Society	Preventable Risks	Human Rights	In accordance with international human rights standards and the labor laws applicable in the jurisdictions of our global operations, we are committed to creating a workplace that ensures equal employment opportunities and is free from discrimination and harassment. We respect individual privacy rights and have established multiple channels for labor-management communication and grievance mechanisms to safeguard Employee Equity.	Human Resources
	Preventable Risks	Talent Recruitment and Retention	1. By employing a variety of open recruitment channels, talent is widely sourced to enhance recruitment efficiency. 2. Provide stable and competitive compensation and benefits, establish comprehensive career development plans, and encourage Employees to obtain licenses or professional certifications.	Human Resources

Issue	Risk Category	Risk Items	Risk Management Strategy	Risk Management Department
	Preventable Risks	Occupational Safety and Health	<ol style="list-style-type: none"> 1. The Company renewed its ISO 45001 certification for the period from January 2022 to January 2025, having initially obtained the Occupational Health and Safety Management System certification in 2010. In accordance with the "Group Safety and Health Partner Regional Joint Defense" system, the Company and its affiliates conduct mutual supervision and share experiences to further strengthen the implementation of the occupational safety and health management system. 2. Establish a fire disaster prevention and response system by forming an Emergency Response Team and designating First Aid Personnel. Conduct fire drills and occupational safety education and training every six months to enhance Employee emergency response and self-safety management capabilities. In 2024, a total of 58 Employees participated, accumulating 58 training hours. Fire safety equipment is inspected quarterly to minimize losses in the event of a disaster and to safeguard the personal safety of Employees. 3. Conduct Employee health examinations and occupational safety seminars, and provide appropriate and adequate protective measures. 	General Affairs / Plant Operations
Economic Aspects (Including Corporate Governance)	Preventable Risks	Product Safety	<ol style="list-style-type: none"> 1. All products manufactured by the Company are environmentally compliant. The Company initially adheres to the Restriction of Hazardous Substances (RoHS) Directive advocated by the European Union, produces products in accordance with EU RoHS standards, and has implemented the environmental protection policy effective from July 2006. 2. Ensure that all metals contained in products sold to customers comply with conflict-free regulations and are free from any hazardous substances. Through stringent quality system management, provide customers with consistent product quality and fulfill environmental, occupational safety, and health commitments as agreed with customers or relevant parties (including compliance with substance restrictions such as those specified in SONY SS-00259). 	Manufacturing Department
	Preventable Risks	Integrity Risk (Professional Conduct)	Establish comprehensive codes of ethical conduct and implement sound corporate governance and risk management mechanisms, including the assessment of risks associated with unethical behavior and the formulation of relevant preventive measures, to ensure the effective implementation of the ethical business operation policy.	Management Department
	Preventable Risks	Legal Compliance	Closely monitor changes in policies and regulations to enable prompt responses. Enter into long-term Consultant agreements with Attorneys to assist in the drafting and pre-execution review of contracts, with the objective of mitigating legal risks.	Management Department
	Strategic Risk	Information Security	<p>The "Information Security Management Operation Guidelines" are established to implement layered control and protection mechanisms for application programs, operating systems, and network systems. The specific Explanation is as follows:</p> <ol style="list-style-type: none"> 1. Implement systems for proactive threat defense (IPS), malicious URL filtering, and advanced persistent threat (APT) protection. 2. Establish access control, implement identity authentication for login systems, manage passwords, authorize access, and conduct regular vulnerability scans and other audit procedures. 3. Conduct annual information security education, training, and assessments for Employees to strengthen their awareness of information security risks. 4. Annually review information security protection measures and regulations, monitor information security issues, and formulate response plans to ensure their appropriateness and effectiveness. 5. Implementation of ISO 27001 Information Security Management System. 	Information Technology Department

Implementation Status of Climate-Related Information

Contents	Implementation Status								
1. Disclosure of the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>1. The Board of Directors has established a Sustainability Committee. The Company is actively strengthening its corporate governance functions related to sustainable operations and environmental sustainability by establishing a Sustainability Development Committee directly under the Board of Directors. Under this committee, a Risk Management Task Force and a Sustainability Development Task Force have been formed. As the highest governing body for the Company's sustainability governance and risk management, the committee is chaired by the General Manager as appointed by the Board of Directors and comprises four Independent Directors. The committee is responsible for setting annual objectives for corporate social responsibility across economic, environmental, and social dimensions, as well as for risk management (including TCFD), and for regularly monitoring the implementation of these objectives. The committee leads the Company's sustainable development efforts, continuously advancing and achieving various short-, medium-, and long-term goals.</p> <p>2. Management: To ensure effective risk management and the oversight of sustainability-related matters, first-level department heads convene meetings as necessary to identify and analyze climate-related risks and opportunities, develop response strategies to achieve the objectives established by the Sustainability Development Committee, and report to the Board of Directors. The Company has assigned the responsible unit to oversee climate and greenhouse gas emissions governance, and has established the following policies, commitments, and management actions:</p> <table border="1"> <tr> <th>Key Matters</th><th>Climate Change and Greenhouse Gas Emissions</th></tr> <tr> <td>Responsible Department</td><td>Administration Department, Research and Development Department, Manufacturing Department, Plant Operations, Quality Control Department, Procurement Department</td></tr> <tr> <td>Policy</td><td> <ol style="list-style-type: none"> 1. Collect and analyze information on climate change issues annually, and identify and assess related risks in order to mitigate the potential negative impacts of climate change on the Company. 2. Implement energy and water conservation improvement measures to enhance utilization efficiency and reduce energy consumption and costs. 3. Enhance or optimize various technologies for energy conservation and carbon reduction. 4. In accordance with the principles of the circular economy, efforts are focused on source reduction of waste, process waste minimization, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization. 5. Optimization of wastewater treatment to reduce the proportion of waste sludge generated. 6. Conduct qualification reviews and manage waste removal and treatment contractors in accordance with legal requirements to ensure that all waste is properly disposed of, thereby achieving the objective of minimizing environmental impact. </td></tr> <tr> <td>Commitment</td><td> <ol style="list-style-type: none"> 1. Comply with laws, customer requirements, and other relevant regulations, and fulfill responsibilities for environmental protection. 2. Implement environmental, energy, water resource, and resource management; conserve energy and natural resources; establish an environmentally friendly and </td></tr> </table>	Key Matters	Climate Change and Greenhouse Gas Emissions	Responsible Department	Administration Department, Research and Development Department, Manufacturing Department, Plant Operations, Quality Control Department, Procurement Department	Policy	<ol style="list-style-type: none"> 1. Collect and analyze information on climate change issues annually, and identify and assess related risks in order to mitigate the potential negative impacts of climate change on the Company. 2. Implement energy and water conservation improvement measures to enhance utilization efficiency and reduce energy consumption and costs. 3. Enhance or optimize various technologies for energy conservation and carbon reduction. 4. 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Policy	<ol style="list-style-type: none"> 1. Collect and analyze information on climate change issues annually, and identify and assess related risks in order to mitigate the potential negative impacts of climate change on the Company. 2. Implement energy and water conservation improvement measures to enhance utilization efficiency and reduce energy consumption and costs. 3. Enhance or optimize various technologies for energy conservation and carbon reduction. 4. In accordance with the principles of the circular economy, efforts are focused on source reduction of waste, process waste minimization, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization. 5. Optimization of wastewater treatment to reduce the proportion of waste sludge generated. 6. Conduct qualification reviews and manage waste removal and treatment contractors in accordance with legal requirements to ensure that all waste is properly disposed of, thereby achieving the objective of minimizing environmental impact. 								
Commitment	<ol style="list-style-type: none"> 1. Comply with laws, customer requirements, and other relevant regulations, and fulfill responsibilities for environmental protection. 2. Implement environmental, energy, water resource, and resource management; conserve energy and natural resources; establish an environmentally friendly and 								

Contents	Implementation Status	
		<p>energy-efficient working environment; and improve environmental management performance.</p> <p>1. The Company has established a greenhouse gas inventory team to annually compile greenhouse gas emission data for the preceding year, identify carbon emission hotspots, and enable effective management of greenhouse gas emissions.</p> <p>2. Installation of solar photovoltaic power generation facilities (green energy) to partially replace conventional power generation, thereby achieving carbon reduction targets and stabilizing the power supply during periods of electricity shortages.</p> <p>3. Replacement of high energy-consuming facilities and implementation of energy-efficient equipment (primary reduction and emission mitigation measures include converting fixed-frequency air compressors to variable-frequency models, recovering waste heat from air compressors, reducing diesel consumption, and enhancing energy-saving and carbon reduction performance in production processes).</p> <p>4. Establish a water shortage emergency response team to monitor the current status of water sources within the facility, enhance emergency response capabilities, and reduce the risk of water shortages in the plant.</p> <p>5. Implementation of waste segregation, as well as the recycling and reuse of cartons and used pallets during the production process, to achieve waste reduction targets.</p>
<p>2. Description of how the identified climate risks and opportunities affect the company's business, strategy, and financial performance over the short, medium, and long term.</p>	<p>Senior management at Kingsoft Corporation conducts analysis and discussion of each Contents related to the risks and opportunities that climate change presents to operations. The probability of occurrence and the degree of impact over the short, medium, and long term are each assessed on a scale of 1 to 5, from low to high, in order to identify the significant risks and opportunities that climate change may pose to the company. With respect to business development, the climate risks that have a greater impact on the company are as follows:</p> <p>Short-term: (within 3 years)</p> <ul style="list-style-type: none"> • Transition risk: Unstable power supply due to electricity rationing policies. • Physical risks: Increased severity of extreme weather events, such as typhoons and floods; changes in rainfall (water) patterns; and extreme variations in climate patterns. <p>Medium-term (4–5 years)</p> <ul style="list-style-type: none"> • Transition risks: “Unstable power supply due to electricity rationing policies,” “carbon pricing mechanisms,” “strengthened greenhouse gas emissions reporting obligations,” and “changes in customer behavior.” • Physical risks: Increased severity of extreme weather events, such as typhoons and floods; changes in rainfall (water) patterns and extreme fluctuations in climate patterns. <p>Long-term (over 5 years)</p> <ul style="list-style-type: none"> • Transition risks: carbon pricing mechanisms, replacement of existing products and services with low-carbon alternatives, increases in raw material costs, and shifts in corporate customer preferences. • Physical risk: Variations in rainfall (water) patterns and extreme fluctuations in climate patterns • Opportunities: Development or expansion of low-carbon products and services; utilization of low-carbon energy. 	

Contents	Implementation Status
	<p>Impact on the company's financial position: increasingly stringent environmental regulations, rising raw material costs, higher operating expenses, and increased capital expenditures.</p> <p>The strategy and financial impact are as described in the implementation status of Contents 3.</p>
<p>3. Disclosure of the impact of extreme climate events and transition actions on financial position.</p>	<p>Transition Risks and Measures:</p> <ol style="list-style-type: none"> 1. Due to power rationing policies, the electricity supply has become unstable. Impact: This may lead to a tighter electricity supply during periods of high summer demand. If the company is unable to adapt to electricity rationing policies, this could result in production stoppages, extended delivery lead times, increased operating costs, and decreased revenue. Take measures: <ol style="list-style-type: none"> A. Installation of solar energy equipment at the Mainland China and Thailand plants to mitigate impact. B. Develop contingency energy plans, such as generator units or renewable energy facilities, to address potential power rationing situations. C. Effective communication and coordination with local governments regarding power restriction schedules at each plant can efficiently manage production timelines, thereby preventing power restrictions from impacting production capacity and delivery schedules. 2. Implement carbon pricing. Impact: International or domestic regulations related to renewable energy may affect the sources, composition, and prices of current and future energy, potentially resulting in decreased revenue. Take measures: <ol style="list-style-type: none"> A. Regularly evaluate and analyze carbon pricing, integrate it into plant operations to facilitate the early adoption of carbon reduction initiatives, and mitigate the impact of carbon pricing. B. Continue to monitor the regulations and legislative developments related to carbon pricing in various countries. C. Provide education and training related to the implementation of carbon pricing mechanisms to strengthen internal understanding of carbon pricing within the company. 3. Strengthen the obligation to report greenhouse gas emissions: Impact: The "Sustainable Development Roadmap for Listed Companies" issued by the Taiwan Financial Supervisory Commission requires listed companies to complete greenhouse gas inventory, verification, and reporting for both the parent company and its subsidiaries, resulting in increased compliance and operating expenses. Chinsan Electronic conducts greenhouse gas inventories for each facility and undergoes third-party verification. This will lead to higher operating costs. Take measures: <ol style="list-style-type: none"> A. dedicated department and personnel have been established to carry out greenhouse gas inventory and energy management.

Contents	Implementation Status
	<p>B. Internal audit training is conducted annually to enhance the competencies of relevant personnel.</p> <p>C. Establish annual objectives in accordance with the ISO management system to promote energy conservation in production processes and utility equipment.</p> <p>4. Changes in customer behavior:</p> <p>Impact: Due to heightened awareness of climate change, customers are requiring the Company and its suppliers to adopt sustainability initiatives, such as the implementation of Science Based Targets (SBT) for carbon reduction and the disclosure of information in accordance with the Sustainability Accounting Standards Board (SASB). The Company must invest additional resources in promotion and management to ensure compliance with customer requirements. This may lead to increased operating costs, higher capital expenditures, or reduced revenue.</p> <p>Take measures:</p> <p>A. Installation of solar energy equipment and establishment of carbon reduction targets.</p> <p>B. Reuse pallets, BAR strips, and aluminum bags to minimize single-use consumption.</p> <p>C. Continued investment in and research and development of high-performance products.</p> <p>D. Engage in the development of forward-looking technologies by identifying market trends and customer needs.</p> <p>E. Entered into RBA agreements with suppliers and established a supplier selection mechanism to ensure that suppliers prioritize human rights and carbon reduction objectives.</p> <p>5. Substituting existing products and services with low-carbon alternatives:</p> <p>Impact: In response to global carbon reduction initiatives, the company's intensified research and development of low-carbon products will result in increased expenditures for the development of new and alternative technologies, thereby raising operating costs.</p> <p>Take measures:</p> <p>A. Assess the feasibility of various enhancements to high-performance products, including product structure, materials, and other relevant aspects.</p> <p>B. Collaborate with academic institutions to research and develop feasible low-carbon technologies, and to create a variety of viable low-carbon products or services.</p> <p>C. Actively pursue initiatives in renewable energy, power generation, electricity creation, and energy storage.</p> <p>D. Expand product applications within the electric propulsion and smart grid industry chain.</p> <p>6. Shifts in Corporate Client Preferences</p> <p>Impact: Customers may require the Company to disclose or publish carbon inventory information, including the product life cycle carbon footprint. Failure to meet these requirements may negatively impact the Company's corporate image and diminish investor willingness to invest. This could lead to increased operating costs, higher capital expenditures, and decreased revenue.</p> <p>Take measures:</p>

Contents	Implementation Status						
	<p>A. Regularly monitor and update relevant EU regulations on an annual basis.</p> <p>B. Collaborate with customers and suppliers to proactively anticipate market or consumer demand and provide more competitive products.</p> <p>C. Establish effective communication channels with stakeholders and actively participate in relevant industry and cross-industry initiatives and collaborations.</p> <p>Overall impact:</p> <p>1. Extreme weather events may lead to increased operating costs and decreased revenue. Extreme climate conditions have intensified the effects of high temperatures and droughts during the summer, potentially leading to water shortages that may disrupt operations. Typhoons or heavy rainfall may result in power shortages, power rationing, and property losses. Failure to implement appropriate response measures may cause production stoppages, extended delivery periods, increased operating costs, and reduced revenue.</p> <p>2. Impact on the Company's Rating by Financial Institutions: If a company's climate-related financial performance does not meet the required standards when assessed by financial institutions for investment or lending purposes, it may have a negative impact on the company.</p> <p>3. Transformation initiatives may involve risks as well as opportunities: Transformation initiatives, such as replacing carbon-reducing equipment, selecting carbon-reducing waste treatment methods, developing low-carbon products, or designing products for the circular economy, may increase costs in the short term. However, these actions also enhance resource efficiency and, over the long term, strengthen the company's competitive advantage.</p>						
4. Explanation of how the processes for identifying, assessing, and managing climate risks are incorporated into the overall risk management framework.	<p>Integration with internal risk management procedures for oversight and monitoring: Through learning initiatives and cross-departmental exchange mechanisms, the framework for climate change risk and internal risk management procedures is comprehensively understood, thereby enhancing each department's capacity to identify, assess, measure, and monitor climate change risks. This approach facilitates effective management of operational risks and the development of appropriate response measures. Internal control mechanisms are incorporated to conduct regular reviews, ensuring the effective implementation of operational risk management. Moving forward, documentation of risk management procedures and their execution outcomes will be continuously expanded and utilized as a basis for lessons learned. The risk status is reported to the Board of Directors at least annually to ensure the proper functioning of the management structure and risk control mechanisms.</p> <p>Practices regarding climate-related financial disclosures:</p> <table> <tr> <th>Process</th><th>Method</th></tr> <tr> <td>Risk Identification</td><td>Each year, the Company identifies climate-related risks and opportunities in accordance with industry characteristics, international climate issues, and local regulations.</td></tr> <tr> <td>Risk Assessment</td><td>Through departmental interviews, assess the likelihood, impact, and points of occurrence of climate risks and opportunities in operational development, integrate financial information, and prioritize key risk and opportunity</td></tr> </table>	Process	Method	Risk Identification	Each year, the Company identifies climate-related risks and opportunities in accordance with industry characteristics, international climate issues, and local regulations.	Risk Assessment	Through departmental interviews, assess the likelihood, impact, and points of occurrence of climate risks and opportunities in operational development, integrate financial information, and prioritize key risk and opportunity
Process	Method						
Risk Identification	Each year, the Company identifies climate-related risks and opportunities in accordance with industry characteristics, international climate issues, and local regulations.						
Risk Assessment	Through departmental interviews, assess the likelihood, impact, and points of occurrence of climate risks and opportunities in operational development, integrate financial information, and prioritize key risk and opportunity						

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		contents.
	Risk Management	Management response strategies are developed according to the varying degrees of impact posed by risks and opportunities, with the aim of reducing or transferring risks and mitigating the effects when risks occur.
	Risk Monitoring	Utilize key performance indicators to monitor and track the enhancement of risk control measures in real time, ensuring effective implementation. Regularly report risk outcomes and performance to senior management and the Board of Directors as a basis for future operational decision-making and management.
<p>5. If scenario analysis is used to assess resilience to climate change risks, an explanation shall be provided regarding the scenarios, parameters, assumptions, analytical factors, and principal financial impacts considered.</p>	<p>Given that the impacts of climate change are assessed differently over time, the Company has referenced research reports issued by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and has conducted two scenario analyses based on its current strategies.</p>	
	1. Situation Analysis	
	<p>(1) Net Zero Emissions Scenario (NZE) by the IEA: This scenario assumes that global net zero emissions will be achieved by 2050. By applying decarbonization scenario factors for various industries derived from the energy sector, the company analyzes the impact on all aspects of its operations in response to the transition to a low-carbon economy.</p>	
	<p>(2) IPCC Very High Emissions Scenario (SSP 5-8.5): This scenario assumes minimal implementation of climate policies, resulting in the highest levels of greenhouse gas emissions. Adaptation measures for the company's production sites are simulated based on the extreme climate factors that may occur under this scenario.</p>	
	2. Identification Mechanism and Analytical Factors	
	Analysis	Establishment of a mechanism for the identification of climate-related risks and opportunities
		Identify climate-related risks and opportunities in accordance with the Company's current operational status and industry characteristics.
	Inventory Taking	Comprehensive inventory and evaluation of the impact of climate-related risks and opportunities on the company's operations
	Strategy	Control measures and action plans have been formulated in response to the impacts of climate risks and opportunities identified for the Company.
	3. Impact on the Company's Operations	
	Risk Matters	Cost of Low-Carbon Technology Transition
		Rising raw material costs
		Changes in customer behavior
		The severity and frequency of extreme climate events have risen.
		Carbon Pricing Mechanism
	Opportunities	Expansion into new markets

Contents	Implementation Status	
		<p>Implement more efficient production and distribution processes.</p> <p>Develop and/or expand low-carbon products and services</p>
<p>6. If there are transition plans in place to manage climate-related risks, provide an Explanation of the content of these plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>The Company has implemented a mechanism for identifying climate-related risks and opportunities. Based on its current operational status and industry characteristics, the Company evaluates the material impacts and quantitative indicators of risk issues and develops corresponding control measures and action plans.</p> <p>Physical Risk:</p> <p>1. The severity of extreme weather events, including typhoons and floods, has intensified.</p> <p>Impact: The increased frequency and severity of extreme weather events, such as typhoons, floods, and droughts, have resulted in incidents including factory flooding, power outages, and work stoppages. These events elevate the risk of damage to factory facilities and equipment, disrupt manufacturing and supply chain production schedules, and adversely affect normal business operations. Consequently, delays in product delivery may occur, leading to reduced revenue and increased costs.</p> <p>Take measures:</p> <p>A. In response to flooding caused by extreme climate events, secure warehouse facilities and contract manufacturers in safe areas, and engage contract manufacturers to support production.</p> <p>B. Ongoing investment in disaster prevention equipment and maintenance of drainage systems.</p> <p>C. Selection of shipping and transportation methods that are minimally impacted by extreme weather events.</p> <p>D. Establish standard operating procedures for various emergency responses.</p> <p>E. Establish disaster prevention and reporting mechanisms, form a Crisis Management Team, and strengthen personnel education and training for emergency response to disasters.</p> <p>F. Continue to engage with local governments to prioritize the enhancement of drainage and flood control facilities at production sites.</p> <p>2. Changes in precipitation patterns and extreme variations in climate patterns</p> <p>Impact: Climate change has intensified the effects of extreme high temperatures and drought during the summer. In various regions of China, heavy rainfall has caused severe flooding near factory sites, leading to power shortages and electricity rationing. Failure by the company to respond appropriately may result in production stoppages, extended delivery lead times, increased operating costs, and reduced revenue.</p> <p>Take measures:</p> <p>A. Deploy backup diesel generators to supply emergency power during outages, thereby maintaining uninterrupted production and manufacturing operations and preventing work</p>	

Contents	Implementation Status
	<p>stoppages or production disruptions.</p> <p>B. Optimize production planning and materials management in accordance with electricity rationing policies and energy supply conditions.</p> <p>C. Maintain close communication and cooperation with local government authorities to obtain up-to-date information on power restriction policies, schedules, and related energy supply matters, thereby facilitating optimal production adjustments.</p> <p>Transition Risk: In past operations, under effective management controls, there have been no occurrences of production or logistics disruptions, nor any supply chain delivery failures resulting from climate-related natural disasters, and there has been no impact on revenue to date.</p>
<p>7. If internal carbon pricing is utilized as a planning tool, an explanation of the basis for price determination shall be provided.</p>	<p>1. The European Union is expected to implement the CBAM carbon border adjustment mechanism beginning February 2, 2027, with full implementation in 2026. Taiwan is anticipated to commence the collection of carbon fees from 2024 to 2025. Although the Company is not included in the initial group of entities subject to these levies, it continues to closely monitor regulatory developments and updates.</p> <p>2. The Company has implemented ISO 14064-1 inventory management, which has now been extended to Scope 3, and assurance for the entire group was completed in 2024. The Company is currently advancing carbon footprint initiatives (covering both the Thailand and Guangzhou plants) as the basis for establishing greenhouse gas reduction targets, and will actively formulate science-based carbon reduction targets in the future.</p>
<p>8. If climate-related targets have been established, an Explanation shall be provided detailing the activities covered, the scope of greenhouse gas emissions, the planned timeline, and the annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are utilized to achieve such targets, an Explanation shall be provided specifying the source and quantity of the carbon offsets or the number of Renewable Energy Certificates (RECs) used.</p>	<p>The Company has implemented ISO 14064-1 inventory management, which has been extended to Scope 3, and assurance for the entire group was completed in 2024.</p> <p>Short-term goals (2025-2028): Gradually expand the coverage of Scope 3 inventory, accurately calculate the Group's carbon emissions, and achieve an annual reduction of at least 1% in unit carbon emissions for the following Contents.</p> <p>Accurately calculate the Group's carbon emissions for the medium to long term (2029–2035) and strive to achieve the target of net zero emissions by 2050.</p>
<p>9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans (as further detailed in 1-1 and 1-2).</p>	<p>For detailed information on the Company's greenhouse gas inventory and assurance status, as well as its reduction targets, please refer to the following sections: "1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the Most Recent Two Years" and "1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans."</p>

1-1 Greenhouse Gas Inventory and Assurance Status for the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

Disclose the greenhouse gas emissions (metric tons CO₂e), emission intensity (metric tons CO₂e per million NTD), and the scope of data coverage for the past two years.

The greenhouse gas emissions for the past two years are as follows.

Greenhouse Gas Emissions Overview	Year 2024	Year 2023
Scope 1 (Note 1) (metric tons of CO ₂ e)	539.15	517.84
Scope 2 (Note 2) (metric tons of CO ₂ e)	17,011.20	13,246.32
Total emissions (metric tons CO ₂ e): Scope 1 + Scope 2	17,550.35	13,764.16
Emission intensity (metric tons of CO ₂ e per million New Taiwan dollars in revenue)	5.1165	4.3101
Emission intensity (metric tons CO ₂ e per KPCS)	0.0107	0.0099
Scope 3 (Note 2) (metric tons of CO ₂ e)	26,577.18	16,704.84

Note 1: Direct emissions (Scope 1, i.e., emissions originating directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions arising from company activities, excluding energy indirect emissions, which originate from sources owned or controlled by other entities).

Note 2: The scope of data for direct emissions and energy indirect emissions shall be managed in accordance with the timeline stipulated by the order issued pursuant to Article 10, Paragraph 2 of these Regulations. Information regarding other indirect emissions may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product, service, or revenue; however, at a minimum, figures calculated based on revenue (NT\$ million) must be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Explanation of the assurance status for the two most recent years as of the date of publication of the annual report, including the scope of assurance, assurance institution, assurance standards, and assurance opinion.

The Company's 2023 greenhouse gas inventory was verified and assured by AFNOR ASIA, which issued a verification statement.

Scope of Assurance: CHINSAN Group (CHINSAN Taiwan, CHINSAN Thailand, Guangzhou Jinli, Guangzhou King Nichi)

Assurance Standard: ISO 14064-1:2018

Assurance Period: January 1, 2023 to December 31, 2023

Data verification: Direct greenhouse gas emissions (Category 1)

Energy Indirect Greenhouse Gas Emissions (Category 2)

Indirect greenhouse gas emissions (Categories 3–6)

Materiality: 5% (Categories 1 and 2)

Type of Opinion: Unmodified Opinion

Verification Conclusion: A reasonable assurance level is provided for inventory verification data classified as Category 1 and Category 2, while a limited assurance level is provided for data classified as Category 3 and Category 4.

Issuance date of this document: September 8, 2024

Greenhouse Gas Verification Statement: THGH00452

The 2024 greenhouse gas self-inventory has been completed, with the scope of the inventory consistent with that of 2023. The inventory data for CHINSAN Group (Taiwan Chinsan, Thailand Chinsan, Guangzhou Jinli, and Guangzhou King Nichi) covers Categories 1, 2, and 3, as in 2023. The Company is classified as an entity with annual revenue below NT\$2 billion; accordingly, the ISO 14064-1 greenhouse gas inventory assurance represents an early, voluntary assurance and disclosure. The assurance scope includes all group entities, exceeding regulatory requirements. The verified data also covers Categories 3 through 6, which is beyond the requirements stipulated by regulations.

Note 1: The schedule shall be implemented in accordance with the timeline prescribed by the order issued pursuant to Article 10, Paragraph 2 of these Regulations. If the company is unable to obtain the complete greenhouse gas assurance opinion by the date of annual report publication, it shall disclose, "The complete assurance information will be provided in the sustainability report." If the company does not prepare a sustainability report, it shall disclose, "The complete assurance information will be provided on the Market Observation Post System," and the complete assurance information shall be disclosed in the annual report for the following year.

Note 2: Assurance institutions shall comply with the relevant regulations governing sustainability report assurance institutions as prescribed by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Disclose the base year and corresponding data for greenhouse gas reduction, the reduction targets, strategies, and specific action plans, as well as the progress toward achieving the reduction targets.

Greenhouse Gas Reduction Targets:

Short-term Objectives (2025–2027)

- Gradually expand the Scope 3 inventory boundary to ensure the accurate calculation of the Group's carbon emissions.
- Reduce the Group's unit carbon emissions by at least 1% annually.

Medium-term (2028–2035)

- Accurately calculate the Group's carbon emissions and strive to achieve a 50% reduction in emissions by 2035.
- Reduce the Group's unit carbon emissions by at least 2% annually.
- Plan to implement ISO 50001.

Long-term (2035–2050)

- Accurately calculate the Group's carbon emissions and strive to achieve net zero emissions by 2050.
- Reduce the Group's unit carbon emissions by at least 3% annually.
- Replace existing products and services with low-carbon alternatives.
- Implementation of intelligent control and energy management systems.

Greenhouse Gas Emission Reduction Strategies:

- In accordance with the principles of the circular economy, efforts are focused on source reduction of waste, process waste minimization, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization.
- Optimization of wastewater treatment to reduce the proportion of waste sludge generated.
- Conduct qualification reviews and management of waste removal and treatment contractors in accordance with legal requirements to ensure that all waste is properly handled, thereby achieving the objective of minimizing environmental impact.

Greenhouse Gas Reduction Action Plan:

- The company has established a greenhouse gas inventory team to annually compile greenhouse gas emission data from the previous year, identify carbon emission hotspots, and facilitate the effective management of greenhouse gas emissions.
- Installation of solar photovoltaic power generation facilities (green energy) to partially replace conventional power generation, thereby achieving carbon reduction targets and stabilizing the power supply during periods of electricity shortage.
- Replacement of high energy-consuming facilities and implementation of energy-efficient equipment (primary reduction and emission mitigation measures include converting fixed-frequency air compressors to variable-frequency models, recovering waste heat from air compressors, reducing diesel consumption, and enhancing energy-saving and carbon reduction performance in production processes).
- Establish a water shortage emergency response team to monitor the current status of water sources within the facility, strengthen emergency response capabilities, and mitigate the risk of water shortages at the plant.
- Implement waste segregation and facilitate the recycling and reuse of cardboard boxes and used pallets during the production process to achieve waste reduction objectives.

Note 1: Procedures shall be carried out in accordance with the schedule prescribed by the order issued pursuant to Article 10, Paragraph 2 of these Regulations.

Note 2: The base year shall be the year in which the inventory within the consolidated financial reporting boundary is completed. For example, pursuant to Article 10, Paragraph 2 of these Regulations, companies with paid-in capital of NT\$10 billion or more shall complete the inventory of the consolidated financial report for year 2024 by 2025; therefore, the base year is 2024. If a company completes the inventory of the consolidated financial report in an earlier year, such earlier year may be designated as the base year. In addition, the data for the base year may be calculated based on a single year or as the average of multiple years.

(6) Implementation of integrity management and any differences from the Integrity Management Best Practice Principles for Listed and OTC Companies, together with the reasons for such differences

Assessment Items	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
1. Establishment of Integrity Management Policies and Programs				
(1) Has the company established an integrity management policy approved by the Board of Directors, clearly articulated the integrity management policy and related practices in its internal regulations and external documents, and demonstrated the commitment of the Directors and senior management to actively implement such policy?	V		(1) To ensure the implementation of corporate integrity management, the Group has established the Corporate Integrity Management Code, as well as the Integrity Management Operating Procedures and Code of Conduct, in accordance with applicable laws and regulations. These documents were approved by the Board of Directors on 2014/11/14 and have been in effect since that date. The Company's Corporate Integrity Management Code expressly prohibits dishonest conduct and adopts "fairness, honesty, trustworthiness, and transparency" as the guiding principles of its integrity management policy. In all business activities and interactions with customers and suppliers, the Company strictly adheres to ethical standards of integrity, upholding a policy that places the highest priority on credibility. The Board of Directors and senior management actively fulfill their commitment to these business policies, demonstrating a firm determination for sustainable operations and establishing a strong commitment to integrity management.	No differences
(2) Has the company established a mechanism for assessing the risk of dishonest conduct, regularly analyzed and evaluated business activities within its operational scope that present a higher risk of dishonest conduct, and, based on such assessments, formulated prevention programs that at a minimum include preventive measures for each type of conduct specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(2) The Company has established a Code of Ethical Corporate Management and has cultivated a corporate culture of integrity. The Group expressly stipulates in its Employee recruitment and management regulations that individuals who have been sentenced to imprisonment, with sentences not yet revoked, or who are currently wanted, shall not be employed. The Company further specifies in its work rules, labor contracts, and reward and disciplinary management regulations measures to prevent dishonest conduct, such as the abuse of authority for personal gain. In the event of dishonest acts, disciplinary actions are imposed commensurate with the severity of the violation. The Company strictly prohibits Employee corruption, embezzlement of company funds, and the acceptance of bribes. A clear Employee grievance handling mechanism is in place, enabling Employees to submit written complaints via a suggestion box. The management regularly analyzes and assesses business activities within the scope of operations that are considered to have a higher risk of unethical conduct, and accordingly establishes measures to prevent such conduct. Based on these assessments, preventive measures against unethical behavior are formulated, and the "Code of Ethics" is established and reviewed or adjusted as necessary. The content of the Code includes, at a minimum, but is not limited to, preventive and control measures for the behaviors specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."	No differences

Assessment Items	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies						
	Yes	No	Summary Explanation							
(3) Has the company explicitly defined operating procedures, codes of conduct, disciplinary measures for violations, and grievance mechanisms within its program for the prevention of dishonest conduct, ensured their effective implementation, and conducted regular reviews and revisions of the aforementioned program?	V		(3) To promote ethical business conduct, the Company has established effective accounting and internal control systems. The internal audit unit regularly reviews compliance with procedures governing ethical conduct, such as the "Code of Ethics" and "Work Rules," and prepares audit records detailing the content of these systems, the implementation status by relevant departments, any violations, disciplinary actions taken, and recommendations for system improvements. These audit findings are reported periodically to the Board of Directors. The management unit periodically reviews and revises management policies, including the "Code of Ethics" and "Work Rules," based on audit reports and Employee complaints.	No differences						
2. Implementation of Integrity in Business Operations (1) Has the company assessed the integrity records of its counterparties and explicitly included integrity-related provisions in the contracts executed with such counterparties?	V		(1) To ensure that transaction counterparties conduct business with integrity, the Company requires all counterparties to undergo a credit assessment prior to the commencement of any business activities, in order to evaluate their creditworthiness. Before engaging in transactions with suppliers and subcontractors, an integrity clause must be executed in advance, expressly stipulating ethical business conduct within the contract. Should any dishonest conduct occur, the contract may be terminated or rescinded. The contract also clearly specifies penalties, and any breach shall be handled in accordance with applicable laws.	No differences						
(2) Has the company established a dedicated unit under the Board of Directors responsible for promoting ethical business practices, and does it report to the Board of Directors on a regular basis (at least annually) regarding its integrity management policies, measures for the prevention of unethical conduct, and the supervision of their implementation?	V		(2) To strengthen the management of ethical business practices, the Company has designated the Administration Department and Group Human Resources as the dedicated unit responsible for promoting corporate integrity. This unit is specifically tasked with assisting the Board of Directors in formulating and overseeing the implementation of integrity management policies and preventive measures to ensure the effective enforcement of the Code of Integrity. The dedicated unit reported its implementation status to the Board of Directors on 2025/01/21. The Company has implemented the integrity management policy. The relevant implementation status for the year 2024 is as follows: <table><tr><td>Supplier Commitment</td><td>Promote the company's integrity policy through supplier evaluation. Supplier Procurement Agreement (Including Integrity Provisions)</td></tr><tr><td>Education and Training</td><td>A total of 898 employees received training (the Group).</td></tr><tr><td>Commitment</td><td>100% of employees have signed the Employee Integrity Commitment Letter upon onboarding. All Directors and senior executives have signed the Statement of Compliance with the Integrity Policy, resulting in a 100% execution rate.</td></tr></table>	Supplier Commitment	Promote the company's integrity policy through supplier evaluation. Supplier Procurement Agreement (Including Integrity Provisions)	Education and Training	A total of 898 employees received training (the Group).	Commitment	100% of employees have signed the Employee Integrity Commitment Letter upon onboarding. All Directors and senior executives have signed the Statement of Compliance with the Integrity Policy, resulting in a 100% execution rate.	No differences
Supplier Commitment	Promote the company's integrity policy through supplier evaluation. Supplier Procurement Agreement (Including Integrity Provisions)									
Education and Training	A total of 898 employees received training (the Group).									
Commitment	100% of employees have signed the Employee Integrity Commitment Letter upon onboarding. All Directors and senior executives have signed the Statement of Compliance with the Integrity Policy, resulting in a 100% execution rate.									

Assessment Items	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies				
	Yes	No	Summary Explanation					
(3) Has the company established a policy to prevent conflicts of interest, provided appropriate channels for disclosure, and effectively implemented such measures?	V		<table><tr><td>Promotion</td><td>Integrity, proactive prevention of dishonest conduct, and confidentiality obligations were communicated to group Employees through seminars and emails.</td></tr><tr><td>Whistleblower Reporting System</td><td>Reports and complaints regarding breaches of integrity and unlawful conduct are received through a dedicated email inbox exclusively managed by the Independent Director, who is responsible for handling whistleblowing and complaint matters.</td></tr></table>	Promotion	Integrity, proactive prevention of dishonest conduct, and confidentiality obligations were communicated to group Employees through seminars and emails.	Whistleblower Reporting System	Reports and complaints regarding breaches of integrity and unlawful conduct are received through a dedicated email inbox exclusively managed by the Independent Director, who is responsible for handling whistleblowing and complaint matters.	No differences
			Promotion	Integrity, proactive prevention of dishonest conduct, and confidentiality obligations were communicated to group Employees through seminars and emails.				
			Whistleblower Reporting System	Reports and complaints regarding breaches of integrity and unlawful conduct are received through a dedicated email inbox exclusively managed by the Independent Director, who is responsible for handling whistleblowing and complaint matters.				
(3) 1. When the Company convenes a meeting of the Board of Directors, if any agenda item presents a conflict of interest for a Director or the legal entity they represent, the Director shall recuse themselves and shall not participate in the discussion or voting on that item. 2. If personnel of the Company, in the course of conducting company business, become aware of any conflict of interest involving themselves or the legal entity they represent, or of any situation that may result in themselves, their spouse, parents, children, or any related parties obtaining improper benefits, they shall promptly report the relevant circumstances to both their immediate supervisor and the Management Department of the Company. The immediate supervisor shall provide appropriate guidance.								
(4) Has the company established effective accounting and internal control systems to ensure the implementation of integrity management, and has the internal audit unit, based on the assessment of risks related to dishonest conduct, formulated relevant audit plans and conducted audits to verify compliance with the prevention of dishonest conduct programs, or engaged certified public accountants to perform such audits?	V	(4) The Company has established an accounting system and an internal control system, which are subject to ongoing review to ensure that their design and implementation comply with applicable laws and regulations as well as the requirements of the Company. Internal audit personnel also conduct regular audits to assess compliance with these systems and prepare audit reports for submission to the Board of Directors.	No differences					
(5) Does the company regularly conduct internal and external training programs on integrity management?	V		(5) In 2024, the Company conducted a total of 898 sessions of education and training related to ethical business practices (including compliance with ethical business policies and courses on the consequences of violations of ethical conduct), amounting to an aggregate of 898 hours.	No differences				

Assessment Items	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
3. Operation of the Company's Whistleblower System (1) Has the company established a specific whistleblowing and reward system, implemented accessible reporting channels, and designated appropriate personnel responsible for handling cases involving reported parties?	V		(1) The Company has clearly stipulated its whistleblowing channels and incentive mechanisms within the Ethical Corporate Management Best Practice Principles, Corporate Social Responsibility Best Practice Principles, and Reward and Punishment Management Regulations. Whistleblowers may submit reports anonymously, and the Company maintains strict confidentiality regarding both the identity of the whistleblower and the content of the report. A dedicated whistleblowing mailbox, managed by the Administration Department, has been established; this mailbox is publicized on the Company's internal website and introduced during new employee orientation.	No differences
(2) Has the company established standard operating procedures for investigating reported matters, implemented follow-up actions upon completion of such investigations, and instituted appropriate confidentiality mechanisms?	V		(2) To assist Employees in resolving work-related issues, facilitating communication and understanding, and enhancing work efficiency, the Company has established a suggestion box as a channel for Employee complaints. The procedures for Employee complaints are as follows: a. If Employees experience infringement of legal Equity within their scope of work, improper handling, or have doubts or suggestions for improvement regarding the Company's regulations or administrative measures, and are unable to obtain a reasonable response after seeking resolution through their respective units, they may submit a written complaint. b. The complaint letter shall be sealed and submitted to the Administration Department, which will confidentially and directly forward it to the General Manager. Upon completion of the investigation, individual responses will be provided. The Company handles complaint cases in accordance with rigorous investigative procedures. Cases involving sexual harassment are handled in accordance with the Sexual Harassment Prevention Act, and strict confidentiality and protection mechanisms are maintained throughout the investigation period.	No differences
(3) Has the company implemented measures to ensure that whistleblowers are protected from any improper treatment resulting from their disclosures?	V		(3) The Employee communication mailbox established by the Company is directly subordinate to the highest level of management. During the handling of complaints, controls shall be implemented in accordance with the Company's information security regulations to protect the privacy and other personal rights and Equity of the parties involved. Any violations will be subject to disciplinary action.	No differences
4. Enhance information disclosure Has the company disclosed the contents of its established Ethical Corporate Management Best Practice Principles and the effectiveness of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed information related to ethical business practices on its corporate website and has uploaded such information to the Market Observation Post System for investors' reference. The effectiveness of these initiatives is detailed in item 5 below.	No differences
5. If the Company has established its own Code of Ethical Corporate Management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe its implementation and specify any differences from the prescribed principles. The Company has established the Ethical Corporate Management Best Practice Principles, together with the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors on 2014/11/14 and have been implemented since that date. These measures are designed to foster a culture of integrity within the Company and				

Assessment Items	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
are integrated into various relevant policies and procedures. Internally, the Company’s Employee Recruitment and Management Regulations explicitly stipulate that individuals who have been sentenced to imprisonment, where such sentence has not been revoked, or who are subject to an outstanding warrant, shall not be employed. The Company further specifies in its Work Rules, Labor Contracts, and Reward and Disciplinary Management Regulations clear provisions to prevent dishonest conduct, such as the abuse of authority for personal gain. In the event of dishonest acts, disciplinary measures are imposed commensurate with the severity of the violation. The Company strictly prohibits Employees from engaging in corruption, embezzlement, or accepting bribes. A clear Employee grievance mechanism is in place, enabling Employees to submit written complaints via a suggestion box. Upon commencement of employment, 100% of Employees sign an Employee Integrity Commitment, and 100% of Directors and senior management sign a Statement of Ethical Management. Externally, to ensure that all transaction counterparties adhere to principles of integrity, the Company conducts due diligence on all counterparties prior to engaging in business activities to assess their creditworthiness. Prior to entering into transactions with suppliers and subcontractors, integrity clauses must be signed in advance. Accordingly, the Company’s actual operations are fully consistent with the established principles.				
6. Other significant information pertinent to understanding the company's integrity management practices (including, for example, the company's review and revision of its established Code of Integrity Management).				
<div>(1) The Company has established the Ethical Corporate Management Best Practice Principles, together with the Procedures for Ethical Management and Guidelines for Conduct, which were implemented following approval by the Board of Directors on November 14, 2014 (most recently amended on January 9, 2023). These measures have fostered a corporate culture of integrity, which has been integrated into all relevant policies and procedures. The Company is firmly committed to its ethical management policy—fairness, honesty, trustworthiness, and transparency—as a testament to its dedication to sustainable operations, and conducts ongoing reviews and updates of related regulations.</div> <div>(2) On November 10, 2020, at the 18th term, 3rd meeting of the Board of Directors, the Company approved the Procedures for Prevention of Insider Trading and Handling of Material Internal Information (which consolidated the original Insider Trading Prevention Management Procedures and the Procedures for Handling Material Information) (last revised on November 9, 2022), in order to prevent improper disclosure of information and to ensure the consistency and accuracy of information disclosed by the Company to the public.</div> <div>(3) On January 9, 2023, the Board of Directors of the Company approved amendments to the Corporate Governance Best Practice Principles. Article 10 of these Principles stipulates stock trading control measures for insiders of the Company upon becoming aware of the Company's financial reports or related performance information, including (but not limited to) the prohibition on Directors trading their shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report.</div> <div>(4) On November 11, 2024, a training session was held for current Directors (including Independent Directors), managers, and employees. The session, titled "Insider Trading Prevention Education and Advocacy," lasted one hour and was attended by 20 participants. The training covered confidentiality procedures for material information, the causes and identification process of insider trading, explanations of trading cases, the scope of internal material information, confidentiality procedures, disclosure procedures, and the handling of violations. Upon conclusion of the session, the presentation materials were distributed via email to all Directors and employees for their reference.</div>				

Note: An explanation must be provided in the summary Explanation column regardless of whether "Yes" or "No" is selected for the operating status.

- (7) Other significant information that may enhance understanding of the company's corporate governance practices:
- A. The Company has established the "Procedures for Prevention of Insider Trading and Handling of Internal Material Information" as the basis for the management and disclosure of material information, and conducts periodic reviews to ensure compliance with applicable laws and practical requirements.
 - B The Company has established the "Rules of Procedure for Board of Directors Meetings," "Director and Supervisor Election Procedures," "Rules of Procedure for Shareholders' Meetings," "Compensation Committee Charter," "Procedures for Acquisition or Disposal of Assets," "Procedures for Engaging in Derivative Transactions," "Regulations for Endorsements and Guarantees," "Subsidiary Supervision Procedures," "Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises," as well as other management regulations, to serve as standards for the Company's internal management operations and risk control. These regulations are reviewed regularly and amended as necessary to comply with applicable laws and management requirements. When amendments are made, the Company notifies Employees via e-mail and bulletin board postings, and the most recent regulations are made available on the Company's internal website for Employee reference. The Company also periodically informs internal personnel of important matters concerning material information.
 - C. The Company has established the "Procedures for Handling Material Information" as the basis for the management and disclosure of material information, and reviews these procedures from time to time to ensure compliance with applicable laws and practical requirements.

(8) Status of Implementation of the Internal Control System

A. Internal Control Statement: Please refer to the Market Observation Post System for the index path and website as follows.

Index Path: Market Observation Post System > Individual Company > Corporate Governance > Company Regulations > Internal Control/Internal Control Statement Disclosure

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

B. Where certified public accountants have been engaged to conduct a special review of the internal control system, the accountant's review report shall be disclosed: None.

(9) Major Resolutions of the Shareholders' Meeting and the Board of Directors for the Most Recent Year and up to the Date of Publication of the Annual Report

A. Status of Implementation of Important Shareholders' Meeting Resolutions for the Year 2024

Key Resolutions	Implementation Status
1. Approval of the Business Report and Financial Statements for the year 2023.	The Company's financial statements for the year 2023 have been approved by the Shareholders' Meeting and published on the Market Observation Post System for investors' reference.
2. Approval of the 2023 earnings distribution plan	The Resolution of the Annual Shareholders' Meeting for year 2023 to distribute cash dividends to Shareholders in the amount of NT\$64,731,275 has been fully implemented.

B. Significant Resolutions of the Board of Directors

Meeting Type	Date	Key Resolutions
Board of Directors	2024.01.24	<ol style="list-style-type: none">1. Year 2023 year-end bonus distribution plan for managers and Directors with employee status2. Replacement of the attesting CPA firm and certified public accountants, and assessment of the independence, suitability, and remuneration of the newly appointed attesting certified public accountants3. Establishment of the Sustainability Committee4. Proposal for the Establishment of the Company's Risk Management Policies and Procedures5. Establishment of the "Procedures for the Acquisition or Disposal of Securities"6. Proposal to apply to First Commercial Bank for the renewal of a comprehensive credit facility in the amount of NT\$300 million and a foreign currency certificate of deposit pledged loan in the amount of NT\$100 million.7. Proposal to apply to Yuanta Commercial Bank for the renewal of a short-term comprehensive credit facility with a total limit of NT\$200,000,000.8. Proposal to apply to Far Eastern International Bank for the renewal of a short-term credit line in the amount of NT\$100,000,000.9. It is proposed to apply to Bank SinoPac for the renewal of Facility I, comprising a short-term loan and import/export credit facility with a combined limit of NT\$400 million, as well as the renewal of Facility II, a medium- and long-term loan facility with a limit of NT\$400 million. The total combined limit for Facility I and Facility II shall be NT\$400 million.
Board of Directors	2024.03.11	<ol style="list-style-type: none">1. Assessment of the Effectiveness of the Internal Control System and Statement on the Internal Control System for the year 20232. 2024 Business Operations Plan3. Business Report and Financial Statements for the Year 20234. Proposal regarding matters related to the Annual Shareholders' Meeting for the year 20245. Matters concerning the acceptance of shareholder proposals for the 2024 Annual Shareholders' Meeting6. Proposed application to KGI Bank for the renewal of a medium- and long-term comprehensive credit facility in the amount of NT\$200 million, a short-term guaranteed loan facility in the amount of NT\$500 million, and a short-term financial transaction facility for hedging purposes in the amount of NT\$10 million.

Meeting Type	Date	Key Resolutions
		<p>7. Proposal to apply to Bank SinoPac for a loan of NT\$90,000,000 secured by a foreign currency certificate of deposit.</p> <p>8. It is proposed to apply to Chang Hwa Commercial Bank for the renewal of the total credit facility in the amount of NT\$100,000,000, comprising a short-term loan facility of NT\$100,000,000 and a foreign currency loan facility of USD 2,500,000, with the combined utilization amount not to exceed NT\$100,000,000.</p>
Board of Directors	2024.04.08	<p>1. Proposal for the Allocation of Employee Remuneration and Director Remuneration for the Year 2023</p> <p>2. Proposal for the Allocation of Individual Director Remuneration for Year 2023</p> <p>3. Proposal for Payment of Directors' Transportation Allowance for Year 2023</p> <p>4. Proposal for Earnings Distribution for the Year 2023</p> <p>5. Proposal for the Distribution of Cash Dividends from Earnings for the Year 2023</p> <p>6. Proposal for distribution of cash dividends from capital surplus.</p> <p>7. Inclusion of proposals for the 2024 Annual Shareholders' Meeting</p> <p>8. Proposal to apply to E.SUN Bank for the renewal of a comprehensive credit facility in the amount of NT\$200 million and for an additional NT\$200 million loan secured by a foreign currency certificate of deposit.</p>
Board of Directors	2024.05.13	<p>1. Consolidated Financial Statements for the First Quarter of 2024</p> <p>2. Proposal to apply to Mega International Commercial Bank for the renewal of a short-term comprehensive credit facility in the amount of NT\$150,000,000.</p> <p>3. It is proposed to apply to Mega Bills Finance for the renewal of a credit facility in the amount of NT\$100,000,000.</p> <p>4. Intends to apply to International Bills Finance Corporation for the renewal of a credit facility in the amount of NT\$80,000,000.</p> <p>5. It is proposed to apply to the Export-Import Bank of China for the renewal of a short-term export loan facility in the amount of NT\$ 300 million.</p>
Board of Directors	2024.08.12	<p>1. Consolidated Financial Statements for the Second Quarter of 2024</p> <p>2. Submission of the Company's 2023 Sustainability Report</p> <p>3. Proposal to apply to DBS Bank (Taiwan) Ltd. for the renewal of a short-term comprehensive credit facility in the amount of NT\$300 million.</p> <p>4. It is proposed to apply to Dah Ching Bills Finance Corporation for the renewal of a credit facility in the amount of NT\$50,000,000.</p> <p>5. It is proposed to apply to Grand Cathay Securities for the renewal of a credit facility in the amount of NT\$80,000,000.</p> <p>6. Proposal to apply to Entie Commercial Bank for the renewal of the medium-term credit facility for corporate working capital in the amount of NT\$150,000,000.</p> <p>7. The Company intends to apply to Taipei Fubon Commercial Bank Co., Ltd. for the renewal of a comprehensive credit facility in the amount of NT\$400,000,000.</p> <p>8. Proposal to apply to Bangkok Bank in Thailand for the renewal of a credit facility in the amount of USD 4,500,000.</p> <p>9. The Company has provided a guarantee facility of CNY 50 million for its subsidiary, Guangzhou Kingtachi Electronic Co., Ltd. (the guarantee facility will be renewed upon expiration).</p>
Board of Directors	2024.11.11	<p>1. The Company's Audit Plan for the Year 2025</p> <p>2. Consolidated Financial Statements for the Third Quarter of 2024</p> <p>3. The Company's 2025 Sustainable Development Plan and Strategic Proposal</p> <p>4. Proposal to establish the company's internal control system for the management of sustainable information</p> <p>5. Proposal to apply to Taiwan Shin Kong Commercial Bank for the renewal of a short-term comprehensive credit facility in the amount of NT\$200,000,000.</p> <p>6. Proposed renewal application to Hua Nan Commercial Bank for a comprehensive credit facility in the amount of NT\$400,000,000.</p> <p>7. It is proposed to apply to Taishin International Bank for a comprehensive credit facility in the amount of NT\$100,000,000.</p> <p>8. Proposal for the Company to provide an endorsement and guarantee in the amount of RMB 36 million for Guangzhou Kingtachi Electronic Co., Ltd. (hereinafter referred to as Guangzhou Kingtachi Electronic Co., Ltd.)</p>
Board of Directors	2025.01.15	<p>1. Proposal for the By-election of Directors of the Company</p> <p>2. Proposal regarding matters related to the first extraordinary Shareholders' Meeting in 2025</p> <p>3. Proposal regarding the acceptance of nominations for Director (including Independent Director) candidates submitted by Shareholders holding more than 1% of the total issued shares</p>
Board of Directors	2025.01.21	<p>1. Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2024</p> <p>2. Evaluation of the Independence, Appointment, and Remuneration of the Certifying Accountant</p> <p>3. It is proposed to apply to Yuanta Commercial Bank for the renewal of a comprehensive credit facility in the amount of NT\$200,000,000.</p>

Meeting Type	Date	Key Resolutions
		<p>4. It is proposed to apply to Far Eastern International Bank for the renewal of a short-term credit facility in the amount of NT\$100,000,000.</p> <p>5. It is proposed to apply to First Commercial Bank for the renewal of a comprehensive credit facility in the amount of NT\$400 million (original comprehensive credit facility of NT\$300 million, with an increase of NT\$100 million upon renewal), as well as a foreign currency certificate of deposit pledged loan in the amount of NT\$100 million.</p> <p>6. It is proposed to apply to Bank SinoPac for the renewal of Facility I, comprising a short-term loan and an import/export credit facility with a combined limit of NT\$400 million, as well as the renewal of Facility II, a medium-term loan with a limit of NT\$400 million. The aggregate credit limit for Facility I and Facility II shall not exceed NT\$400 million.</p> <p>7. It is proposed to apply to Chang Hwa Commercial Bank for the renewal of the total credit facility in the amount of NT\$300 million (original facility amount: NT\$100 million; increased by NT\$200 million), with a short-term loan facility of NT\$300 million.</p>
Board of Directors	2025.02.14	<p>1. List of nominated Director and Independent Director candidates</p> <p>2. Proposal to Release Directors from Non-Compete Restrictions</p> <p>3. Appointment of Chief Internal Auditor</p>
Board of Directors	2025.03.13	<p>1. Year 2025 Company Operational Plan</p> <p>2. Self-compiled financial statements for the year 2024</p> <p>3. Proposal regarding matters related to the 2025 Annual Shareholders' Meeting</p> <p>4. Matters regarding the acceptance of shareholder proposals for the 2025 Annual Shareholders' Meeting</p>
Board of Directors	2025.03.25	<p>1. Assessment of the Effectiveness of the Internal Control System and Declaration of the Internal Control System for the Year 2024</p> <p>2. Business Report and Financial Statements for the Year 2024</p> <p>3. Proposal for the Allocation of Employee Remuneration and Director Remuneration for the year 2024</p> <p>4. Remuneration Allocation Plan for Individual Directors for the year 2024</p> <p>5. Proposal for the Payment of Directors' Transportation Allowance for the Year 2024</p> <p>6. Proposal for Earnings Distribution for the Year 2024</p> <p>7. Proposal for Distribution of Cash Dividends from Earnings for the Year 2024</p> <p>8. Distribution of cash dividends from capital surplus</p> <p>9. Proposal for the Appointment of Members of the Remuneration Committee of the Company</p> <p>10. Proposal for the Appointment of Members to the Company's Sustainable Development Committee</p> <p>11. Proposal to Amend the Articles of Incorporation</p> <p>12. Scope of the Company's Basic-Level Employees</p> <p>13. Appointment of the Company's New Accounting Supervisor</p> <p>14. It is proposed to apply to KGI Bank for a new short-term equipment export demand loan facility in the amount of NT\$100 million (as a special project under the Executive Yuan National Development Fund "Machinery and Equipment Export Loan"), and to renew the short-term guaranteed loan facility in the amount of NT\$500 million, as well as the short-term financial transaction facility for hedging in the amount of NT\$10 million.</p>

(10) In the most recent year and up to the date of publication of the annual report, there were no instances in which any Director or Supervisor expressed dissenting opinions, whether recorded or stated in writing, regarding significant Resolutions passed by the Board of Directors: None.

4. Information on Auditor's Fees

Unit: NT\$ thousands

Name of Accounting Firm	Name of Certified Public Accountant	Audit period	Audit Fees	Non-audit service fees	Total	Notes
PwC Taiwan	Tu Zhan-Yuan	2024/01/01 ~ 2024/12/31	3,400	5	3,405	None
	Lai Zongxi	2024/01/01 ~ 2024/12/31				

Unit: NT\$ thousands

Amount Range	Public Contents	Audit Fees	Non-audit service fees	Total
1	Less than NT\$2,000,000			
2	NT\$2,000 thousand (inclusive) to NT\$4,000 thousand	3,400	5	3,405
3	NT\$4,000 thousand (inclusive) to NT\$6,000 thousand (inclusive)			
4	NT\$6,000 thousand (inclusive) to NT\$8,000 thousand (inclusive)			
5	NT\$8,000 thousand (inclusive) to NT\$10,000 thousand (inclusive)			
6	NT\$10,000,000 (inclusive) or higher			

(1) Where non-audit fees paid to the attesting CPA, the CPA firm to which the attesting CPA belongs, and its related parties amount to one-fourth or more of the audit fees, the amounts of audit and non-audit fees, as well as the nature of the non-audit services, shall be disclosed: None.

(2) If, in the year when the accounting firm was changed, the audit fees paid are lower than those paid in the preceding year before the change, the amounts of audit fees before and after the change and the reasons for the difference shall be disclosed: None.

(3) If audit fees have decreased by more than 10% compared to the previous year, disclose the amount, percentage, and reasons for the decrease: None.

5. Change of Auditor Information: None.

6. If the Chairman of the Board, General Manager, or managerial personnel responsible for financial or accounting affairs of the Company have, within the most recent year, served at the attesting CPA firm or any of its affiliated enterprises, their names, positions, and the affiliated enterprises of the attesting CPA firm at which they served shall be disclosed. The term "affiliated enterprises of the attesting CPA firm" refers to enterprises in which the CPAs of the attesting CPA firm hold more than 50% of the shares or have obtained a majority of the board seats, or companies or institutions designated as affiliated enterprises in materials published or printed by the attesting CPA firm: None.

7. Changes in equity transfers and equity pledges of Directors, Supervisors, Managers, and Shareholders holding more than ten percent of the shares during the most recent year and up to the date of publication of the annual report

(1) Changes in shareholdings of Directors, managerial officers, and major shareholders: Please refer to the Market Observation Post System. The index path and website URL are as follows:

Equity Transfer

Index Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Equity Transfer Information Inquiry > Insider Shareholding Change Post-Event Declaration Form

Website: https://mops.twse.com.tw/mops/#/web/query6_1

Changes in Equity Pledges

Index Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Insider Pledge and Release of Pledge > Insider Pledge and Release of Pledge Announcement

Website: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(2) Circumstances where the counterparty to the equity transfer is a related party: None.

(3) Circumstances where the counterparty to the equity pledge is a related party: None.

8. Information on the top ten Shareholders by shareholding ratio, including any related party relationships or relationships as spouses or within second-degree kinship among them

2025/04/15

Name (Note 1)	I Equity Holdings		Spouse and dependent minor children Equity Holdings		Shareholding held in aggregate under the names of others		Names of the top ten Shareholders who are related parties to one another or are spouses or relatives within the second degree of kinship, and the nature of their relationships (Note 3)		Notes
	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Name (or name)	Relationship	
Ching Rong Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	20,157,546	15.57%	0	0	0	0	None	None	None
	1,467,950	1.13%	726,477	0.56%	0	0	Jiang Huang Bai Lian Jiang Qingying Chiang Ching-Yang Jiang Yi-Che	Spouses Parent and subsidiary Parent and subsidiary Parent and subsidiary	None
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	10,648,457	8.23%	0	0	0	0	None	None	None
	1,467,950	1.13%	726,477	0.56%	0	0	Jiang Huang Bai Lian Jiang Qingying Chiang Ching-Yang Jiang Yi-Che	Spouses Parent and subsidiary Parent and subsidiary Parent and subsidiary	None
Han-Lin Investment Co., Ltd. Representative: Jiang Huang Bai-Lian	8,564,767	6.62%	0	0	0	0	None	None	None
	726,477	0.56%	1,467,950	1.13%	0	0	CHIANG, SHIH-HSIN Jiang Qingying Chiang Ching-Yang Jiang Yi-Che	Spouses Parent and Subsidiary Parent and Subsidiary Parent and Subsidiary	None
Feng Xi Investment Co., Ltd. Representative: Chiang Yi-Che	4,920,485	3.80%	0	0	0	0	None	None	None
	1,248,257	0.96%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Jiang Qingying Chiang Ching-Yang	Parent and subsidiary Parent and Subsidiary Brother Brother	None
Guoshih Bank Custodial Investment Account at Phillip Securities (Hong Kong) Limited	3,883,114	3.00%	0	0	0	0	None	None	None
Chang Sheng Investment Co., Ltd. Representative: Chiang Ching-Yang	3,318,667	2.56%	0	0	0	0	None	None	None
	1,318,267	1.02%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Jiang Qingying Jiang Yi-Che	Parent and subsidiary Parent and Subsidiary Brother Brother	None
Fengmeng Investment Co., Ltd. Representative: Chiang Yi-Che	3,152,069	2.43%	0	0	0	0	None	None	None
	1,248,257	0.96%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Jiang Qingying Chiang Ching-Yang	Parent and subsidiary Parent and Subsidiary Brother Brother	None
HONG LIN INVESTMENT CO., LTD. Representative: CHANG, HUNG-HAO	2,994,000	2.31%	0	0	0	0	None	None	None
	294,631	0.23%	0	0	0	0	None	None	None
Jiang Qingying	2,600,127	2.01%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Chiang Ching-Yang Jiang Yi-Che	Parent and subsidiary Parent and Subsidiary Brother Brother	None
Fu An Investment Co., Ltd. Representative: Chiang Ching-Ying	2,277,481	1.76%	0	0	0	0	None	None	None
	2,600,127	2.01%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Chiang Ching-Yang Jiang Yi-Che	Parent and subsidiary Parent and Subsidiary Brother Brother	None

Note 1: The top ten Shareholders shall all be listed. For corporate Shareholders, the name of the corporate Shareholder and the name of the Representative shall be listed separately.

Note 2: The calculation of the shareholding ratio includes shares held in one's own name, in the name of a spouse, minor children, or under the name of another person.

Note 3: The aforementioned listed Shareholders comprise both legal entities and natural persons, and the relationships among them shall be disclosed.

9. The number of shares held in the same reinvested enterprise by the company, its Directors, Supervisors, managers, and enterprises directly or indirectly controlled by the company, together with the aggregate shareholding ratio calculated on a combined basis.

Unit: Shares; %

Investments accounted for using the equity method (Note)	The Company's investments		Investments by Directors, Supervisors, Managers, and Entities under Direct or Indirect Control		Aggregate Investments	
	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage	Number of Shares	Equity interest percentage
Chinsan (Cayman) Enterprise Co., Ltd.	9,797,002	100.00%	0	0.00%	9,797,002	100.00%
King-Tachi Technology Company Limited	0	0.00%	6,200,000	100.00%	6,200,000	100.00%
Chinsan (BVI) Enterprise Co., Ltd.	0	0.00%	2,500,000	100.00%	2,500,000	100.00%
Chinsan Electronic Industrial (Thailand) Co., Ltd.	0	0.00%	7,088,728	94.52%	7,088,728	94.52%
King Nichi Technology Guangzhou Co., Ltd.	0	0.00%	0	95.22%	0	95.22%
Eagle Zone (Samoa) Co., Ltd.	0	0.00%	1,000,000	100.00%	1,000,000	100.00%
Royal Cheng Investment Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Guangzhou Kingtachi Electronic Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Spotlight Int'L Co., Ltd.	0	0.00%	12,610,000	100.00%	12,610,000	100.00%
Wealthy Success Enterprise Limited	0	0.00%	29,136,000	100.00%	29,136,000	100.00%
Guangzhou Heng Long Investment Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Guangzhou Youmao Electronics Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Sustainable Development Co., Ltd. (Note)	3,793,892	6.82%	0	0.00%	3,793,892	6.82%

Note: These are investments accounted for using the Equity method.

Three. Fundraising Status

1. Capital and Shares

(1) Source of ordinary share capital:

A. Classes of Shares

Unit: shares

Shares Type	Authorized Capital					Notes
	Shares outstanding			Unissued Shares	Total	
	Listed	Unlisted	Total			
Ordinary Shares	129,462,549	0	129,462,549	170,537,451	300,000,000	Shares of companies listed on the OTC market

Note: Please specify whether the stock is listed on a stock exchange or traded over-the-counter (OTC). If the stock is subject to trading restrictions on the stock exchange or OTC, this must also be indicated.

B. Source of Ordinary Share Capital

Unit: New Taiwan Dollars per share

Year/Month	Issue Price	Authorized share capital		Ordinary share capital		Notes		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Ordinary share capital source (NTD)	Capital contribution in the form of non-cash assets	Other
1970/03	1,000	1,000	1,000,000	1,000	1,000,000	Establishment	None	
1981/12	1,000	6,000	6,000,000	6,000	6,000,000	Capital increase in the amount of 5,000,000	None	
1984/02	1,000	16,000	16,000,000	16,000	16,000,000	Capital increase in the amount of 10,000,000	None	
1988/06	1,000	35,000	35,000,000	35,000	35,000,000	Capital increase from retained earnings in the amount of NT\$19,000,000	None	
1992/07	1,000	68,000	68,000,000	68,000	68,000,000	Capital increase by appropriating earnings in the amount of NT\$33,000,000	None	
1995/06	1,000	90,000	90,000,000	90,000	90,000,000	Capitalization of earnings in the amount of NT\$22,000,000	None	
2000/10	10	22,000,000	220,000,000	22,000,000	220,000,000	Capital increase in the amount of 130,000,000	None	Note 1
2001/08	10	24,200,000	242,000,000	24,200,000	242,000,000	Capital increase by transfer from legal reserve 22,000,000	None	Note 2
2001/12	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increase in the amount of 58,000,000	None	Note 3
2002/08	10	45,000,000	450,000,000	37,021,277	370,212,770	Capital increase in the amount of 40,000,000 Capital increase by transfer from capital reserve \$26,000,000 Capitalization of earnings for capital increase 4,212,770	None	Note 4
2002/11	10	45,000,000	450,000,000	40,021,277	400,212,770	Capital increase in the amount of 30,000,000	None	Note 5

Year/Month	Issue Price	Authorized share capital		Ordinary share capital		Notes		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Ordinary share capital source (NTD)	Capital contribution in the form of non-cash assets	Other
2003/10	10	55,000,000	550,000,000	44,278,860	442,788,600	Issuance of 42,575,830 new shares through capital increase	None	Note 6
2004/10	10	70,000,000	700,000,000	48,989,377	489,893,770	Capitalization of earnings for capital increase: 47,105,170	None	Note 7
2004/11	10	70,000,000	700,000,000	49,168,620	491,686,200	Capital increase from conversion of convertible bonds 1,792,430	None	Note 8
2005/03	10	70,000,000	700,000,000	50,097,832	500,978,320	Capital increase arising from conversion of corporate bonds 9,292,120	None	Note 9
2005/04	10	70,000,000	700,000,000	50,560,092	505,600,920	Capital increase arising from conversion of corporate bonds 4,622,600	None	Note 10
2005/10	10	70,000,000	700,000,000	55,916,298	559,162,980	Capital increase from earnings \$53,562,060	None	Note 11
2006/05	10	70,000,000	700,000,000	57,153,265	571,532,650	Capital increase arising from conversion of corporate bonds 12,369,670	None	Note 12
2006/09	10	100,000,000	1,000,000,000	58,826,424	588,264,240	Capital increase arising from conversion of corporate bonds 16,731,590	None	Note 13
2006/10	10	100,000,000	1,000,000,000	65,609,881	656,098,810	Capital increase from conversion of convertible bonds 6,729,210 Capital increase from retained earnings in the amount of NT\$61,105,360	None	Note 14
2007/01	10	100,000,000	1,000,000,000	66,588,296	665,882,960	Capital increase arising from conversion of corporate bonds 9,784,150	None	Note 15
2007/03	10	100,000,000	1,000,000,000	75,088,296	750,882,960	Capital increase in the amount of 85,000,000	None	Note 16
2007/04	10	100,000,000	1,000,000,000	75,102,684	751,026,840	Capital increase arising from conversion of corporate bonds 143,880	None	Note 17
2007/07	10	100,000,000	1,000,000,000	75,117,075	751,170,720	Capital increase arising from conversion of corporate bonds 143,880	None	Note 18
2007/10	10	100,000,000	1,000,000,000	77,975,820	779,758,200	Capital increase from retained earnings in the amount of NT\$28,587,480	None	Note 19
2009/04	10	100,000,000	1,000,000,000	76,727,820	767,278,200	Capital reduction by cancellation of 12,480,000 treasury shares	None	Note 20
2009/04	10	100,000,000	1,000,000,000	87,735,276	877,352,760	Capital increase from conversion of convertible bonds 110,074,560	None	Note 21
2009/08	10	100,000,000	1,000,000,000	87,772,588	877,725,880	Capital increase from conversion of corporate bonds 373,120	None	Note 22

Year/Month	Issue Price	Authorized share capital		Ordinary share capital		Notes		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Ordinary share capital source (NTD)	Capital contribution in the form of non-cash assets	Other
2010/10	10	150,000,000	1,500,000,000	94,372,588	943,725,880	Capital increase in the amount of 66,000,000	None	Note 23
2011/04	10	150,000,000	1,500,000,000	92,419,588	924,195,880	Capital reduction by cancellation of 19,530,000 treasury shares	None	Note 24
2012/12	10	150,000,000	1,500,000,000	99,369,588	993,695,880	Capital increase in the amount of 69,500,000	None	Note 25
2013/04	10	150,000,000	1,500,000,000	99,473,544	994,735,440	Capital increase from conversion of convertible bonds 1,039,560	None	Note 26
2013/07	10	150,000,000	1,500,000,000	100,238,380	1,002,383,800	Capital increase from conversion of convertible bonds 7,648,360	None	Note 27
2013/10	10	150,000,000	1,500,000,000	102,887,908	1,028,879,080	Capital increase arising from conversion of corporate bonds 26,495,280	None	Note 28
2014/01	10	150,000,000	1,500,000,000	104,108,907	1,041,089,070	Capital increase from conversion of convertible bonds 12,209,990	None	Note 29
2014/04	10	150,000,000	1,500,000,000	104,548,243	1,045,482,430	Capital increase arising from conversion of corporate bonds 4,393,360	None	Note 30
2014/07	10	150,000,000	1,500,000,000	104,559,024	1,045,590,240	Capital increase from convertible bonds conversion 107,810	None	Note 31
2014/10	10	150,000,000	1,500,000,000	105,412,047	1,054,120,470	Capital increase arising from conversion of corporate bonds 8,530,230	None	Note 32
2015/01	10	150,000,000	1,500,000,000	105,437,983	1,054,379,830	Capital increase arising from conversion of corporate bonds 259,360	None	Note 33
2015/04	10	150,000,000	1,500,000,000	105,484,092	1,054,840,920	Capital increase arising from conversion of corporate bonds 461,090	None	Note 34
2015/12	10	150,000,000	1,500,000,000	102,504,092	1,025,040,920	Capital reduction by cancellation of 29,800,000 treasury shares	None	Note 35
2016/10	10	150,000,000	1,500,000,000	105,292,897	1,052,928,970	Capital increase arising from conversion of corporate bonds 27,888,050	None	Note 36
2017/02	10	150,000,000	1,500,000,000	109,741,381	1,097,413,810	Capital increase through conversion of corporate bonds 44,484,840	None	Note 37
2017/05	10	150,000,000	1,500,000,000	111,372,916	1,113,729,160	Capital increase arising from conversion of corporate bonds 16,315,350	None	Note 38
2017/09	10	150,000,000	1,500,000,000	112,236,778	1,122,367,780	Capital increase arising from conversion of corporate bonds 8,638,620	None	Note 39
2017/12	10	150,000,000	1,500,000,000	113,029,482	1,130,294,820	Capital increase arising from conversion of corporate bonds 7,927,040	None	Note 40

Year/Month	Issue Price	Authorized share capital		Ordinary share capital		Notes		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Ordinary share capital source (NTD)	Capital contribution in the form of non-cash assets	Other
2018/02	10	150,000,000	1,500,000,000	113,255,105	1,132,551,050	Capital increase from conversion of corporate bonds 2,256,230	None	Note 41
2018/05	10	150,000,000	1,500,000,000	2025,274,601	1,142,746,010	Capital increase arising from conversion of corporate bonds 10,194,960	None	Note 42
2018/07	10	150,000,000	1,500,000,000	116,530,868	1,165,308,680	Capital increase from conversion of convertible bonds 22,562,670	None	Note 43
2018/09	10	150,000,000	1,500,000,000	122,030,868	1,220,308,680	Capital increase in the amount of 55,000,000	None	Note 44
2020/10	10	300,000,000	3,000,000,000	125,691,795	1,256,917,950	Capital surplus transferred to share capital in the amount of 36,609,270	None	Note 45
2021/10	10	300,000,000	3,000,000,000	129,462,549	1,294,625,490	Capital surplus transferred to share capital in the amount of 37,707,540	None	Note 46

Note 1: Ministry of Finance, Securities and Futures Commission, Letter No.84608, Tai Cai Zheng (1), 2000.

Note 2: Securities and Futures Commission, Ministry of Finance, (2001) Tai-Tsai-Cheng (1) No.144601

Note 3: Ministry of Finance, Securities and Futures Commission, Letter No. Tai-Cai-Zheng (1) 165712, 2001

Note 4: Ministry of Finance, Securities and Futures Commission, Tai-Tsai-Cheng-I Letter No.0910141306

Note 5: Ministry of Finance, Securities and Futures Commission, Tai Cai Zheng Yi No.0910160820

Note 6: Ministry of Finance, Securities and Futures Commission Letter No.0920130274

Note 7: Letter No.0930129781 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

Note 8: Date and reference number of approval by the Ministry of Economic Affairs: 2004/11/02, Jing-Shou-Shang-Zi No.09332965160.

Note 9: Date and reference number of approval by the Ministry of Economic Affairs: 2005/03/08, Jing-Shou-Shang-Zi No.09401036670.

Note 10: Date and reference number of approval by the Ministry of Economic Affairs: 2005/04/27, Jing-Shou-Shang No.09401073420.

Note 11: Date and reference number of approval by the Ministry of Economic Affairs: 2005/10/12, Jing-Shou-Shang-Zi No.09401200550.

Note 12: Date and reference number of approval by the Ministry of Economic Affairs: 2006/05/08, Jing-Shou-Shang-Zi No.09501083660.

Note 13: Date and reference number of approval by the Ministry of Economic Affairs: 2006/09/05, Jing-Shou-Shang-Zi No.09501199330.

Note 14: Date and reference number of approval by the Ministry of Economic Affairs: 2006/10/17, Jing-Shou-Shang-Zi No.09501229490.

Note 15: Date and reference number of approval by the Ministry of Economic Affairs: 2007/01/23, Jing-Shou-Shang-Zi No.09601014380.

Note 16: Date and reference number of approval by the Ministry of Economic Affairs: 2007/03/14, Jing-Shou-Shang-Zi No.09601047430.

Note 17: Date and reference number of approval by the Ministry of Economic Affairs: 2007/04/16, Jing-Shou-Shang-Zi No.09601075190.

Note 18: Date and reference number of approval by the Ministry of Economic Affairs: 2007/07/03, Jing-Shou-Shang-Zi No.09601149480.

Note 19: Date and reference number of approval by the Ministry of Economic Affairs: 2007/10/026, Jing-Shou-Shang-Zi

No.09601264270.

Note 20: Date and reference number of approval by the Ministry of Economic Affairs: 2009/04/15, Jing-Shou-Shang-Zi No.09801073080.

Note 21: Date and reference number of approval by the Ministry of Economic Affairs: 2009/07/13, Jing-Shou-Shang-Zi No.09801149110.

Note 22: Date and reference number of approval by the Ministry of Economic Affairs: 2009/09/15, Jing-Shou-Shang-Zi No.09801209940.

Note 23: Approval date and document number issued by the Ministry of Economic Affairs: 2010/11/15, Jing-Shou-Shang-Zi

No.09901253850

Note 24: Date and reference number of approval by the Ministry of Economic Affairs: 2011/04/18, Jing-Shou-Shang-Zi No.10001074980.

Note 25: Date and reference number of approval by the Ministry of Economic Affairs: 2012/12/13, Jing-Shou-Shang-Zi No.10101255830.

Note 26: Date and reference number of approval by the Ministry of Economic Affairs: 2013/04/15, Jing-Shou-Shang-Zi No.10201067920.

Note 27: Date and reference number of approval by the Ministry of Economic Affairs: 2013/07/23, Jing-Shou-Shang-Zi No.10201141360.

Note 28: Date and reference number of approval by the Ministry of Economic Affairs: 2013/10/16, Jing-Shou-Shang-Zi No.10201210930.

Note 29: Date and reference number of approval by the Ministry of Economic Affairs: 2014/01/27, Jing-Shou-Shang-Zi No.10301014920.

Note 30: Date and reference number of approval by the Ministry of Economic Affairs: 2014/04/18, Jing-Shou-Shang No.10301068130.

Note 31: Date and reference number of approval by the Ministry of Economic Affairs: 2014/07/28, Jing-Shou-Shang-Zi No.10301145420.

Note 32: Date and reference number of approval by the Ministry of Economic Affairs: 2014/10/17, Jing-Shou-Shang No.10301216470.

Note 33: Date and reference number of approval by the Ministry of Economic Affairs: 2015/01/20, Jing-Shou-Shang-Zi No.10401007340.

Note 34: Date and reference number of approval by the Ministry of Economic Affairs: 2015/04/14, Jing-Shou-Shang No.10401068230.

Note 35: Date and reference number of approval by the Ministry of Economic Affairs: 2015/12/02, Jing-Shou-Shang-Zi No.10401258250.
 Note 36: Date and reference number of approval by the Ministry of Economic Affairs: 2016/10/20, Jing-Shou-Shang-Zi No.10501249380.
 Note 37: Date and reference number of approval by the Ministry of Economic Affairs: 2017/02/06, Jing-Shou-Shang-Zi No.10601013630.
 Note 38: Date and reference number of approval by the Ministry of Economic Affairs: 2017/05/17, Jing-Shou-Shang-Zi No.10601064510.
 Note 39: Date and reference number of approval by the Ministry of Economic Affairs: 2017/09/11, Jing-Shou-Shang-Zi No.10601123820.
 Note 40: Approval date and reference number issued by the Ministry of Economic Affairs: 2017/12/04, Jing-Shou-Shang-Zi No.10601163100.
 Note 41: Date and reference number of approval by the Ministry of Economic Affairs: 2018/02/27, Jing-Shou-Shang-Zi No.10701020590.
 Note 42: Date and reference number of approval by the Ministry of Economic Affairs: 2018/05/04, Jing-Shou-Shang-Zi No.10701046410.
 Note 43: Date and reference number of approval by the Ministry of Economic Affairs: 2018/07/26, Jing-Shou-Shang-Zi No.10701092220.
 Note 44: Date and reference number of approval by the Ministry of Economic Affairs: 2018/09/06, Jing-Shou-Shang-Zi No.10701113720.
 Note 45: Date and reference number of approval by the Ministry of Economic Affairs: 2020/10/06, Jing-Shou-Shang-Zi No.10901187380.
 Note 46: Date and reference number of approval by the Ministry of Economic Affairs: 2021/10/26, Jing-Shou-Shang-Zi No.11001197060.

C. Summary of information regarding the consolidated reporting system: Not applicable.

(2) List of Major Shareholders

April 15, 2025 Unit: share

Name of Major Shareholder	Shares	Shares held	Equity interest percentage
Ching Rong Investment Co., Ltd.		20,157,546	15.57%
Hong-Pu Investment Co., Ltd.		10,648,154	8.23%
Han-Lin Investment Co., Ltd.		8,564,767	6.62%
Feng Xi Investment Co., Ltd.		4,920,485	3.80%
Guoshi Bank Custodial Investment Account at Phillip Securities (Hong Kong) Limited		3,883,114	3.00%
Chang Sheng Investment Co., Ltd.		3,318,667	2.56%
Fengmeng Investment Co., Ltd.		3,152,069	2.44%
HONG LIN INVESTMENT CO., LTD.		2,994,000	2.31%
Jiang Qingying		2,600,127	2.01%
Fu An Investment Co., Ltd.		2,277,481	1.76%

(3) Dividend policy and execution status of the Company:

A. The dividend policy stipulated in the Articles of Incorporation is as follows:

If there is a surplus in the Company's annual final accounts, taxes shall first be paid and accumulated losses shall be offset. Thereafter, ten percent of the remaining amount shall be appropriated as legal reserve; however, this requirement shall not apply if the legal reserve has reached the total capital amount. When necessary, a Special Reserve shall be appropriated or reversed in accordance with applicable laws, regulations, or the requirements of the competent authority. Any remaining balance shall be subject to a surplus distribution proposal prepared by the Board of Directors, with a distribution rate of not less than twenty percent. However, if there is no surplus for the year or if the Board of Directors considers the surplus to be insufficient, the Board of Directors may resolve not to distribute. When preparing the surplus distribution proposal, the Board of Directors may include undistributed earnings from previous years for participation in the distribution. If the distribution is to be made by issuing new shares, it shall be effected after a Resolution of the Shareholders' Meeting.

The Company's dividend policy is established in accordance with its current and future development plans, taking into consideration factors such as the investment

environment and capital requirements. When distributing Shareholder dividends, the Company may do so in the form of cash or stock. The cash dividend shall not be less than 5 percent of the total dividends. However, if the cash dividend per share is less than one dollar, the entire dividend may be distributed in the form of stock dividends.

In accordance with Article 240 of the Company Act, the Company authorizes the Board of Directors, with the attendance of at least two-thirds of the Directors and a Resolution adopted by a majority of the attending Directors, to distribute all or part of the dividends and bonuses to be allocated, or all or part of the legal earnings reserve and Capital surplus as stipulated in Article 241 of the Company Act, in the form of cash, and to report such distribution to the Shareholders' Meeting.

B. Proposed Dividend Distribution for This Shareholders' Meeting:

On March 25, 2025, the Board of Directors of the Company approved a Resolution to distribute earnings for the year 2024, including a cash dividend of NT\$181,247,569 (NT\$1.4 per share) and a cash distribution from Capital surplus of NT\$12,946,255 (NT\$0.1 per share).

- (4) The impact of the proposed gratuitous stock dividend distribution at this Shareholders' Meeting on the Company's operating performance and earnings per share:

As all cash dividends for the year 2024 have been fully distributed, this is not applicable.

- (5) Remuneration of Employees, Directors, and Supervisors:

A. The Company shall allocate 1% to 5% of profit before tax, prior to the deduction of Employee remuneration and Director remuneration, as Employee remuneration, and no more than 3% as Director remuneration. Such allocation shall be determined by a Resolution of the Board of Directors, with the attendance of at least two-thirds of the Directors and the approval of more than half of the attending Directors, and shall be reported to the Shareholders' meeting. However, if the Company has accumulated losses, the amount required to offset such losses shall be reserved in advance. The Employee remuneration referred to in the preceding paragraph may be distributed in the form of shares or cash. Eligible recipients may include Employees of subsidiaries who meet specific criteria as determined by the Board of Directors.

B. Basis for estimating the remuneration amounts for Employees, Directors, and Supervisors for the current period, the calculation basis for the number of shares to be distributed as stock dividends, and the accounting treatment for any differences between the actual distributed amounts and the estimated amounts:

The remuneration for the Employee, Director, and Supervisor of the Company is accrued based on the profit of the current year and within the percentage range stipulated in the Articles of Incorporation. If there is any difference between the actual amount distributed as subsequently resolved and the accrued amount, such difference is accounted for as a change in accounting estimate, and the profit or loss of the year in which the actual distribution occurs is adjusted accordingly.

C. Remuneration distribution as approved by the Board of Directors:

(A) Amounts of Employee remuneration and Director and Supervisor compensation distributed in cash or shares. If there is any difference between the actual amounts distributed and the estimated amounts recognized as expenses for the year, such differences, the reasons therefor, and the principles for handling them shall be

disclosed.

On March 25, 2025, the Board of Directors of the Company resolved to allocate Employee remuneration in the amount of NT\$1,768,140 and Director remuneration in the amount of NT\$3,536,280, both to be distributed in cash. The Board Resolution is consistent with the amount of Employee remuneration recognized in the financial statements for year 2024.

(B) The amount of Employee remuneration distributed in the form of shares and its proportion to the aggregate of Profit after tax and total Employee remuneration for the current period, as presented in the individual or separate financial statements:

All dividends for the year 2024 were distributed in cash; therefore, not applicable.

D. Actual distribution of remuneration to Employees, Directors, and Supervisors for the previous year (including the number of shares allocated, amounts, and share prices); if there are any discrepancies between the recognized remuneration for Employees, Directors, and Supervisors and the actual distribution, the differences, reasons, and the manner in which such discrepancies were addressed shall be disclosed.

The actual cash distributed by the Company in the previous year for Employee compensation and for remuneration to Directors and supervisors amounted to NT\$1,650,780 and NT\$3,301,559, respectively, which were consistent with the amounts recognized as Employee and Director remuneration.

(6) Repurchase of the Company's shares: The Company has not repurchased any of its own shares.

2. Status of Corporate Bonds: None.

3. Status of Preferred Shares: None.

4. Issuance of Overseas Depositary Receipts: None.

5. Status of Employee Stock Warrants: None.

6. Status of issuance of new shares with restricted employee rights: The Company has not conducted any issuance of new shares with restricted employee rights.

7. Merger, acquisition, or issuance of new shares for the acquisition of shares of other companies: The Company has not conducted any merger, acquisition, or issuance of new shares for the purpose of acquiring shares of other companies.

8. Status of Fund Utilization Plan: The fifth domestic unsecured convertible bonds have been fully repaid (case closed); therefore, this item is not applicable.

Four. Operational Overview

1. Business Activities

(1) Scope of Operations

A. Main Content:

(A) Manufacture, processing, trading, and import and export of various electronic equipment capacitors.

(B) Undertake the design of various radio engineering projects.

B. Revenue Proportion

Principal Products	Year 2024	
	Amount	Proportion of operating revenue
Liquid Electrolytic Capacitor	2,578,647	75.18%
Solid Electrolytic Capacitor	851,534	24.82%
Total	3,430,181	100%

C. Current product (service) contents

Capacitors are essential components in electronic devices and are widely utilized in 3C electronic products, household appliances, electrical machinery, computers, power supply units, lighting systems, and communication equipment. In response to the diverse needs of various industries, the Company has developed a comprehensive range of solid and liquid capacitors, including radial lead type, L-type, screw terminal type, snap-in type, and other configurations.

D. New products (services) planned for development by the Company:

(A) Development of solid and liquid aluminum capacitors for high-temperature applications at 135°C

(B) Solid-state high temperature 125°C/4,000-hour development

(C) Development of solid-state 100–160V

(D) Development of Liquid Cooling Application Products

(E) Development of liquid capacitors rated at 105°C/600V

(F) Development of long-life, medium-to-high voltage-resistant liquid-type pin terminal capacitors for high-temperature applications up to 135°C (continued)

(G) Development of Solid-State and Solid-Liquid Vehicle Application Specifications (continued)

(H) Development of Liquid-Type High-Temperature 150°C Leaded Low-Voltage Capacitors (continued)

(2) Industry Overview

A. Industry Overview and Development

The basic structure of commonly used aluminum electrolytic capacitors is the foil-wound type. The anode consists of aluminum foil on which a valve metal oxide film (Al₂O₃) is formed through electrochemical processes, while the cathode comprises a working electrolyte absorbed by porous electrolytic paper. This wound configuration effectively increases the actual electrode surface area, enabling aluminum electrolytic capacitors to achieve higher capacitance compared to other types of capacitors. Globally, the application distribution of aluminum electrolytic capacitors is as follows: computers and monitors account for approximately 28%, white goods for about 23%, cloud computing

and servers for around 16%, industrial automation for 11%, and gaming consoles for 7%. Additionally, aluminum electrolytic capacitors are widely used in telecommunications (5G), the automotive industry, new energy, and medical fitness equipment. However, due to the relatively lower stability of aluminum electrolytes under extreme conditions compared to other capacitors, their use in the military sector remains limited.

The rise of solid-state capacitors primarily addresses the issue of electrolyte leakage experienced by traditional aluminum electrolytic capacitors under high temperatures, while also offering extended service life and enhanced suitability for high-frequency environments. In downstream applications—including high-end motherboards, notebook computers, industrial computers, servers, VGA cards, gaming consoles, miniaturized transformers, and chargers—solid-state capacitors are expected to gradually replace conventional liquid aluminum electrolytic capacitors, in line with the ongoing trend toward improved performance and quality.

According to data from the Industrial Economics and Knowledge Center (IEK) of the Industrial Technology Research Institute, the global solid-state capacitor market is experiencing steady expansion. As the price of solid-state capacitors converges with that of traditional aluminum electrolytic capacitors and market penetration continues to increase, the outlook for the solid-state capacitor industry remains favorable.

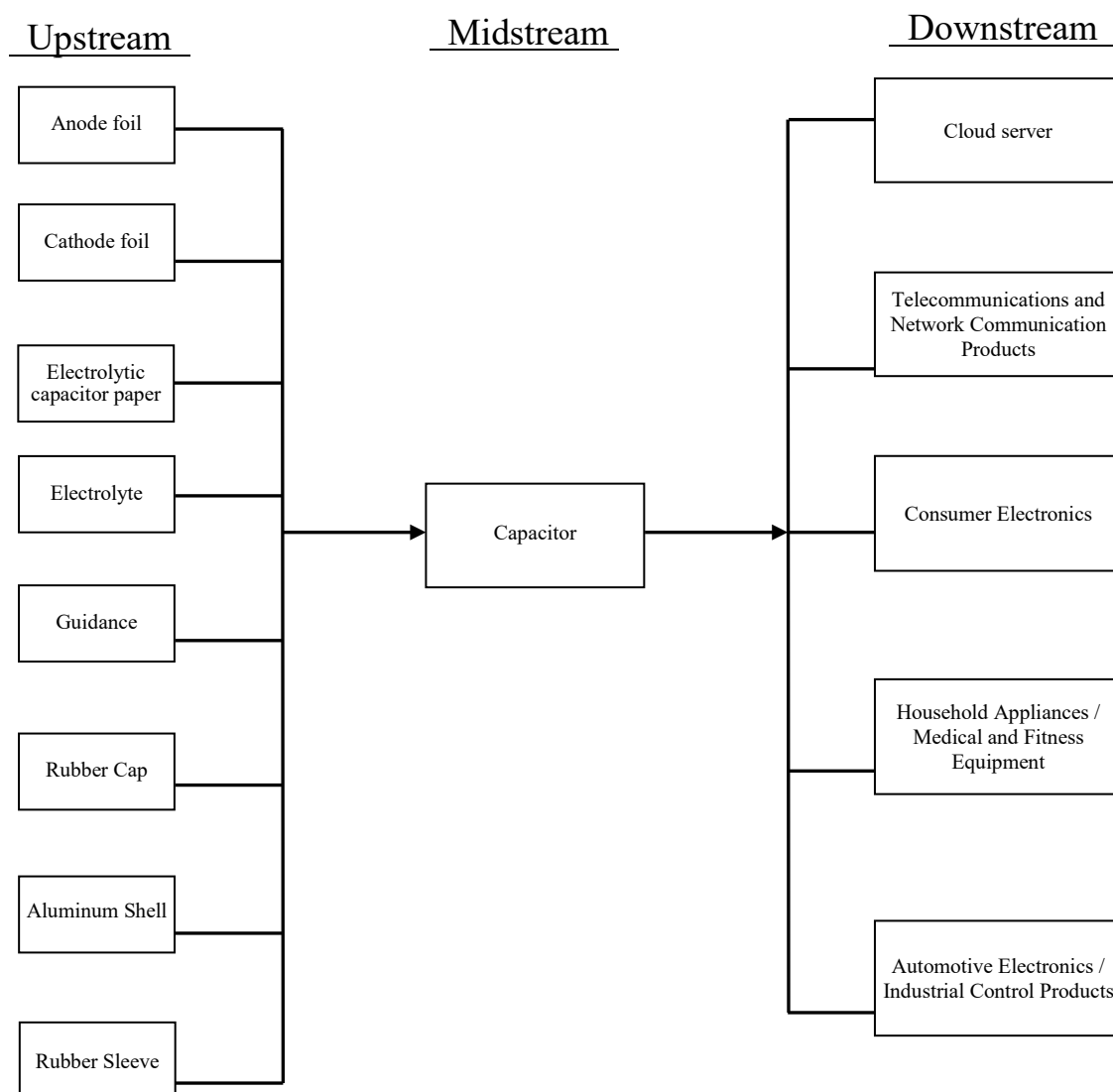
The primary rationale behind the design of hybrid solid-liquid capacitors lies in the fact that the electrolyte used in solid capacitors—conductive polymer—does not possess the capability to repair the oxide film, unlike liquid electrolytes. Consequently, manufacturers enhance solid capacitors by additionally impregnating them with liquid electrolyte, thereby utilizing the liquid electrolyte's ability to restore the aluminum oxide film. This approach addresses the relatively lower voltage endurance and higher leakage current typically associated with solid capacitors. Hybrid solid-liquid capacitors are primarily utilized in servers, 4G and 5G communication infrastructure, industrial products, and automotive applications.

Solid-liquid capacitors are developed based on advancements in solid-state capacitor technology; therefore, the majority of their performance characteristics remain similar to those of solid-state capacitors. However, with the introduction of an electrolyte, they also differ from solid-state capacitors in certain respects. Generally, the performance comparison among hybrid capacitors, solid-state capacitors, and liquid electrolytic capacitors is as follows:

Classification	Solid and liquid capacitors	Solid state capacitor	Electrolytic capacitor
Electrolyte	Conductive polymer and electrolyte	Conductive Polymer	Electrolyte
Capacity	smaller	Minimum	Larger
Voltage	Lower	Minimum	Very high
ESR	Low	Low	High
Leakage Current (LC)	Low	High	Low
High-temperature lifespan	Longer	Long	Shorter
Failure Mode	Route opening	Short circuit	Route opening

B. Relationships Among Upstream, Midstream, and Downstream Industries

The upstream segment of the capacitor industry comprises anode foil, cathode foil, electrolytic paper, electrolyte, lead wire, and aluminum casing, while the downstream segment encompasses electronic information, communications, and consumer electronic products. The industry correlation diagram is presented as follows:



C. Industry Development Trends

In response to the increasingly sophisticated demands and technological advancements in downstream application markets such as mobile phones and tablet computers, products are continuously evolving toward smaller form factors, extended lifespans, enhanced reliability, lower impedance, and higher ripple resistance. Digital electronic products, energy-efficient home appliances utilizing variable frequency technology, and green energy-saving products have reached a stage of technological maturity, resulting in a steady increase in market share and a corresponding rise in demand for high-end capacitors. Additionally, the trend toward miniaturization and portability in information and communication products has led to a relative increase in the use of external power

supplies. Applications related to energy conservation, automation, and cloud computing are also becoming increasingly significant.

D. Competitive Environment

High-end aluminum capacitors have traditionally been dominated by Japanese companies. However, the Company, with a history spanning over fifty years, is primarily engaged in the production, manufacturing, and sales of aluminum electrolytic capacitors. Leveraging extensive industry experience and advanced technology, as well as technical collaboration with leading Japanese manufacturers (HITACHI AIC), the Company is dedicated to the research, development, and production of high-voltage electrolytic capacitors. Its products have earned widespread recognition from prominent domestic and international manufacturers, establishing a strong reputation within the industry. At present, the Company is recognized as one of the top two aluminum capacitor manufacturers in Taiwan.

(3) Overview of Technology and Research and Development

A. Technical Sophistication and Research and Development of Business Operations

Since its establishment, the Company has been dedicated to the research and development of electrolytic capacitors and electrolytes. Its technological advancements are derived from independent research and development as well as technical collaborations with leading international companies, including Hitachi AIC. Through equity investments in affiliated companies and technical cooperation with Hitachi AIC, the Company has obtained key technologies for high-voltage electrolytic capacitors and patents for L-type capacitor technology, thereby facilitating production, manufacturing, and sales activities.

B. Research and development expenses incurred annually over the past 3 Years

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents	Year 2022	Year 2023	Year 2024
Research and development expenses	77,974	88,938	93,233
Net sales revenue	3,729,360	3,193,488	3,430,181
Revenue proportion	2.09%	2.78%	2.72%

C. Technologies or Products Successfully Developed

The technologies or products successfully developed in the past five years are presented in the table below.

Year	Research and Development Achievements	Explanation
2020	Development of Long-life 600V 85°C High Voltage Capacitors	Servers, high-end power supplies, and industrial computers
	Development of Elongated Solid-State Capacitors	Charger / ADT below 65W
2021	Development of Ecap-V-CHIP Capacitors	Used in consumer products to partially replace existing E-cap DIP products.
	Development of Long-Life Foil-Type Capacitors	Servers, high-end power supply units, industrial power supply units
2022	Development of Solid and Liquid-State V-CHIP Aluminum Capacitors	Automotive applications, VGA graphics cards
	Development of Long-Life Liquid Capacitors Rated at 105°C/550V	Charging piles, solar inverters
	Development of liquid-type, high-temperature (130°C), pin-type, long-life, high ripple-resistant, medium- to high-voltage capacitors	Outdoor network communication devices
	Miniaturization Development of Solid DIP Capacitors, 50–63V	Motherboards, servers, high-end power supplies, and LCD televisions

Year	Research and Development Achievements	Explanation
2023	The development of specifications for solid and liquid V-CHIP aluminum capacitors has been completed.	Automotive applications, VGA graphics cards
	Development of long-life liquid capacitors rated at 105°C/550V (in progress)	Charging piles, solar inverters
	Development of liquid-filled, high-temperature (130°C), thermally conductive, pin-type, long-life, high ripple-resistant, medium- and high-voltage capacitors (ongoing)	Outdoor network communication devices
	Ongoing miniaturization development of solid-state DIP 50–63V capacitors	Motherboards, servers, high-end power supplies, and LCD televisions
2024	Development of Solid and Liquid-State V-CHIP Aluminum Capacitors	Automotive applications, VGA graphics cards
	Mass production of solid-state DIP/SMD 50–80V	Motherboards, servers, high-end power supplies, and LCD televisions
	Mass production of solid-state DIP 12.5π	High-power power supply unit
	130°C High-Voltage Long-Life Capacitor	Outdoor network communication devices

(4) Long-term and Short-term Business Development Plans

Since its establishment, the Company has been committed to expanding production capacity, enhancing process improvements, engaging in research and development of new products, and advancing marketing operations to meet market requirements for product quality, cost, delivery schedules, and service systems. In response to competitive pressures from both domestic and international industry peers, as well as rapid market changes, the Company has formulated the following short-term and long-term plans:

A. Short-term Plan:

- (A) Develop products in accordance with the specific requirements of major customers, promptly provide the requested products and quality, and reinforce the supply and demand relationship with customers.
- (B) Leverage the strengths of each production site and integrate the resources of local suppliers to effectively control costs and create competitive pricing advantages for products.
- (C) Establish strategic alliances with major raw material suppliers to secure stable access to key raw material sources.
- (D) Enhance equipment and eliminate key bottlenecks in the production process to increase production capacity and output.

B. Long-term plans:

- (A) Expand global market share and actively promote product brands to secure direct business cooperation opportunities with leading international companies.
- (B) Establish marketing bases in Europe and the Americas and continue to expand markets both domestically and internationally.
- (C) Long-term development of high value-added products through research and development.
- (D) Develop the contract manufacturing market, expand production and procurement economies of scale, and reduce the company's production costs.

2. Market, Production, and Sales Overview

(1) Market Analysis

A. Principal sales regions for major goods and services:

The Company's principal products are aluminum electrolytic capacitors, with export sales as its primary focus. The main market is in Asia.

Unit: Thousands of New Taiwan Dollars (NT\$)

Sales Region \ Year	Year 2023		Year 2024	
	Amount	%	Amount	%
Domestic	59,243	1.86	104,017	3.03
Asia	2,781,209	87.09	2,978,371	86.83
Europe	115,014	3.60	107,321	3.13
United States	32,292	1.01	79,769	2.33
Middle East and Near East	204,560	6.40	160,077	4.67
Africa	1,170	0.04	626	0.01
Total	3,193,488	100.00	3,430,181	100.00

B. Market Share

The Company and its subsidiaries are primarily engaged in the manufacturing and sale of aluminum electrolytic capacitors. Currently, the global market for aluminum electrolytic capacitors is predominantly controlled by Japanese manufacturers, with the top four global producers all being Japanese companies, collectively accounting for 70% of worldwide production. Korean manufacturers (such as SamYoung and SAMWHA) follow, with Taiwanese manufacturers ranking third and Mainland Chinese manufacturers ranking fourth (such as Hunan Aihua Capacitor Aishi and Nantong Jianghai). The supply of high-end products is almost exclusively dominated by Japanese companies, including Nippon Chemi-con, Nichicon, Rubycon, and Matsushita. In addition, Nippon Chemi-con, Sanyo, and Matsushita continue to expand their production capacity to increase their market share, while other manufacturers primarily focus on the production of mid- to low-end products. Within Taiwan's aluminum electrolytic capacitor industry, the Company ranks second only to Lelon Electronics in liquid capacitors and second only to Apaq Technology in solid capacitors.

C. Future Market Supply and Demand Conditions and Growth Prospects

Looking ahead to 2025, the trade policies of the Trump administration are expected to further heighten global economic uncertainty. JPMorgan Chase has cautioned that, should the United States fail to adjust its trade war strategy, the risk of economic recession may extend worldwide, with Europe likely to be significantly affected. With respect to operations in 2025, while overall economic uncertainty persists and continues to impact the global environment, inventory adjustments among downstream customers are nearing completion. It is anticipated that there will be growth opportunities in applications such as computers, cloud/servers, 5G communications, artificial intelligence, and energy storage equipment (power supplies). Accordingly, the company will maintain a cautiously optimistic outlook in addressing these challenges. The company's three factories in Thailand commenced trial production in the first quarter of 2025. Mass production of solid capacitors is expected to begin in the second quarter of the year, with production of liquid capacitors in Thailand anticipated to commence in the fourth quarter. These developments will support the future expansion of production for solid capacitors, liquid capacitors, and new products, thereby enhancing the group's profitability.

D. Competitive Advantages

(A) Extensive industry experience and high market sensitivity

The Company was established in 1970 and has been engaged in the development of aluminum electrolytic capacitors for a longer period than other domestic peers. In addition, strong customer relationships and technical collaboration with Japan's HITACHI AIC have enabled the Company to effectively support the development of downstream industries. Over the long term, the Company has developed a comprehensive understanding of the capacitor industry and cultivated a keen sensitivity to market dynamics, allowing it to promptly identify industry trends and provide complete supporting services to downstream manufacturers.

(B) Excellent Quality and Brand Reputation

The Company and its subsidiaries have consistently maintained superior quality standards and have accumulated extensive technical expertise and experience over many years. This dedication has not only established a strong reputation and goodwill but has also enabled their overseas production facilities to obtain BSI ISO-9001, ISO-14001, ISO/TS 16949, and OHSAS 18001 quality certifications, as well as safety approvals from multiple countries. Furthermore, for capacitor products with specialized characteristics such as high voltage, low impedance, and high ripple current, downstream customers primarily designate the Company and its subsidiaries as their principal suppliers.

(C) Enhancement of quality through professional expertise

The Company and its subsidiaries manufacture aluminum electrolytic capacitors, offering a comprehensive range of products. The research and development team, with the guidance of Japanese capacitor experts, is actively engaged in the development of electrolytes for high-voltage capacitors and continues to invest in high-value niche products to sustain the Company's competitive advantage. The Company enforces stringent operating standards and quality control measures as it pursues its objective of becoming a market leader.

E. Favorable and Unfavorable Factors Influencing Development Prospects and Corresponding Countermeasures

(A) Favorable Factors

(i) The demand for passive components continues to grow.

Although the passive component industry has entered a phase of stable growth with modest annual increases, the scope of end-use applications continues to expand. With the ongoing introduction of products such as automotive electronics and high-end smartphones, and the continual innovation and upgrading of end-product specifications, the unit consumption of passive components is also rising. This trend has resulted in downstream customers adopting a more proactive approach to procurement. In response to market demand, passive component manufacturers are launching a variety of new designs, including thinner and more heat-resistant products, thereby enhancing order visibility for these manufacturers.

(ii) Independently develop electrolytes to achieve self-sufficiency in key raw materials for aluminum electrolytic capacitors.

Electrolyte is a critical material for aluminum electrolytic capacitors. In recent years, the Company and its subsidiaries have actively engaged in the research, development, and production of high-voltage electrolytes and various high value-added capacitor products, thereby securing autonomy over key raw materials for aluminum electrolytic capacitors. These efforts contribute to enhancing the Company's competitiveness and expanding its market share.

(iii) Extensive product portfolio, high-quality standards, and multiple certifications attained

The Company and its subsidiaries manufacture and sell a wide range of aluminum electrolytic capacitor products. Through extensive professional manufacturing technology and experience, the Company continuously improves product quality and stability, earning customer recognition and trust. Its outstanding quality, technical expertise, and research and development capabilities have secured strong customer confidence. The Company has obtained certifications such as BSI ISO 9001 & 14001, ISO/TS 16949, and OHSAS 18001, which have played a significant role in supporting and advancing market development.

(iv) In-depth Understanding of Industry Trends

The Company and its subsidiaries possess fifty years of industry experience, providing them with deep insight into future industry trends and customer dynamics. The Company maintains up-to-date knowledge of industry developments, supplier quotations, and customer market demand. This comprehensive understanding of industry trends, combined with agile adaptability, constitutes the primary competitive advantages that enable the Company and its subsidiaries to sustain continuous growth in the capacitor industry.

(v) Robust Financial Structure

The company is an OTC-listed entity with transparent information disclosure and a robust financial structure, which supports product marketing and strengthens the level of support from suppliers and banks.

(B) Adverse Factors

- (i) Market competition is becoming increasingly fierce.

The capacitor industry is characterized by a long product life cycle, low unit prices, and a downward trend in pricing. As capacitors are widely used in a variety of electronic products and exhibit limited differentiation in product features, the rise of manufacturers in mainland China has resulted in a significant decline in product prices, thereby intensifying market competition.

Countermeasures:

- (a) Rigorously control quality and enhance brand image to achieve brand differentiation, establishing CHINSAN Electric as the premier choice among Taiwanese brands of aluminum electrolytic capacitors.
 - (b) Actively develop high value-added capacitors with miniaturized specifications, extended service life, low impedance, and high ripple resistance; expand the portfolio of solid-state capacitors and medium- to high-voltage products, and pursue orders from internationally recognized brands to increase profit margins.
 - (c) Strengthen the technology for in-house development of key raw materials, such as electrolytes, and enhance the automation of production equipment to reduce production costs.
 - (d) The increase in production capacity drives the expansion of procurement scale, thereby enhancing procurement bargaining power to obtain favorable payment terms and reduce raw material costs, thus strengthening competitive advantages.
- (ii) Increase in labor costs at major production bases

The principal production bases of the Company and its subsidiaries are located in Thailand and Mainland China. In recent years, rising wages and increasing personnel costs in Mainland China have exerted pressure on the control of production costs.

Countermeasures:

By optimizing production processes and increasing the automation of production equipment, manpower requirements are reduced, production efficiency and capacity are improved, thereby mitigating the impact of rising labor costs.

- (iii) The primary upstream raw material, aluminum foil, is susceptible to fluctuations in international precious metal prices.

Aluminum foil is the most critical raw material for aluminum electrolytic capacitors, accounting for 50% to 70% of total raw material costs. The performance of aluminum electrolytic capacitors is primarily determined by capacitance; the greater the surface area of the electrode foil, the higher the capacitance. Currently, there is a lack of domestic suppliers for these raw materials, and both the sources and technology for base foil (required for the production of self-manufactured etched foil) are mainly concentrated in Mainland China and Japan. High-voltage aluminum foil is predominantly controlled by Japan, while low-voltage aluminum foil is mainly controlled by Japan and Mainland China, with only a small portion produced in Taiwan. In 2018, a shortage of aluminum foil prevented the Company from significantly reducing production costs and even resulted in the predicament of having orders but lacking the necessary raw materials for manufacturing. In 2019, raw material prices continued to rise. At the end of 2019, raw material prices began to decline;

however, as the pandemic intensified, raw material prices started to increase again from the second quarter of 2021. Beginning in the second quarter of 2022, due to an economic downturn, aluminum foil prices also began to decrease. In 2024, aluminum foil prices continued to exhibit a downward trend, although the extent of the decline was limited.

Countermeasures:

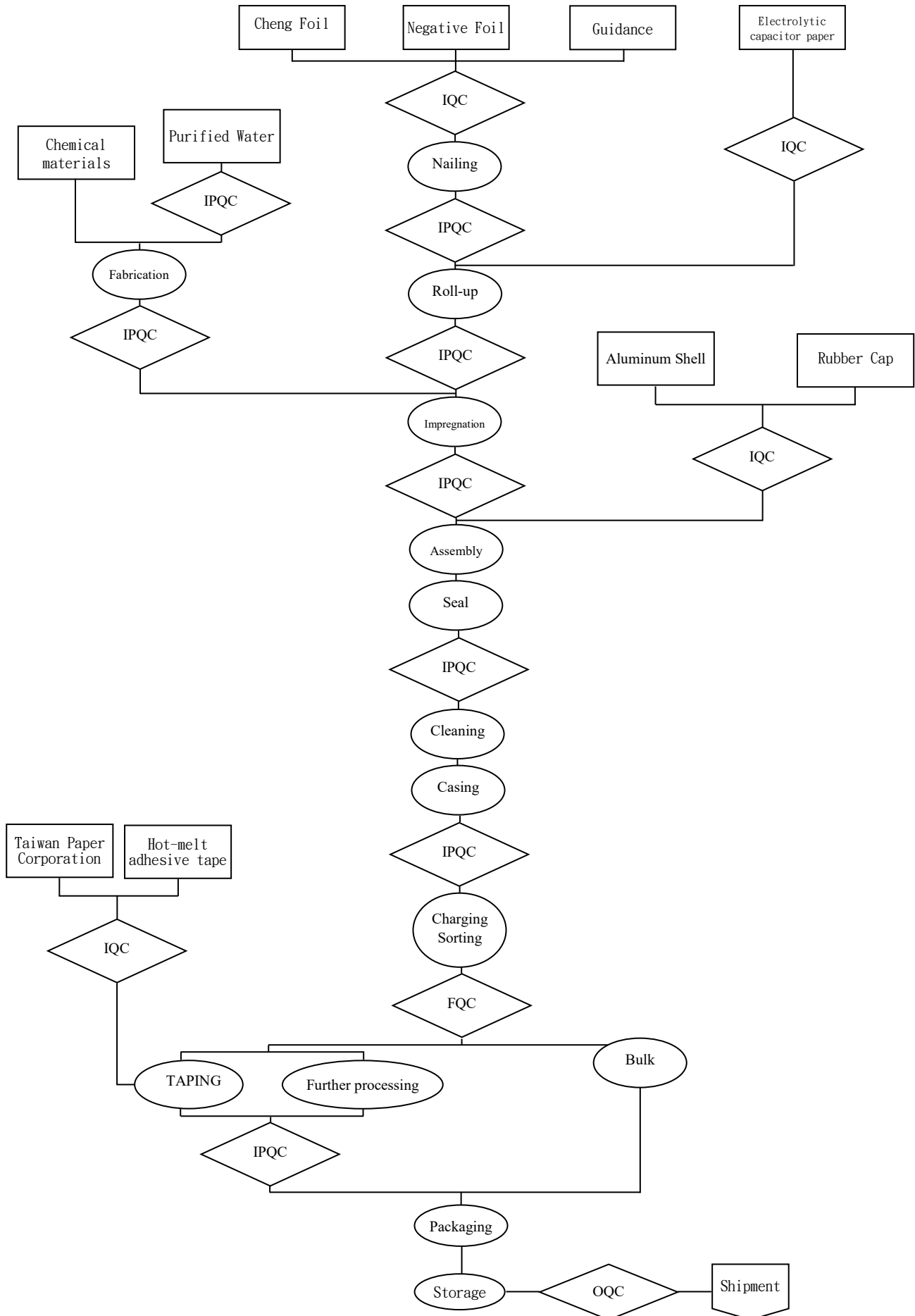
- (a) Direct investment in aluminum foil plants has secured a stable supply of materials and reasonable procurement costs.
- (b) Establishing strategic alliances with aluminum foil manufacturers; strengthening technical exchanges with upstream raw material suppliers, actively developing high-quality materials, enhancing process capabilities, and fostering mutually beneficial cooperative relationships between suppliers and the company.
- (c) Seek out additional high-quality local raw material suppliers and diversify sources to reduce the risk of raw material shortages.
- (d) Expand production scale, enhance procurement bargaining power, and reduce production costs.

(2) Principal Products: Primary Uses and Manufacturing Processes

A. Principal Uses of Main Products

The Company and its subsidiaries primarily manufacture aluminum electrolytic capacitors, including both liquid and solid types. Capacitors are one of the principal passive components used in electronic and electrical circuits, serving functions such as filtering, rectification, coupling, and high-speed charging and discharging. They are distinguished by their compact size and high capacitance, and are widely applied in black goods (such as televisions and audio equipment), white goods (such as refrigerators, washing machines, air conditioners, and kitchen appliances), consumer electronic devices, communication equipment, computer equipment, office automation equipment, power supplies, energy-saving lamps, Internet of Things devices, industrial control products, optoelectronic products, 5G infrastructure, as well as medical and fitness equipment.

B. Production Process Flowchart



(3) Status of Major Raw Material Supply

The principal raw materials of the Company and its subsidiaries comprise aluminum foil, electrolytic paper, lead wires, aluminum cases, electrolyte (for liquid capacitors), and the conductive polymer material PEDT (for solid capacitors). The sourcing regions for these materials vary according to their specific characteristics and are primarily Japan, Taiwan, and Mainland China. With respect to raw material procurement policy, the Company has consistently maintained at least two suppliers for each material to foster supplier collaboration, improve quality, and ensure stable and reasonable pricing. Currently, the Company maintains higher inventory levels of aluminum foil and electrolytic paper—materials that are more prone to shortages or longer lead times—to mitigate the risk of supply interruption.

(4) List of customers whose total purchase or sales amounts represented more than 10% of the total in each of the most recent two years

A. Information on major suppliers whose total purchase amounts accounted for more than 10% in each of the past two years:

Unit: Thousands of New Taiwan Dollars (NT\$)

	Year 2023				Year 2024			
Contents	Name	Amount	Percentage of Net Purchases for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases for the Year (%)	Relationship with the Issuer
1	Company A	400,157	22.92	None	Company A	355,191	15.96	None
2	Company B	237,755	13.62	None	Company B	347,705	15.62	None
	Other	1,108,152	63.46	None	Other	1,522,636	68.42	None
	Net Purchases	1,746,064	100.00		Net Purchases	2,225,532	100.00	

Note 1: Where the contract stipulates that the supplier's name or the counterparty to the transaction is an individual and not a related party, and disclosure is not permitted, a code may be used in place of the name.

Reasons for changes:

The Company is primarily engaged in the production of aluminum electrolytic capacitors and solid-state capacitor products. The main procurement contents include aluminum foil, electrolytic paper, bakelite covers, and chemicals. In selecting suppliers, the Company considers factors such as product quality, pricing terms, delivery coordination, and supply stability. The rankings of major suppliers for the years 2023 to 2024 remained unchanged; however, the total procurement amount increased, primarily due to the continued economic upturn in 2024, resulting in increased procurement by the Company. Furthermore, the procurement ratio from any single supplier did not exceed 30%, and there is no risk of procurement concentration or instability in supply sources.

B. Information on major customers whose sales accounted for more than 10% of total sales in each of the past two years:

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents	Year 2023				Year 2024			
	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer
1	Company A	515,246	16.13	None	Company A	600,702	17.51	None
2	Company B	460,165	14.40	None	Company B	482,432	14.06	None
	Other	2,218,077	69.47	None	Other	2,347,047	68.43	None
	Net Sales	3,193,488	100.00		Net Sales	3,430,181	100.00	

Note 1: Where the contract stipulates that the customer name or the counterparty, being an individual and not a related party, must not be disclosed, a code may be used in lieu thereof.

Reasons for changes:

The Company's principal products are aluminum electrolytic capacitors, with end customers primarily comprising manufacturers of LCD televisions, monitors, notebook computers, power supply units, motherboards, and gaming consoles. In year 2024, as a result of an economic recovery, revenue increased by 7.41% compared to year 2023. The ranking of major customers remained unchanged, and the proportion of sales to individual customers relative to total annual net sales also remained largely consistent. Owing to the Company's stable, long-term cooperation with existing customers and proactive efforts in developing new products and acquiring new customers, the sales ratio attributable to any single customer did not exceed 20% in either of the past two years, indicating that sales are relatively diversified and there is no risk of sales concentration. In year 2024 and year 2023, Company A and Company B each continued to account for more than 10% of the Company's total sales, with no significant abnormal fluctuations.

3. Employee Information for the Most Recent Two Years and as of the Date of Publication of the Annual Report

March 31, 2025

Year		Year 2023	Year 2024	For the year ended 31 March
Number of Employees	Direct Employees	933	754	934
	Indirect Employees	455	401	377
	Management Personnel	196	206	195
	Research and Development Personnel	74	64	65
	Operating personnel	30	32	31
	Total	1,688	1,457	1,602
Average Age		34.46	36.46	35.45
Average length of service		5.97	6.43	6.28
Educational Background Distribution Ratio	Ph. D.	1	1	1
	Master's Degree	25	28	24
	Higher education	419	404	386
	Senior High School	604	534	599
	Below senior high school level	639	490	592

※Age Distribution of New Employees (Group)

Gender	Male				Female				Total
Age	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	
Number of new employees	505	392	1	898	216	186	0	402	1,300

※Age Distribution of Departed Employees (Group)

Gender	Male				Female				Total
Age	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	
Number of employees resigned	327	219	1	547	208	174	5	387	934

4. Information on Environmental Protection Expenditures

The total amount of losses (including compensation) and penalties incurred due to environmental pollution for the most recent year and up to the date of publication of the annual report, as well as an Explanation of future response measures (including improvement actions) and possible expenditures (including estimated amounts of losses, penalties, and compensation that may arise if

no response measures are taken; if a reasonable estimate cannot be made, an Explanation of the inability to reasonably estimate should be provided): None.

5. Labor Relations

(1) Employee welfare measures, continuing education and training, the retirement system and its implementation, as well as agreements between labor and management, and measures for the protection of Employee Equity:

A. To safeguard Employee Equity, support Employee well-being, and foster Employee cohesion, the Company not only establishes appropriate personnel and welfare systems in compliance with relevant laws and regulations, but also offers a variety of welfare measures that surpass statutory requirements. In addition to providing Employees with basic rights such as labor insurance, health insurance, pension contributions, annual leave, maternity leave, parental leave, menstrual leave, family care leave, and other legally mandated benefits, the Company further offers a comprehensive and diverse array of additional Employee benefits.

The Company (Taiwan) serves as the operational headquarters. Due to the limited number of personnel, no labor union has been established and no collective agreement has been signed. The Explanation of the Company's employee benefits Contents is as follows:

(A) Bonus/Cash Gift Category

(i) Year-end bonus (ii) Dragon Boat Festival gift payment (iii) Mid-Autumn Festival gift payment (iv) Labor Day gift payment (v) Birthday gift payment (vi) Wedding gift payment (vii) Childbirth gift payment (viii) Hospitalization or bereavement condolence payment

(B) Insurance category:

(i) Labor Insurance (ii) National Health Insurance (iii) Group Insurance (iv) Labor Pension Fund Contribution

(C) Leave Policy:

(i) Birthday Leave (ii) Two-Day Weekend (iii) Special Leave (iv) Prenatal Checkup Leave (v) Maternity Leave (vi) Paternity Leave (vii) Family Care Leave (i) Menstrual Leave (viii) Unpaid Leave

(D) Education and Training

(i) New Employee Training (ii) New Employee Mentoring System (iii) Professional In-Service Training (iv) Management Training (v) Project Training (vi) Self-Development Training (vii) External Training Subsidy (viii) Employee In-Service Education Subsidy (ix) Well-being Seminars

(E) Leisure/Facilities Category

(i) Employee travel subsidies (ii) Departmental meal subsidies (iii) Regular provision of afternoon tea (iv) Regular provision of premium vegetarian lunch boxes (v) Internal publications (vi) Complimentary coffee machines (vii) Lactation rooms (viii) Year-end banquets and raffle events (ix) Club activities (x) Various employee welfare activities (xi) Various ESG social welfare activities

(F) Other:

(i) Employee Childcare Allowance Subsidy (ii) Health Examination (iii) Car and Motorcycle Parking Arrangements (iv) Comfortable Office Environment (v)

Business Unit Performance Achievement Bonus (vi) Senior Employee Award (vii)
 Outstanding Employee Award (viii) Research and Development Bonus (ix)
 Counselor Work Bonus

B. Continuing Education and Training

The Company allows Employees to apply for external training and further education as required by their job responsibilities, and also organizes various internal training programs, including management and general education courses, to meet Employees' work-related needs. In year 2024, in addition to Employees independently applying for external training and professional competency development courses, relevant programs were also provided within the Group.

The Company completed the 2024 Adult Training Education Program, received a government subsidy of NTD 259,565, and obtained the 2024 Talent Development Quality Management System (TTQS) certification from the Workforce Development Agency.

Course Category	Total number of attendees	Total hours	Total expenses (NTD)
External Training Courses	490	3,690	350,384
Internal Training Courses	14,487	43,497	266,400
Total	14,977	47,187	616,784

C. The status of the Company and personnel responsible for financial information transparency in obtaining the relevant certifications designated by the competent authority is as follows:
 Continuing education courses for the Accounting Supervisor, Proxy, and accounting personnel: three employees in the Finance Department.

Professional training courses for audit personnel: one individual from the audit department and one individual from other departments.

D. Retirement System and Its Implementation Status

With respect to the employee retirement system, the Company administers its plans in accordance with the provisions of the Labor Standards Act (old pension scheme, defined benefit plan) and the Labor Pension Act (new pension scheme, defined contribution plan) as mandated by the government.

- (A) The Company has established employee retirement regulations and, on April 11, 1987, received approval from the Taipei County Government (Document No. 北府社四字第 62640 號函, 1987) to establish a Supervisory Committee for the Labor Retirement Reserve Fund. The Company made monthly contributions of 2.5% of total salaries to the labor retirement reserve fund; effective December 31, 1999, the contribution rate was adjusted to 2%. A dedicated labor retirement reserve account was established at the Central Trust of China for the deposit of these funds. Furthermore, the recognized amount for the old pension scheme in year 2024 was NT\$132,492, which is sufficient to meet the pension obligations for employees under the old labor retirement system.
- (B) Effective July 1, 2005, the new pension scheme has been implemented. The Company contributes 6% of the total salaries of Employees who have elected to participate in the new scheme to the Employees' pension fund account. Employees may also, at their discretion, voluntarily contribute up to 6% of their monthly wages to their individual

pension accounts with the Bureau of Labor Insurance. The amount recognized for the new pension scheme in year 2024 was NT\$2,434,153. As of the end of 2024, 11 Employees made voluntary contributions under the Labor Pension scheme, representing 13.10% of the total 84 Employees participating in the new scheme within the Company.

(C) Negotiation for Postponed Retirement Age: In accordance with the amendments to the Labor Standards Act, a postponed retirement system has been implemented. For Employee who have reached the age of 65, the company may negotiate individually with each Employee to agree on continued employment. Currently, there are 6 supervisors and Employee who are approaching or have reached the statutory retirement age and continue to contribute exceptional value in their respective professional fields.

E. Status of Labor-Management Agreements and Measures for the Protection of Employee Equity

The Company has established interactive communication and grievance channels with Employees, fully complies with labor laws, and has enhanced employee welfare measures. Since its establishment, the Company has maintained harmonious labor-management relations, with no labor disputes. Matters are also addressed through labor-management meetings and communication and coordination mechanisms to ensure mutual understanding between both parties, thereby facilitating the smooth execution of various operations.

F. Employee Code of Conduct and Ethics

The Company has established relevant codes and internal regulations, including the “Procedures for Ethical Management and Guidelines for Conduct,” “Code of Ethical Conduct,” “Employee Management Regulations,” “Employee Rewards and Penalties Measures,” and “Confidentiality Agreement,” which serve as the basis for Employee compliance in their daily work and conduct, thereby regulating the ethical behavior of Employees. Employees are required to strictly adhere to the relevant regulations of the Company in the performance of their daily work and business activities to safeguard the reputation of the Company.

G. Measures for the Protection of the Working Environment and Employee Personal Safety

The current implementation status regarding the Company's work environment and Employee personal safety is as follows:

Contents	Content
Equipment Maintenance and Inspection	All electrical and voltage equipment, elevators, air conditioning systems, official vehicles, fire safety equipment, and other critical facilities are subject to both scheduled and unscheduled inspections and maintenance conducted by external professionals or organizations. Within the factories, mechanical maintenance personnel carry out regular maintenance and servicing of equipment. The equipment is designed with safeguards to ensure personal safety.
Access control security	Dedicated security personnel and an access control system are in place. Additionally, a contract has been executed with a security company for the installation of a monitored security system to ensure safety and access control during nighttime and holidays.
Insurance and Healthcare	In compliance with applicable laws, the Company enrolls all Employees in labor insurance and national health insurance. Additionally, the Company provides group accident and medical insurance for Employees. The Company also conducts regular health examinations for Employees.
Environmental Warning Message	Warning signs are displayed in various work environments to remind Employees to observe operational safety precautions and to ensure their safety.

Contents	Content
Regulatory Compliance	<ol style="list-style-type: none"> 1. The implementation and effectiveness of quality and environmental management systems are monitored through the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System to enhance quality, environmental performance, and occupational health and safety, thereby ensuring the personal safety of Employees. 2. The use of hazardous substances in products is strictly prohibited. All products comply with the requirements of RoHS, REACH, and halogen content, as well as regulations ensuring the non-use of environmentally restricted substances, to safeguard the personal safety and health of Employees.
Disaster Prevention Framework	<ol style="list-style-type: none"> 1. Establish a fire disaster prevention and response system by forming an Emergency Response Team and First Aid Personnel to address major disasters, coordinate support from various units, enhance the effectiveness of disaster prevention and response, reduce disaster-related losses, safeguard Employee safety and health, and ensure the normal operation of the workplace. 2. Fire safety drills are conducted every six months to enable Employees to understand the importance of fire safety through practical exercises, thereby enhancing disaster prevention and response capabilities, reducing losses from disaster incidents, safeguarding Employee safety and health, and ensuring the normal operation of the workplace. 3. All electrical and voltage equipment, elevators, air conditioning systems, official vehicles, fire safety equipment, and other critical facilities are subject to regular and ad hoc inspections and maintenance by external professionals or organizations. 4. Establish occupational safety and health regulations to prevent occupational hazards, safeguard Employee safety and health, ensure the proper functioning of the workplace, and thereby achieve the objective of sustainable corporate operations. 5. Professional occupational safety personnel, including Category B occupational safety and health supervisors, first aid personnel, and fire prevention managers, are provided with regular training and retraining. This ensures the ongoing enhancement of workplace environmental safety and health management, thereby maintaining a safe and healthy working environment.
Internal Announcement	For various special or unforeseen operations or projects, all Employee will be notified of relevant precautions and preventive measures via internal e-mail and postings on bulletin boards, including electronic bulletin boards.
Installation of AED devices	Install an AED device in the security office to facilitate emergency rescue operations.

H. Personal Data Protection Policy and Implementation Status

- (A) A comprehensive personal data protection policy and corresponding procedures have been established.

To ensure the protection and management of personal data, the Company has established the "Personal Data Protection Policy" in accordance with the Personal Data Protection Act. This policy clearly delineates the principles, specific measures, and management guidelines for personal data protection. It applies to all Employees of the Company, outsourced vendors, third-party personnel, and all activities and services related to legal compliance and security management involving personal data, thereby comprehensively safeguarding the security of personal information.

- (B) Clear allocation of responsibilities for data management

Based on the nature of its business operations, the Company assigns data management responsibilities to the respective departments responsible for the collection, processing, and utilization of data, thereby enhancing accountability and ensuring effective data

management. Through departmental autonomy and adherence to internal policies and procedures, the Company ensures that all personal data is processed and managed in compliance with applicable regulations.

(C) Integration of Employee Personal Data Protection Awareness into System Design

At the time of onboarding new personnel, the labor contract explicitly stipulates provisions concerning personal data protection, confidential information, and confidentiality obligations. Furthermore, the Company's Personnel Management Regulations clearly specify that Employees are obligated to safeguard personal data and the Company's confidential information, thereby integrating personal data protection awareness into daily management processes.

(D) Implementation of the ISO 27001 Information Security Management System and attainment of certification

In 2024, the Company formally implemented and obtained certification for the ISO 27001 Information Security Management System. During this process, the Company established various information security management policies and systems, thereby enhancing its information security and privacy protection capabilities from both a systemic and risk management perspective. The Company exercises strict control over trade secrets and undisclosed confidential information to safeguard the Equity of customers, Shareholders, suppliers, and Employees.

(E) Continue to advance education and training initiatives to strengthen awareness of protection.

In 2024, the Company conducted two "Information Security and Data Protection" training sessions, with a cumulative attendance of 51 participants and a total of 51 training hours, achieving a participation rate of 95%. Through these training programs, employees' awareness and practical competencies in information security and personal data protection were strengthened.

I. In the most recent year and up to the date of publication of the annual report, the company has not incurred any losses arising from labor disputes. The estimated amounts that may currently or in the future arise, as well as the corresponding response measures, are disclosed; if a reasonable estimate cannot be made, an Explanation of the inability to make such an estimate shall be provided: None.

6. Information and Communication Security Management

To strengthen the risk management of information and communication security, an Information and Communication Security Task Force has been established, an information and communication security risk management framework has been implemented, information and communication security policies and specific management plans have been formulated, and resources have been allocated to information and communication security management. In addition, information and communication security policies are reviewed periodically to ensure the effectiveness of information and communication security.

(1) Information and Communication Security Risk Management Framework

The Information and Communication Security Implementation Team conducts regular reviews of information and communication security management policies and related procedures. All unit members strictly adhere to and implement these procedures in accordance with applicable

regulations. Routine inspections of firewalls, network equipment, servers, and other devices are carried out during daily operations to promptly identify and address any issues. Information and communication security risk assessments are performed in coordination with audit units to ensure the accuracy and effectiveness of operations. In the event of errors, vulnerabilities, or risks, immediate corrective actions are undertaken to establish a continuous improvement management cycle for information and communication security.

The Company has disclosed on the Market Observation Post System that the Chief Information Security Officer is Huang ○○ and the information security personnel is Hsu ○○. The Company conducts an annual review of its information security strategy at the end of each year and reports the results to the Board of Directors. The most recent report was dated 2025/01/21.

(2) Information and Communications Security Policy

A. Purpose

This policy is established to strengthen the risk management of information and communications security and to ensure the security of data, systems, equipment, and networks.

B. Information and Communication Security Objectives

Ensure the accuracy, availability, integrity, and confidentiality of the Company's information and communications operations. Prevent threats arising from both internal and external information security incidents. In the event of an incident, respond promptly to restore normal operations as quickly as possible and minimize any resulting damage.

C. Information and Communication Security Management Measures

Establish an information and communications security task force, formulate information and communications security policies and specific management plans, and implement the information and communications security operational cycle to ensure information and communications security.

(A) Enhance information security and reinforce ISO 27001 service quality

Through the comprehensive implementation of the ISMS by all employees, all information operations-related measures are required to ensure the confidentiality, integrity, and availability of business data, thereby safeguarding it against risks such as leakage, destruction, or loss arising from external threats or improper internal management. Appropriate protective measures are selected to reduce risks to an acceptable level, with continuous monitoring, review, and auditing of the information security system conducted to strengthen service quality and enhance service standards. The Company implemented the ISO 27001 Information Security Management System in year 2024 and obtained ISO 27001 certification. The current certificate is valid from 2024/11/21 to 2027/11/20. Through the adoption of the ISO 27001 Information Security Management System, the Company has enhanced its ability to respond to information security incidents and to protect the Assets of both the Company and its customers.

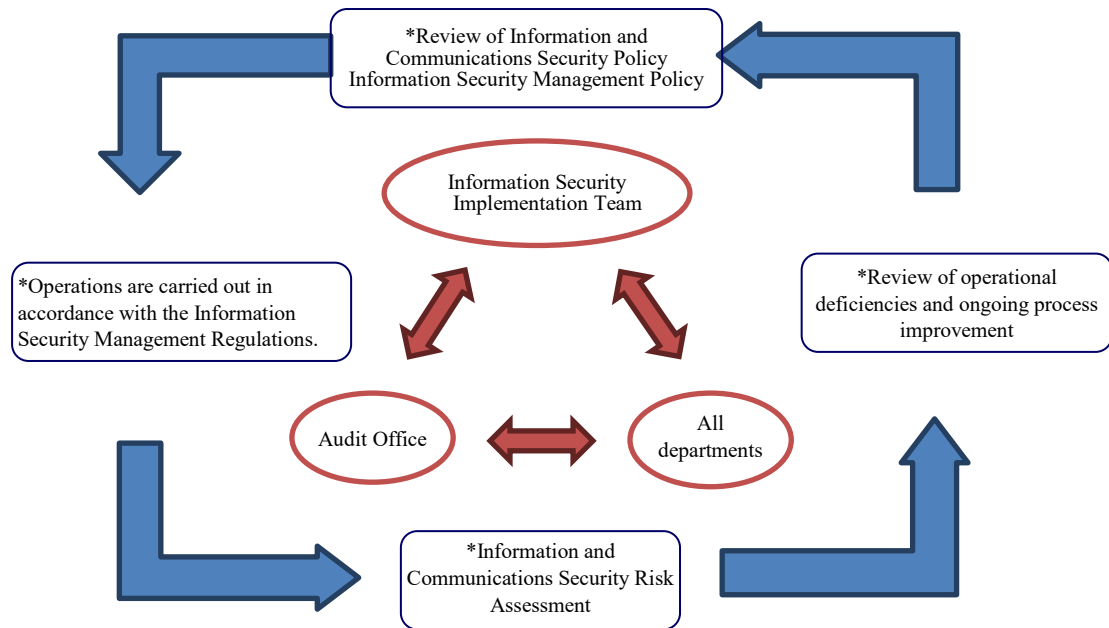
(B) Strengthen information security training to ensure business continuity

Oversee all employees to ensure the effective implementation of information security management, conduct appropriate information security education and training annually, and instill the concept that information security is the responsibility of every individual. This approach enhances employees' understanding of the importance of information

security and promotes compliance with relevant regulations, thereby strengthening information security awareness and emergency response capabilities, reducing information security risks, and supporting the achievement of continuous operations.

(C) Immediate Emergency Response and Swift Disaster Recovery

Establish emergency response plans and disaster recovery plans for significant information Assets and critical business operations, and conduct regular drills of all emergency response procedures to ensure that, in the event of information system failures or major disasters, rapid recovery can be achieved, the continuous operation of critical business functions is maintained, and losses are minimized.



D. Review and Amendment

This policy shall take effect upon approval by the Group General Manager. Any amendments shall be subject to the same approval procedure.

(3) Detailed Management Plan

- A. Considering that cyber insurance is still an emerging type of insurance and that the Company's current cybersecurity risk management measures are effective in safeguarding information security, the Cybersecurity Implementation Task Force has evaluated and determined that cyber insurance will not be purchased at this time.

B. The Company's information and communication security management plan is categorized based on the timing of information and communication security incidents and is divided into preventive measures, daily operational maintenance, and incident response. The details of the specific management plan are as follows:

Category	Explanation	Content
Prevention of external intrusions	Install firewall and antivirus software.	Set up a network firewall Antivirus software is installed on servers and computer hosts, with automatic updates of virus definitions. Perform weekly antivirus software scans on computers.
Data Leakage Prevention	Account and Access Rights Management	User Account Review and Management Perform regular audits of system access permissions.
Maintenance of routine operations	Data Backup and Related Verification	Data backup, heterogeneous backup, and off-site storage are implemented according to the nature of the data, with regular data restoration tests conducted. Daily server host inspections and system tests Regular computerized audits
Information Security Incident Management	Disaster Recovery Plan	Establish a disaster recovery plan Conduct regular simulation drills in the absence of actual incidents. Prepare a post-incident disaster recovery plan execution report for evaluation and enhancement.

(4) Resources Invested in Information and Communication Security Management

- A. The firewall protection subscription was renewed before its expiration date.
- B. The subscription for the endpoint antivirus system was renewed before its expiration date.
- C. Conduct periodic reviews of operational system access rights settings.
- D. Perform the computer verification.
- E. Completed three information security awareness sessions.
- F. Summary of Investment Expenditures

Year 2024 Contents	Chinsan, Taiwan (NTD)	Guangzhou Kingtachi and King Nichi Guangzhou (CNY)	Chinsan, Thailand (THB)
Wi-Fi equipment	472,500	47,300	N/A
Firewall equipment	72,030	33,000	139,500
Antivirus software	23,100	40,950	37,375
Surveillance Equipment	N/A	140,989	99,000
SPAM	43,575	N/A	N/A
Microsoft Software Licenses (Windows, Office)	N/A	1,510,111	203,370
Backup software	54,600	N/A	N/A
Total	665,805	1,772,350	479,245

7. Significant Contracts:

Nature of the contract	Relevant Party	Contract commencement and expiration dates	Main Content	Restriction Clauses
Medium-term and long-term loans	Bank SinoPac	2025/01-2027/01	Medium-term working capital	In accordance with contractual obligations
Medium-term and long-term loans	Hua Nan Bank	2024/11-2025/11	Medium-term working capital	In accordance with contractual obligations
Medium-term and long-term loans	Fubon Bank	2023/06-2025/05	Medium-term working capital	In accordance with contractual obligations
Medium-term and long-term loans	Entie Commercial Bank	2023/11-2025/11	Medium-term working capital	In accordance with contractual obligations
Medium-term and long-term loans	KGI Bank	2024/02-2027/02	Medium-term working capital	In accordance with contractual obligations

Five. Review and Analysis of Financial Position, Financial Performance, and Risk Factors

1. Financial Position

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents \ Year	Year 2024	Year 2023	Increase (decrease) in amounts	Percentage change
Current liabilities:	5,321,755	4,619,739	702,016	15.20
Non-current assets	3,612,332	3,504,489	107,843	3.08
Total Assets	8,934,087	8,124,228	809,859	9.97
Current liabilities	3,616,996	2,768,447	848,549	30.65
Non-current liabilities	1,178,156	1,447,831	(269,675)	(18.63)
Total Liabilities	4,795,152	4,216,278	578,874	13.73
Ordinary share	1,294,625	1,294,625	0	0.00
Capital surplus	1,230,685	1,321,309	(90,624)	(6.86)
Retained earnings	1,559,948	1,550,765	9,183	0.59
Other Equity	(22,233)	(321,318)	299,085	(93.08)
Non-controlling Interests	75,910	62,569	13,341	21.32
Total Equity	4,138,935	3,907,950	230,985	5.91
<p>(1) Major reasons for and effects of significant changes in Assets, Liabilities, and Equity over the past two years (where the percentage change exceeds 20% and the amount of change exceeds NT\$10 million):</p> <p>A. Current liabilities: Mainly due to increases in notes payable, accounts payable, and borrowings.</p> <p>B. Other Equity: Primarily attributable to the increase in exchange differences resulting from the translation of financial statements of foreign operations.</p> <p>C. Non-controlling Equity: Primarily attributable to the increase in exchange differences arising from the translation of financial statements of foreign operations attributable to non-controlling Equity.</p> <p>(2) Future response plans for Contents with material changes:</p> <p>The overall performance of the Company does not exhibit any material irregularities; therefore, it is not necessary to develop a response plan.</p>				

2. Financial Performance

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents	Year 2024	Year 2023	Increase (decrease) in amounts	Percentage change
Net sales revenue	3,430,181	3,193,488	236,693	7.41
Operating costs	2,755,627	2,639,930	115,697	4.38
Gross profit from operations	674,554	553,558	120,996	21.86
Operating expenses	534,387	509,162	25,225	4.95
Operating profit	140,167	44,396	95,771	215.72
Non-operating income and expenses	(2,968)	88,034	(91,002)	(103.37)
Profit from continuing operations before tax	137,199	132,430	4,769	3.60
Income tax expense	59,108	41,209	17,899	43.43
Profit after tax	78,091	91,221	(13,130)	(14.39)
Other comprehensive income	299,044	(26,211)	325,255	(1,240.91)
Total Comprehensive Income	377,135	65,010	312,125	480.12

- (1) The main reasons for significant changes in Operating Revenues, operating profit, and profit before tax over the past two years (where the amount of change exceeds 10% and the change amount reaches 1% of total Assets for the year) are as follows:
- A. Gross profit from operations: Increased due to higher revenue compared to the same period in the prior year.
 - B. Operating profit: Due to increases in both revenue and gross profit from operations for the full year compared to the same period of the previous year, operating profit also increased year over year.
 - C. Non-operating income and expenses: The main reason is that losses on financial Assets measured at fair value through profit or loss increased compared to the same period of the previous year, resulting in a decrease in non-operating income for the current year relative to the same period of the previous year.
 - D. Other comprehensive income: Primarily attributable to an increase in exchange differences arising from the translation of financial statements of foreign operations compared to the same period in the prior year.
 - E. Total comprehensive income: Primarily attributable to an increase in exchange differences arising from the translation of financial statements of foreign operations compared to the same period in the prior year.
- (2) Expected sales volume and its underlying assumptions, potential impact on the company's future financial and business operations, and corresponding response plan:
The Company does not publicly disclose financial forecasts; therefore, the expected sales volume will not be disclosed.

3. Cash Flows

(1) Explanation and Analysis of Changes in Cash Flows for the Most Recent Year (year 2024)

Unit: Thousands of New Taiwan Dollars (NT\$)

Contents	Year 2024	Year 2023	Increase (Decrease) in Amount
Cash flows from (used in) operating activities	223,743	700,657	(476,914)
Cash flows from (used in) investing activities	(523,527)	(449,923)	(73,604)
Cash flows from financing activities	73,140	(274,766)	347,906
Analysis of Changes in Amounts:			
A. Operating activities: Mainly due to an increase in Inventories.			
B. Investing activities: Primarily attributable to the increase in the acquisition of financial Assets measured at amortized cost.			
C. Financing activities: Mainly due to the decrease resulting from the redemption of corporate bonds.			

(2) Plan for improvement of insufficient liquidity: Not applicable.

(3) Cash Liquidity Analysis for the Next Year (Year 2025) (Individual)

Unit: Thousands of New Taiwan Dollars (NT\$)

Cash and cash equivalents at the beginning of the period (1)	Projected net cash flows from operating activities for the year (2)	Projected total cash outflows for the year (3)	Projected net cash surplus (deficiency) (1) + (2) - (3)	Remedial measures for projected cash deficiency	
				Investment Plan	Financing Plan
986,986	346,720	388,194	945,512	—	—
A. Analysis of Cash Flow Changes for the Coming Year:					
(A) Operating activities: Net cash flows from operating activities for the year 2024 are estimated to be NT\$346,720 thousand, representing the projected cash inflows from operations after deducting related operating expenses.					
(B) Investing activities: Mainly comprised the acquisition of property, plant and equipment in the amount of \$50,000 thousand and a capital injection of \$264,000 thousand in Thailand through an overseas company. Disposal of financial assets at fair value through profit or loss amounted to \$120,000 thousand.					
(C) Financing activities: Primarily consisted of cash dividends distributed from earnings in the amount of NT\$181,248 thousand and cash distributions from capital surplus totaling NT\$12,946 thousand.					
B. Remedial measures for anticipated cash shortfalls and liquidity analysis: None.					

4. Impact of Major Capital Expenditures in the Most Recent Year (2024) on Financial and Business Operations:

The Company's major capital expenditure for the year 2024 amounted to NT\$175,876 thousand, primarily for the acquisition of land and equipment. This expenditure is focused on future investment returns and does not have a material impact on the Company's financial position or business operations.

5. Investment policies for the most recent year, principal reasons for profits or losses, improvement plans, and investment plans for the coming year:

Unit: Thousands of New Taiwan Dollars (NT\$)

Explanation Contents	Investment income from associates and joint ventures recognized in the year 2024	Principal Business Activities	Primary factors contributing to profit or loss	Improve ment Plan	Future Investment Projects
Chinsan (Cayman) Enterprise Co., Ltd.	162,406	Aluminum capacitor trading and investment activities	Primarily attributable to the recognition of the current period profit or loss of investee companies accounted for using the equity method.	None	Capital increase of the Thai subsidiary
Royal Cheng Investment Co., Ltd.	6	General investment operations	Mainly due to the recognition of interest income.	None	None
Sustainable Development Co., Ltd.	(16,631)	Waste Management Industry	Currently in the trial operation stage.	None	None

6. Analysis and Assessment of Risk Factors for the Most Recent Year and up to the Date of Publication of the Annual Report:

(1) Impact of changes in interest rates, exchange rates, and inflation on the Company's profit or loss and future response measures.

Unit: NT\$ thousand; %

Contents	Year 2024
Net interest income (expense)	3,855
Net exchange gains (losses)	33,200
Ratio of net interest income (expense) to net operating revenue	0.11%
Net interest income to profit before tax ratio	2.81%
Net exchange gains (losses) as a percentage of net sales revenue	0.97%
Net exchange gains (losses) as a percentage of profit before tax	24.20%

A. Effects of Changes in Interest Rates:

The Company obtains borrowings as required for operational needs. Due to its strong financial position, the Company is able to negotiate more favorable interest rates with banks when arranging borrowings. In the future, the Company will continue to generate cash flows from operating activities and investment income to reduce bank liabilities.

B. Effects of Exchange Rate Fluctuations:

The Group's foreign exchange risk primarily arises from operating activities, where the currency of income or expenses differs from the Group's functional currency, as well as from net investments in foreign operations. As the Company is predominantly export-oriented and holds a relatively high level of foreign currency Assets, any significant and adverse fluctuations in international exchange rates may negatively affect the Company's financial position. To mitigate this risk, the Company endeavors to offset Assets and liabilities to the greatest extent possible, thereby reducing net exposure to exchange rate fluctuations. When providing quotations to customers, the Company considers the potential impact of exchange rate movements and adopts a prudent and conservative exchange rate as the basis for quotations, thus minimizing the effect of exchange rate fluctuations on the profitability of confirmed orders. The Company will continue to adhere to this risk management approach in the future.

C. Impact of Inflation:

Over the past year, inflation has had a limited impact on the Company's operating costs. The Company has continued to focus on the development of niche products, made timely adjustments to product pricing, strengthened collaboration with key suppliers, developed and integrated materials, and reduced production costs. These business strategies have effectively mitigated risks associated with inflation.

(2) Policies regarding high-risk and high-leverage investments, lending of funds to others, provision of endorsements and guarantees, and derivative transactions; principal reasons for profits or losses; and future response measures:

A. During the year, the Group did not engage in any high-risk or highly leveraged investments. All investments were executed following thorough evaluation.

B. In 2024, all loans to others and endorsements and guarantees provided by the Group were made to its investee subsidiaries and were conducted in accordance with the Group's "Procedures for Lending Funds to Others" and "Procedures for Endorsements and Guarantees."

C. The Group did not conduct any forward foreign exchange transactions during the year.

(3) Future research and development plans and estimated research and development expenditures to be invested:

A. Future Research and Development

(A) Development of solid and liquid aluminum capacitors for high-temperature applications at 135°C

(B) Solid-state high temperature 125°C/4,000-hour development

(C) Development of solid-state 100–160V

(D) Development of Liquid Cooling Application Products

(E) Development of liquid capacitors rated at 105°C/600V

(F) Development of long-life, medium-to-high voltage-resistant liquid-type pin terminal capacitors for high-temperature applications up to 135°C (continued)

(G) Development of Solid-State and Solid-Liquid Vehicle Application Specifications (continued)

(H) Development of Liquid-Type High-Temperature 150°C Leaded Low-Voltage Capacitors (continued)

B. Estimated Research and Development Expenditures:

In 2024, the Company plans to invest NT\$50 million to NT\$70 million in research and development expenses for new product development.

(4) Impact of major domestic and international policy and legal changes on the company's financial operations and corresponding response measures:

All business activities of the Company are conducted in compliance with the regulations promulgated by the competent authorities. During the most recent year and up to the date of publication of the annual report, significant changes in domestic and international policies and laws have not had a material impact on the Company's financial position or operations.

(5) Impact of technological changes (including information and communication security risks) and industry developments on the company's financial and business operations, and corresponding response measures:

A. Rapid technological advancements and swift changes within the industry have subjected the Company to various challenges, including price competition among peers, continual product innovation, and customers' demands for prompt delivery. In response to these factors, the Company will actively develop high value-added products, reduce sales of products with low Gross Profit Margin, and strengthen cost control measures to lower costs and reduce inventory

levels. With respect to sales, the Company will provide satisfactory services to customers and enhance profitability.

B. In addition to independently developing key technologies, King Shan actively incorporates new technologies and materials. All new product development undergoes thorough validation in accordance with established product development procedures, and products are officially launched only after confirming that their safety and characteristics comply with design specifications.

C. Incorporate AI concepts to enhance production automation.

D. The Company continues to invest in advanced information security equipment and has implemented comprehensive information security and data protection measures.

(6) Impact of Changes in Corporate Image on Corporate Crisis Management and Corresponding Response Measures:

The Company has been established for over 50 years and has consistently maintained a sound corporate image by adhering to the principles of fairness, honesty, integrity, and transparency in its operations. There have been no significant changes that have resulted in a management crisis for the Company.

(7) Expected benefits, potential risks, and mitigation measures related to the merger and acquisition:

During the most recent year and up to the date of publication of the annual report, the Company has not engaged in any merger or acquisition activities; therefore, this is not applicable.

(8) Expected benefits, potential risks, and corresponding mitigation measures of plant expansion:

Although the expansion of the plant involves risks such as capital raising, technology acquisition, talent development, and market fluctuations, all plant expansions by the Company undergo thorough and prudent evaluations by dedicated departments, with full consideration given to investment returns and potential risks.

(9) Risks associated with concentration of purchases or sales and corresponding countermeasures: The Company has achieved sufficient diversification in both purchases and sales; therefore, there are no risks arising from concentration of purchases or sales.

(10) The impact, risks, and countermeasures for the Company resulting from significant transfers or changes in equity holdings by Directors, Supervisors, or Shareholders holding more than 10% of the shares: None.

(11) Impact, risks, and countermeasures related to changes in control of the Company: During the most recent year and up to the date of publication of the annual report, as the Company's shareholding remains concentrated, there have been no changes in control.

(12) Litigation or non-litigation matters: None.

(13) Other significant risks and corresponding mitigation measures: None.

7. Other Significant Matters: None.

Six. Special Disclosures

1. Information on Related Parties

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

Index Path: Market Observation Post System > Single Company > Electronic Document Download > Related Party Disclosure Forms Section

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. For the most recent year and up to the date of publication of the annual report, there were no private placements of securities. Accordingly, there is nothing to disclose regarding the date and amount approved by the Shareholders' Meeting or the Board of Directors, the basis and reasonableness for price determination, the method for selecting specific persons, or the necessary reasons for conducting the private placement: None.
3. Other Necessary Supplementary Explanation Matters: None.
4. During the most recent year and up to the date of publication of the annual report, there have been no events as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have had a material impact on Shareholder Equity or the price of securities: None.

TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD.

Person In Charge: CHIANG, SHIH-HSIN

**Company's Address: 2F., No.1, Aly. 11, Ln. 68, Sec. 1, Guangfu Rd., Sanchong
Dist., New Taipei City**

Tel: (02)2995-0535

Fax: (02)2995-0202