

Stock Symbol: 8027



**鈦昇科技股份有限公司**

**E&R ENGINEERING CORPORATION**

# **2024 Annual Report**

Annual report query website: [http : //mops.twse.com.tw](http://mops.twse.com.tw)

Publication Date: April 30, 2025

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Part 5. The name of the trading venue for the listing and trading of overseas securities and the method for inquiring about the information of the overseas securities: Not applicable.

Part 6. The company website: <http://www.enr.com.tw>

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## One. Report to Shareholders

### E&R Engineering Corporation 2024 Annual Business Report

Hello shareholders:

First of all, I would like to thank all shareholders for your long-term support and encouragement to the company. Here is a brief report on the operating result in 2024 and the business plan for 2025:

#### I. Operating Results in 2024

##### (I) Business Plan Implementation Results

In recent years, the Group has upheld its core competencies in laser and plasma technologies, establishing a leading position in the IC packaging and testing industry. Building on this foundation, we have expanded into more advanced applications of laser and plasma technologies. Beyond developing high-end equipment for wafer-level packaging (WLP) and system-in-package (SiP) processes, we have leveraged these advanced technologies to enter the fields of high-end semiconductor packaging and advanced manufacturing processes. From a macroeconomic perspective, 2024 continues to be marked by uncertainties across global economies. The only certainty remains the persistently elevated inflationary pressure. Rapid changes in geopolitical conditions—including the prolonged Russia-Ukraine conflict and a new wave of warfare in the Middle East in 2024—have contributed to ongoing global instability. These factors have dampened investment sentiment within the electronics industry, leading to significant losses and widespread layoffs across upstream, midstream, and downstream segments of the electronics supply chain. Despite these challenges, the AI industry has stood out as a major driver of global economic growth in 2024. According to a report by Precedence Research, the global AI economy reached USD 638.2 billion in 2024, reflecting an 18.6% growth compared to 2023, and it continues to grow steadily. Over the past few years, the Group has invested substantial resources into the development of advanced technologies and equipment in response to geopolitical shifts and cyclical market changes. We have also actively explored AI-related applications and positioned ourselves as a technological pioneer, forming strategic alliances with industry leaders to create business development platforms for emerging markets. These efforts aim to secure our role in shaping the direction of next-generation technologies. In summary, the Group's consolidated operating revenue in 2024 was NT\$1,644,908 thousand, representing an approximate 6.17% increase compared to NT\$1,549,374 thousand in 2023. However, the net loss attributable to the parent company for the year was NT\$51,125 thousand, with a loss per share of NT\$0.51.

##### (II) Budget execution:

The budget prepared by the Company is for the purpose of internal operation and management, and no financial forecast has been announced.

##### (III) Financial Income and Expenditure and Profitability Analysis of the Company:

Unit: NTD thousand			
Item		2024	2023
Financial income and expenditure	Operating income	1,644,908	1,549,374
	Operating profit	597,644	614,281
	Net profit (loss) after tax	(58,859)	23,575
Profitability	Return on Assets (%)	(0.92)	0.83

	Return on Equity (%)	(2.27)	0.95
	Operating (loss) profit to paid-in capital ratio (%)	(10.97)	1.71
	Profit (loss) Before tax to paid-in capital ratio (%)	(4.92)	3.89
	Earnings per share	(0.51)	0.32

(IV) Research and Development Status:

Unit: NTD thousand

Item	2024	2023
R&D expenses	252,464	207,420
Operating revenue	1,644,908	1,549,374
Ratio (%)	15	13

The Group remains committed to the continuous development of semiconductor manufacturing equipment. With years of dedicated expertise in laser marking, laser micromachining, and plasma-based micromachining, our technologies have consistently earned the trust and adoption of leading clients. In recent years, we have strategically focused our R&D efforts on the following key areas:

1. Laser Modification for Glass Substrates
2. Glass Substrate Drilling Inspection Equipment
3. Glass Substrate Bonding and Dicing Equipment
4. Wafer-Level Plasma Dicing
5. Advanced Process Inspection and Analysis
6. ABF Substrate Cutting and Drilling Applications

In response to these emerging technologies, the Group continues to strengthen its R&D organization by cultivating a robust talent pool with deep specialization. This ensures sustained momentum for breakthroughs in laser and plasma processing as well as next-generation inspection solutions. Our new technology developments have now reached the forefront of the global industry. Both our laser and plasma equipment systems have been certified by major clients and adopted into next-generation high-performance computing (HPC) chip production lines. These achievements are expected to contribute significantly to future revenue growth. In addition, the Group continues to respond to diverse customer demands by integrating laser and plasma technologies through a diversified business strategy. We are actively establishing a plasma dicing contract manufacturing service, while simultaneously promoting industrial and product diversification. These efforts are aimed at driving business expansion and enhancing gross profit margins.

## II. 2025 Outline of Business Plan

### (I) Guideline for Management

The Company operates with the business philosophy of integrity and pragmatism, sustainable operation, continuous innovation, profit sharing, and maximizing the value of shareholders and employees. In addition, the Company also actively expands into emerging markets, actively improves quality, and actively strengthens the improvement of quality and enhances customer satisfaction with the policy of breakthrough and value creation, to achieve the goal of an outstanding enterprise.

### (II) Expected Quantity of Sales and the Basis

Sales volumes are determined based on market demand conditions and development trends, customer business performance, and the Group's current order status, with due consideration of our production capacity. In 2024, under the AI-driven momentum within the semiconductor industry,

demand for high-end technologies continues to lead the market. This trend is driving the overall electronics sector to withstand the downturn of traditional industries and the uncertainties of global economic development. As a result, investments in advanced semiconductor equipment have continued to grow, further expanding the market for advanced process technologies. While demand in the automotive electronics sector has slightly eased in 2024 and the competitive saturation in the China market remains unresolved in the short term—leading to some stagnation in growth—the overall trend remains optimistic. In 2025, although AI and emerging technologies are expected to reach new demand peaks, challenges stemming from geopolitical tensions and tariffs brought about by power struggles among major countries persist. Despite gradual recovery in the economic cycle, geopolitical risks continue to present formidable challenges. The Group has successfully completed the development of several new technology projects and began expanding into new markets starting in 2024, with planned objectives being progressively realized. We continue to develop next-generation high-speed laser application modules aimed at mass production of high-end glass substrate materials, and are further exploring dual-process technologies within the substrate industry chain. In terms of panel-level packaging equipment, the Group remains committed to R&D investments, providing multi-station plasma and laser systems as part of comprehensive turnkey production lines, while actively expanding our customer base. Furthermore, in recent years, the Group has brought in numerous PhD-level experts from both domestic and international backgrounds to strengthen our R&D capabilities and advance high-precision laser micro-processing technologies for semiconductor packaging and testing. We have secured a significant number of patents, integrating laser and plasma technologies to deliver complete, customized solutions for our clients. These innovations are expected to fuel further development across key application areas including 5G, Micro LED, advanced glass interposers, high-performance computing, and electric vehicles.

### (III) Important Production and Marketing Policy

1. In terms of marketing and research development, the Group holds a leading position in mass production technologies for next-generation glass substrate applications. This year, our marketing efforts have focused not only on promoting the formation of a glass substrate industry alliance but also on actively expanding our customer base in this field. With regard to advanced panel-level packaging technologies, the Group continues to position itself as a premier technology partner, moving forward in close alignment with our clients' evolving needs. In response to Japan's renewed investment in the semiconductor market, the Group began expanding its business presence in Japan starting in 2024, targeting new customer segments.
2. On the production front, the Group continues to advance its capabilities in precision laser microprocessing and plasma surface treatment technologies, while also dedicating efforts to the development of new products. This year, the Group has expanded its manufacturing footprint with the addition of a new facility in Nantong, Jiangsu. This move not only strengthens procurement confidence among customers in mainland China, but also enhances the Group's brand competitiveness. Furthermore, it helps reduce rising production costs and delivers manufacturing advantages to our customers, thereby improving overall product competitiveness.

### III. Future Development Strategy

- (I) Stay attuned to market trends and actively engage in joint development efforts with potential clients for next-generation technologies and products. In addition to enhancing existing R&D capabilities, the Company aims to align with customers' future needs and accelerate their product development cycles by offering early-stage technical collaboration.
- (II) Expand into new regional markets by establishing appropriate international sales channels and a robust distributor support system. By closely collaborating with trade partners and delivering timely, localized solutions, the Company aims to increase market share and scale up its presence in the global market..

- (III) Talents expand the channels of talent network by establishing education cooperation, participating in high-level talent training programs, and applying for alternative service. In addition, the Company also strengthens the professional training of talents and closely communicates with research institutions and academic institutions.
- (IV) Continuous research and development to improve production technology and reduce costs, based on the company's existing scale, research and development of diversified and high-margin products, and extend the core field to different industries and continue to develop new equipment to maintain the leading edge of the competition.
- (V) In response to the needs of the Company's future development, it will make full use of the capital market to reduce capital costs and maximize capital utilization efficiency.
- (VI) To support the Group's expansion needs, construction of the new facility at the Qiaotou Science Park broke ground in 2024, and the Jiangsu Nantong plant commenced operations in mid-2024. These facilities provide additional capacity for future production scale-up, particularly for the assembly and manufacturing of high-end products. Additionally, the new plants support the launch of new plasma processing services, contributing to greater diversification in the Group's operations.

#### IV. Influenced by the external competitive, regulatory, and general economic environment

- (I) Important domestic and foreign policy and legal changes in recent years have not had a significant impact on the Company's financial business, and relevant information will be obtained at any time in the future, and necessary countermeasures will be promptly developed to meet the Group's operational needs.
- (II) In response to the rapid changes in the industrial landscape, the Group has benefited significantly from government-supported technology initiatives and the A+ Program. These resources have enabled us to attract top talent, drive R&D and innovation, and pursue internal organizational transformation. Through training and structural enhancement, we have cultivated a highly creative R&D management team, strengthening our core competitiveness. At the same time, we are proactively developing high-potential products to expand our revenue base and enhance profitability.
- (III) With the advent of the high-speed transmission era, next-generation glass substrates and panel-level packaging have significantly increased the demand for laser and plasma technologies within the semiconductor industry. As heterogeneous integration becomes more complex, laser and plasma processes are expected to become core technologies and indispensable components in next-generation semiconductor equipment. In response to this trend, the Group has spent recent years developing a diversified portfolio of technologies and is now fully equipped with a complete suite of application-ready products. Beyond core processing equipment, we have also established strong capabilities in industry integration.
- (IV) Continue to build a more complete information security system.
- (V) The frequency of extreme climates around the world has seriously impacted human life and business operations. Climate change will also bring transformational risks, such as changes in regulations, market changes, and new technology needs. The Group continues to develop ESG sustainable operations, and is obliged to do so in terms of environmental protection, social responsibility and corporate governance.

I sincerely hope that all shareholders will continue to give E&R Engineering Corp. support and encouragement, and continue to give E&R enthusiastic and sincere advice. Finally, E&R Engineering Corp. would like to wish all shareholders good health and good luck!

Chairman : Michel Wang



President : Eric Chang



Accounting Supervisor : Max Tsao





## Two. Corporate Governance Report

### I. Information on directors, supervisors, general managers, deputy general managers, assistant managers, heads of various departments and branches

#### (I) Director Information

##### 1. Director Information

April 22, 2024; Unit: Shares

Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) date	Term of Office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education)	Currently holding positions in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman	Republic of China	Michel Wang	Male 61~70 years old	2023.06.21	3 years	1994.10.24	2,697,811	4.13	4,200,334	3.87	—	—	822,956	0.78	Department of Mechanical Engineering, CYCU. Chairman of Yiwei Enterprise Company	Chairman and Chief Strategy Officer of the Company Director of E&R Semiconductor Materials Co., Ltd. Director of TECH-WAVE Industrial Co., Ltd.	—	—		
Vice Chairman	Republic of China	KS Chen	Male 71~80 years old	2023.06.21	3 years	1994.10.24	897,903	1.38	949,428	0.88	224,382	0.21	—	—	Department of Mechanical Engineering, FCU. General Manager of the Company. Philips Electronic Building Elements Industries (Taiwan) Ltd.	Vice Chairman and Chief Technology Officer of the Company Supervisor of TECH-WAVE Industrial Co., Ltd. Director of E&R Semiconductor Materials Co., Ltd. Legal representative of Wuxi E&R Semiconductor Materials Technology Co., Ltd. Legal representative of E&R (Dongguan) Semiconductor Materials Co., Ltd. Corporation Representative of Superior Technology Semiconductor Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) date	Term of Office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education)	Currently holding positions in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
Director	Republic of China	Eric Chang	Male 61~70 years old	2023.06.21	3 years	2002.06.21	798,620	1.22	1,059,661	0.98	11,664	0.01	—	—	Department of Industrial Engineering and Engineering Management, NTHU. Graduate Institute of Business Administration, NTU. Executive Vice President of the Company Manager of Baisha Electric Motor Co., Ltd.	President and CEO of the Company Chairman of Tech-Wave Industrial Co., Ltd. General Manager of E&R Semiconductor Materials Co., Ltd. Director of E&R (Dongguan) Semiconductor Materials Co., Ltd. Director of Wuxi E&R Semiconductor Materials Technology Co., Ltd. Director of Superior Technology Semiconductor Co., Ltd. Independent Director of Zen Voce Co., Ltd. Corporate Director Representative of ShyaWei Optonics Corporation	—	—	—	—
Corporate Director	Republic of China	Donghua Investment Co., Ltd.	—	2023.06.21	3 years	2017.06.20	1,484,431	2.27	769,650	0.71	—	—	—	—	—	—	—	—	—	—
		Representative: Ray Hou	Male 51~60 years old	2023.06.21		2020.06.18	—	—	—	—	4,422	0.00	—	—	Department of Accountancy and Graduate Institute of Finance, NCKU. Partner of Ernst & Young and Director of Kaohsiung Office Director of Hou Rongxian Accounting Firm. Head of Family Tree Co., Ltd.	Director of Hou Rongxian Accounting Firm. Head of Family Tree Co., Ltd. Representative. Corporation Representative Director of Jia Wei Lifestyle, Co., Ltd Independent Director of T.Y.C. Brother Industrial Co., LTD. Independent Director of JiYuan Packaging Holdings Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) date	Term of Office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education)	Currently holding positions in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
																Independent Director of Mospec Semiconductor Co., Ltd. Independent Director of United Fiber Optic Communication Co., Ltd.				
Director	Republic of China	Harry Huang	Male 51~60 years old	2023.06.21	3 years	2020.06.18	1,034,288	1.27	1,216,680	1.12	—	—	—	—	Department of Economics, NTU Business Associate of Fuhua Investment Trust Vice President of Business of Clone International Biotech Co., Ltd.	Chief Strategy and Investment Officer of the Company Director and CEO of Superior Technology Semiconductor Co., Ltd. Director of King Tech Vietnam CO., LTD. Director of King Tech Transmission Corp.	—	—	—	—
Director	Republic of China	Kuang shu Hsueh	Male 61~70 years old	2023.06.21	3 years	2020.06.18	444,657	0.55	447,333	0.41	116,110	0.11			Department of Electronics, KWIJC. Chairman of Chaoyue Chemical Co., Ltd.	Supervisor of Superior Technology Semiconductor Co., Ltd.	—	—	—	—
Independent Director	Republic of China	JF Lu	Male 61~70 years old	2020.06.18	3 years	2017.06.20	—	—	—	—	1,040	0.00	—	—	Department of Materials Science and Engineering, NTHU Director of Kaohsiung Plant, Philips Electronic Building Elements Industries (Taiwan) Ltd. Chief Quality Officer of Yageo Co., Ltd. and Head of Nanzi Branch.	N.A.	—	—	—	—
Independent Director	Republic of China	Alex Kao	Male 51~60 years old	2020.06.18	3 years	2020.06.18	—	—	—	—	—	—	—	—	Graduate Institute of Business Administration, NTU. Chairman of Sweepot Inc.	Chairman Of Sweepot Inc. Director of Armorx Global Technology Co., Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) date	Term of Office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education)	Currently holding positions in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Shares	Shareholding ratio	Job Title	
														Director of Excelliance Mos Co., Ltd. Director Of Chesen Electronics Co., Ltd. Partner of Yuwei Asset Management Co., Ltd. Chief Operating Officer of REC Technology Co., Ltd. Senior Associate of China Development Financial Holding Co., Ltd. Rock Records Co., Ltd. Shanghai Office Manager. Ford Lio Ho Motor Co., Ltd. Area Manager						
Independent Director	Republic of China	Eddy Peng (Note2)	Male 51~60 years old	2023.06.21	3 years	2023.06.21	—	—	—	—	—	—	—	—	Ph.D. candidate of Biological Science and Technology, NYCU Graduate of EMBA , NYCU Master of Biomedical Engineering,, NCKU	Vice President of Hermes-Epitek Corp. President of Hermes-Epitek (Shanghai) Corp. Chairman & President of Hermes Advanced Therapy Systems Corp. Representative of the Corporate Director of 3R Life Sciences, Ltd. Representative of the Corporate Director of Advesc Technology Inc. Chairman of Synaspire Corp. Chairman of Alliance Precision (Hefei) Inc. Chairman of Chemical Mechanical Planarization User Group Taiwan	—	—	—	—

Title	Nationality or place of registration	Name	Gender	Age	Election (inauguration) date	Term of Office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education)	Currently holding positions in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks
								Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
																	Director of CMP of Hermes-Epitek Corp.				

Note 1: Corporate shareholders should list the corporate shareholder's name and representative separately. If the individual is a representative of a corporate shareholder, the corporate shareholder's name should be specified. The table below (Table 1) should be completed accordingly.

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

Note 3: Specify the date of the initial appointment as a director or supervisor of the company. If there was any interruption, please provide an explanation.

Note 4: List experience relevant to the current position. If the individual has worked at an audit firm responsible for financial statement verification or a related enterprise during the specified period, specify the job title and duties undertaken.

Note 5: If the chairman of the board and the general manager (or an equivalent top executive) are the same person, spouses, or first-degree relatives, the reasons, justification, necessity, and corresponding measures (e.g., increasing the number of independent directors or ensuring that the majority of board members do not hold employee or managerial positions) should be provided.

2. Major shareholders of corporate shareholders:

April 14, 2025

Corporate shareholder name	Corporate shareholder's major shareholder
Donghua Investment Co., Ltd.	Kimi Lin(90%) 、 Michel Wang (10%)

3. If the major shareholder of corporate shareholder is a juristic person, its major shareholder:

April 14, 2025

Corporate shareholder's name	Corporate shareholder's major shareholder
—	—

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

Name	Condition	Professional qualifications and experience (Note 1)	Conditions of Independence (Note 2)	Number of Independent Directors of Other Public Companies
Michel Wang		The current chairman and chief strategy officer of the Company has extensive financial, business and technical expertise. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	0
KS Chen		The current vice chairman and chief technical officer of the Company has rich professional knowledge and experience in business and technology. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	0
Eric Chang		The current president of the Company has extensive professional knowledge and experience in finance, business and machinery. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	1
Ray Hou (Representative of Donghua Investment Co., Ltd.)		Director of Hou Rongxian Accounting Firm. Head of Family Tree Co., Ltd. Possess the professional qualifications of accountants and relevant practice experience. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	4

Name \ Condition	Professional qualifications and experience (Note 1)	Conditions of Independence (Note 2)	Number of Independent Directors of Other Public Companies
Harry Huang	The current vice president of the Company has extensive professional knowledge in finance and economics. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	0
Kuang shu Hsueh	He used to be the chairman of Chaoyue Chemical (stock) Co., Ltd., and has rich business experience. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	0
JF Lu	He is an independent director, member of the audit committee and remuneration committee of the Company. He was the quality officer of Yageo Co., Ltd. and the person in charge of the Nanzi branch. He has extensive business experience and has not been a person of any conditions defined in Article 30 of the Company Act.	1. Independence status that meets the requirements of the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" 2. Has not received any amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the last 2 years	0
Alex Kao	He is an independent director of the Company, the convener of the audit committee and a member of the remuneration committee. He is currently the chairman and general manager of Sweepot Inc. He has extensive financial and business knowledge and experience, and has not been a person of any conditions defined in Article 30 of the Company Act.		0
Eddy Peng	He is currently serving as an independent director, a member of the audit committee, and a member of the compensation committee for the Company. Additionally, he holds the positions of Vice President of Hermes-Epitek Corp., President of Hermes-Epitek (Shanghai) Corp., Chairman & President of Hermes Advanced Therapy Systems Corp., Chairman of Synaspire Corp., Chairman of Alliance Precision (Hefei) Inc. and Chairman of Chemical Mechanical Planarization User Group Taiwan. He possesses extensive knowledge and experience in business operations and do not have any circumstances as stipulated in Article 30 of the Company Act.		0
			0

Note 1: None of the directors of the Company is subject to any of the circumstances listed under Article 30 of the Company Act.

## 5. Board Diversity and Independence:

### (1) Diversity of the board of directors:

The board of directors of the Company should guide the Company's strategy, supervise the management level, and be responsible to the company and shareholders. All operations of its corporate governance system ensure that the board of directors exercises its functions and powers in accordance with laws, and the Company bylaws of association or the resolutions of the shareholders' meeting. The structure of the board of directors of the company is based on the company bylaws of association, development scale and actual operation, and the number of directors is set at 9.

The proportion of female directors on the Company's Board is currently less than one-third, primarily because the current term of the Board has not yet expired. The Company will actively seek qualified female candidates during the next Board election and will continue to promote gender diversity in order to gradually increase the proportion of women on the Board and achieve the goal of diversified governance.

The members of the board of directors of the Company, considering their professionalism and diversity, should generally possess the knowledge, skills and literacy necessary to perform their duties. The relevant implementation is as follows:

Director's Name	Diversity Core Item													
	Basic Conditions							Ability				Professional Background		
	Gender	Country of Citizenship	Concurrent Employees of the Company	Age			Years of Independent Directors	Management	Leadership	Industry experience	Financial Management	Technology	Financial Accounting	Business Marketing
				51~60	61~70	71~80								
Michel Wang	Male	Republic of China	✓		✓		-	✓	✓	✓	✓	✓		✓
KS Chen	Male	Republic of China	✓			✓	-	✓	✓	✓		✓		✓
Eric Chang	Male	Republic of China	✓		✓		-	✓	✓	✓	✓	✓	✓	✓
Ray Hou Representative of Donghua Investment Co., Ltd.	Male	Republic of China			✓		-	✓	✓		✓		✓	✓
Harry Huang	Male	Republic of China	✓	✓			-	✓			✓		✓	✓
Kuang shu Hsueh	Male	Republic of China			✓		-	✓	✓	✓				✓
JF Lu	Male	Republic of China			✓		6	✓	✓	✓		✓		✓



Alex Kao	Male	Republic of China		✓			3	✓	✓	✓	✓		✓	✓
Eddy Peng	Male	Republic of China		✓			1	✓	✓	✓		✓		✓

(2) Independence of the Board of Directors:

According to the Securities Exchange Act, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the number of directors, and the audit committee shall be composed of all independent directors. The Company is considering the Company's overall operating policy. The Company's board of directors consists of 9 directors. There are currently 3 independent directors, accounting for 30% of all directors. It has complied with the requirements for the number of independent directors and the proportion of the total number of directors. The board of directors of the Company guide the Company's strategy, supervise the management level, and be responsible to the company and shareholders. All operations of its corporate governance system ensure that the board of directors exercises its functions and powers in accordance with laws, and the company bylaws of association or the resolutions of the shareholders' meeting. The board of directors of the Company emphasizes the functions of independent operation and openness. Directors and independent directors are independent individuals. All the directors of the Company have no relationship within the spouse or second degree of kinship, which complies with Article 26-3, Paragraph 3 of the Securities Exchange Act. Independent exercise of functions and powers, please refer to this annual report II, (I). 1, and 4, for the statement of director independence. Explanation on the disclosure of information on the professional qualifications of directors and the independence of independent directors.

## (II) President, vice president, senior manager, supervisors of various departments and branches

April 22, 2024; Unit: Shares

Job Title	Country of Citizenship	Name	Gender	Inauguration date	Shares Held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
President	Republic of China	Eric Chang	Male	1998.08	1,059,661	1.00	11,664	0.01	—	—	Department of Industrial Engineering and Engineering Management, NTHU. Graduate Institute of Business Administration, NTU. Executive Vice President of the Company. Manager of Baisha Electric Motor Co., Ltd.	Director of the Company Chairman of Tech-Wave Industrial Co., Ltd. General Manager of E&R Semiconductor Materials Co., Ltd. Director of E&R(Dongguan) Semiconductor Materials Co., Ltd. Director of Wuxi E&R Semiconductor Materials Technology Co., Ltd. Director of Superior Technology Semiconductor Co., Ltd. Independent Director of Zen Voce Co., Ltd. Representative of a Corporate Director of Shyawei Optronics Corporation.	N.A.	N.A.	N.A.	—
Chief Technology Officer	Republic of China	KS Chen	Male	1997.12	949,428	0.90	224,382	0.21	—	—	Department of Mechanical Engineering, FCU. President of the Company. Philips Electronic Building Elements Industries (Taiwan) Ltd.	Vice Chairman and Chief Technology Officer of the Company Supervisor of Tech-Wave Industrial CO., LTD. Director of E&R Semiconductor Materials Co., Ltd. Legal representative of Wuxi E&R Semiconductor Material Technology Co., Ltd. Legal representative of	N.A.	N.A.	N.A.	—

Job Title	Country of Citizenship	Name	Gender	Inauguration date	Shares Held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
												E&R (Dongguan )Semiconductor Materials Co., Ltd. Legal representative of Superior Technology Semiconductor Co., Ltd.				
COO	Republic of China	Vic Chao	Male	1995.11	458,104	0.43	6,121	0.01	—	—	Department of Mechanical Engineering, National Taiwan University of Science and Technology Master of the Industrial Engineering the University of Alabama Sales Specialist, King-fong (Taiwan)	N.A.	N.A.	N.A.	N.A.	—
R&D Dept Vice President	Republic of China	Martin Yeh	Male	2021.01	24,500	0.02	—	—	—	—	Ph.D., Department of Atomic Science, NTHU. R&D Associate Manager of Shih Her Technologies Inc.	N.A.	N.A.	N.A.	N.A.	
R&D Dept Vice President	Republic of China	Robert Chu	Male	2016.01	38,000	0.04	—	—	—	—	Department of Electrical Engineering, National Cheng Kung University Senior Engineer of Sunrising Eco-Friendly	N.A.	N.A.	N.A.	N.A.	—

Job Title	Country of Citizenship	Name	Gender	Inauguration date	Shares Held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
											Technology Co., Ltd.					
Chief Strategy and Executive Officer	Republic of China	Harry Huang	Male	2019.12	1,216,680	1.15	—	—	—	—	Department of Economics, NTU Business Associate of Fuhua Investment Trust Vice President of Business of Clone International Biotech Co., Ltd.	Director of Superior Technology Semiconductor Co., Ltd. Director of King Tech Vietnam CO., LTD. Director of King Tech Transmission Corp.	N.A.	N.A.	N.A.	—
Subsidiary General Manager	Republic of China	James Lai	Male	2015.09	80,846	0.08	—	—	—	—	Department of Chemical Engineering, Nanya Institute of Technology. Section Manager of Orient Semiconductor Electronics, Ltd.	Chentai Trading (Shanghai) Co., Ltd. legal representative. General Manager of Superior Technology Semiconductor Co., Ltd	N.A.	N.A.	N.A.	—
Sales & Service Dept. Director	Republic of China	Allen Lin	Male	2019.11	10,500	0.01	—	—	—	—	Department of Electronics Engineering, NKUT Master of the Executive Master of Business Administration of FCU. Manager of New Ray Solar Tech Co., Ltd.	N.A.	N.A.	N.A.	N.A.	—

Job Title	Country of Citizenship	Name	Gender	Inauguration date	Shares Held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
Sales & Service Dept. Director	Republic of China	Kevin Chang	Male	2024.06	15,750	0.03	—	—	—	—	Graduate Program, Hult International Business School, London Campus, USA Department of Information Communication, Yuan Ze University Soontai Tech Co., Ltd. Overseas Business Representative for US & EMEA Senior Logistics Manager, Americas Division, ASE Kaohsiung	N.A.	N.A.	N.A.	N.A.	—
R&D Dept Vice President	Republic of China	SJ Hon	Male	2025.01	0.00	0.00	—	—	—	—	Institute of Physics, RWTH Aachen University, Germany Associate Vice President, Epistar Corporation					
Accounting Supervisor / Corporate Governance Officer	Republic of China	Max Cao	Male	2008.06	3,000	0.00	-	—	—	—	Institute of Finance, National Cheng Kung University Accounting Manager of GenMont Biotech Incorporation Audit Team Leader of Deloitte & Touche	N.A.	N.A.	N.A.	N.A.	—

Job Title	Country of Citizenship	Name	Gender	Inauguration date	Shares Held		Shares held by spouse and minor children		Shares held in the name of others		Principal experience (education)	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
Financial Officer	Republic of China	Sonia Lu	Female	2020.04	4,500	0.00	—	—	—	—	Institute of International Business, NKUST. Section Manager of Inotera Memories, Inc.. The Orchard Vice Team Leader of Corporation Of Taiwan Ltd.	N.A.	N.A.	N.A.	N.A.	—

(III) If the chairman of the board and the general manager or a person with an equivalent position (top manager) are the same person, and they are each other's spouses or first-degree relatives, the reasons, rationality, necessity and countermeasures should be explained: Not applicable.

II. Remuneration paid to directors, supervisors, general manager and vice general manager(s) (including independent directors) in the most recent year

(I) Remuneration of Directors (including independent directors)

December 31, 2023; Unit: NTD,thousand; Thousand shares

Job Title	Name	Directors' remuneration								The ratio of the total amount of A, B, C and D to the net profit after tax (%)		Remuneration from concurrently serving as employee								The ratio of the total amount of the seven items A, B, C, D, E, F and G to the net profit after tax (%)		Receipt of remuneration from subsidiary reinvested business or parent company	
		Remuneration (A)		Pension upon Retirement (B)		Remuneration to directors (C)		Business execution Expenses (D)				Wages, bonuses, and special allowances, etc (E)		Pension upon retirement (F)		Employee remuneration (G)							
		The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company		Companies included in financial reports		The Company	Companies included in financial reports		
Chairman	Michel Wang	0	0	0	0	0	0	200	200	0.39	0.39	19,513	19,513	430	430	0	0	0	0	39.15	39.15	N.A.	
Vice Chairman	KS Chen																						
Director	Eric Chang																						
Corporate Director	Donghua Investment																						
Corporate Director representative	Ray Hou																						
Director	Harry Huang																						
Director	Kuang shu Hsueh																						
Independent Director	JF Lu	1,440	1,440	0	0	0	0	225	225	3.26	3.26	0	0	0	0	0	0	0	0	3.26	3.26	N.A	
Independent Director	Alex Kao																						
Independent Director	Eddy Peng																						

1. Description of the remuneration policy, system, standards, and structure for independent directors, and the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment:  
The Company provides remuneration to directors, the president, and vice presidents based on the ratios and ranges stipulated in the company’s articles of association. This remuneration is determined by referencing the salary levels of similar positions in the industry, the scope of responsibilities of the positions, and the contribution to the achievement of the Company's operational goals. The procedure for determining remuneration considers the Company's overall operational performance, as well as individual performance and contribution to the Company's performance, to provide reasonable compensation.
2. In addition to what is disclosed in the above table, the remuneration received by the company's directors for providing services in the most recent year (such as serving as a non-employee consultant for the parent company/all companies included in the financial report/invested enterprises, etc.): None.
- 3.In accordance with the Company's articles of association, the remuneration for the chairman, vice chairman, and directors is determined by the board of directors based on their level of participation in the Company's operations, the value of their contributions, and by referencing domestic and international industry standards. The articles of association also stipulate that directors’ remuneration shall not exceed 3% of the annual profit, and this remuneration does not include independent directors. The Company's remuneration principles are as follows:  
(1.) Independent directors do not participate in the distribution of directors' remuneration.  
(2.) Since all independent directors serve on the audit and remuneration committees, participating in discussions and resolutions of related committee meetings, they receive a fixed salary, and their business execution expenses are slightly higher than those of general directors.  
(3.) Since the chairman does not distribute employee remuneration, the chairman’s director remuneration is slightly higher than that of general directors.
- 4.Apart from the remuneration disclosed in the above table, there is no instance in the most recent year where any director received remuneration for providing services to any company included in the financial report (such as serving as a non-employee consultant).



Remuneration Scale Table

Ranges of remuneration paid to each of the Company's directors	Director's name			
	The total amount of the first four remunerations (A+B+C+D)		The total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	Companies included in financial reports I	The Company	Companies included in financial reports J
Less than NT\$1,000,000	Michel Wang、KS Chen、Eric Chang、Harry Huang、Ray Hou、Kuang shu Hsueh、JF Lu、Alex Kao	Michel Wang、KS Chen、Eric Chang、Harry Huang、Ray Hou、Kuang shu Hsueh、JF Lu、Alex Kao	Ray Hou、Kuang shu Hsueh、JF Lu、Alex Kao	Michel Wang、KS Chen、Eric Chang、Harry Huang、Ray Hou、Kuang shu Hsueh、JF Lu、Alex Kao
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	—	—	Harry Huang	Harry Huang
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	—	—	Michel Wang、KS Chen、Eric Chang	Michel Wang、KS Chen、Eric Chang
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	—	—	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	—	—	—	—
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	—	—	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	—	—	—	—
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	—	—	—
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—	—	—
NT\$100,000,000 or more	—	—	—	—
Total	9	9	9	9

Note 1: The names of the directors shall be listed separately (the corporation shareholders shall list the names of the corporation shareholders and their representatives separately), and the payment amounts shall be disclosed in a consolidated manner. If the Director concurrently serves as the president or vice president, the information should be filled out in this form and the "President and Vice President's Remuneration Table" (individual disclosure of names and remuneration methods or the method of disclosing names in accordance with the aggregate level).

Note 2: Refers to the director's remuneration in the most recent year (including director salary, position bonus, severance pay, various bonuses, incentives, etc.).

- Note 3: Enter the amount of directors' remuneration proposed to be distributed by the board of directors before the shareholders' meeting in the most recent annual earnings distribution proposal.
- Note 4: Refers to the relevant business execution expenses of the directors in the most recent year (including travel expenses, special expenses, various allowances, dormitory, car allocation and other in-kind provision, etc.). When providing houses, automobiles and other means of transportation or exclusive personal expenses, the type and cost of the provided assets, actual or fair market value rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it is not included in the remuneration.
- Note 5: Refers to the remuneration received by the directors when they serve concurrently as employees (including travel expenses, special expenses, various allowances, dormitory, car allocation and other in-kind provision, etc.) in the most recent year, including salary, job additions, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, vehicles, etc., provided in kind. If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the type and cost of the provided assets, the actual or fair market value rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it is not included in the remuneration. Salary expenses recognized in accordance with IFRS 2 "share-based payment", including obtaining employee stock option certificates, restricting employees' rights to new shares and participating in cash capital increase subscription shares, etc., should also be included in the remuneration.
- Note 6: Refers to the most recent year when a director concurrently holds the position of an employee (including concurrently serving as general manager, deputy general manager, other managers and employees), and those who have obtained employee bonuses (including stock dividends and cash dividends) should disclose the profit distribution proposal for the most recent year, which was approved by the board of directors before the shareholders' meeting. The proposed distribution amount, and the attached form "Name of the manager who distributes employee bonuses and distribution situation" should also be filled out.
- Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.
- Note 8: The company pays the total amount of remuneration to each director, and discloses the name of the director in the level to which they belong.
- Note 9: The total amount of remuneration paid to each director of the company (including our Company) by all companies in the consolidated report should be disclosed, and the name of the director should be disclosed in the tier to which it belongs.
- Note 10: Net profit after tax refers to the net profit after tax of the most recent year. If IFRS has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial statement of the most recent year.
- Note 11:
- This column should clearly indicate the amount of remuneration related to the reinvestment business other than subsidiaries received by the directors of the Company.
  - If the director of the company receives remuneration related to the subsidiary or other reinvestment business, the remuneration received by the director of the company shall be included in the I column of the remuneration scale table, and change the column name to "All Reinvested Businesses".
  - Remuneration refers to the remuneration, salary (including remuneration of employees, directors and supervisors) and relevant remunerations such as business execution expenses, etc. received by the directors of the Company as directors, supervisors or managers of subsidiaries or other reinvested enterprises.
- \* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(II) Supervisor's remuneration: Not applicable, the Company has set up an audit committee to replace the supervisor on 2020.06.18.

## (III) Remuneration of of President and Vice President

December 31, 2023; Unit: NTD thousand; Thousand shares

Title	Name	Salary (A)		Pension upon retirement (B)		Bonus and special expense account, etc. (C)		Remuneration to employees (D)				The ratio of the total amount of A, B, C and D to the net profit after tax (%)		Receipt of remuneration from subsidiary reinvested business or parent company
		The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company	Companies included in financial reports	The Company		Companies included in financial reports		The Company	Companies included in financial reports	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President and CEO	Eric Chang	18,712	19,706	734	734	6,026	6,026	299	—	299	—	-50.99	-89.62	N.A.
CTO	KS Chen													
COO	Vic Chao													
Vice President	Martin Yeh													
Vice President	Robert Chu													
Subsidiary Vice President	James Lai													
Chief Strategy and Executive Officer	Harry Huang													

Remuneration Scale Table

Remuneration to Each President and Vice President of the Company	Name of General Manager and Vice General Manager	
	The Company	Companies included in financial reports
Less than NT\$1,000,000	—	—
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	Harry Huang 、James Lai 、Martin Yeh 、Robert Chu	Harry Huang 、James Lai 、Martin Yeh 、Robert Chu
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	KS Chen 、Eric Chang 、Vic Chao	KS Chen 、Eric Chang 、Vic Chao
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	—	—
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	—	—
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	—
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—
NT\$100,000,000 or more	—	—
Total	8	8

\* Regardless of the title, those whose positions are equivalent to president or vice president should be disclosed.

Note1.: The names of the directors shall be listed separately (the corporation shareholders shall list the names of the corporation shareholders and their representatives separately), and the payment amounts shall be disclosed in a consolidated manner. If the Director concurrently serves as the president or vice president, the information should be filled out in this form and the "President and Vice President's Remuneration Table" (individual disclosure of names and remuneration methods or the method of disclosing names in accordance with the aggregate level).

Note2.: Fill in the latest annual general manager and deputy general manager salary, position bonus, retirement pension, and severance pay.

Note3.: Refers to the remuneration received by the president or vice president when they serve concurrently as employees (including travel expenses, special expenses, various allowances, dormitory, car allocation and other in-kind provision, etc.) in the most recent year, including salary, job additions, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, vehicles, etc., provided in kind. If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the type and cost of the provided assets, the actual or fair market value rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it is not included in the remuneration. Salary expenses recognized in accordance with IFRS 2 "share-based payment", including obtaining employee stock option certificates, restricting employees' rights to new shares and participating in cash capital increase subscription shares, etc., should also be included in the remuneration.

Note4.: Enter the amount of president's or vice presidents' remuneration (including stock dividends and cash dividends) proposed to be distributed by the board of directors before the shareholders' meeting in the most recent annual earnings distribution proposal. If it is impossible to estimate, the proposed distribution this year shall be

calculated according to the actual distribution ratio of last year. The amount of its stock dividends listed on the OTC company shall be calculated based on the fair value (referring to the closing price on the balance sheet date) stipulated in the financial reporting standards for securities issuers. For non-listed OTC companies, the net value at the end of the fiscal year in which the earnings belong will be calculated. Net profit after tax refers to the net profit after tax of the most recent year.

Note5.: The total amount of remuneration paid to the presidents or vice presidents of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note6.: The company pays the total amount of remuneration to each president or vice presidents, and discloses the name of the president or vice presidents in the level to which they belong.

Note7.: The total amount of remuneration paid to each president or vice president of the company (including our Company) by all companies in the consolidated report should be disclosed, and the name of the president or vice presidents should be disclosed in the tier to which it belongs.

Note8.: Net profit after tax refers to the net profit after tax of the most recent year. If IFRS has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial statement of the most recent year.

Note9.:

- a. This column should clearly indicate the amount of remuneration related to the reinvestment business other than subsidiaries received by the president or vice presidents of the Company.
- b. If the president or vice presidents of the company receives remuneration related to the subsidiary or other reinvestment business, the remuneration received by the president or vice presidents of the company shall be included in the I column of the remuneration scale table, and change the column name to "All Reinvested Businesses".
- c. Remuneration refers to the remuneration, salary (including remuneration of employees, presidents and supervisors) and relevant remunerations such as business execution expenses, etc. received by the president or vice presidents of the Company as presidents, supervisors or managers of subsidiaries or other reinvested enterprises.  
\* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(IV) Remuneration of the top five top executives: Not applicable

(V)The name of the manager who distributes employee bonus and distribution situation:

December 31, 2024; Unit: NTD thousand

	Job Title	Name	Stock Amount	Cash Amount	Total	The ratio of sum to net income (%)
Managers	President and CEO	Eric Chang	—	416	416	-0.81%
	Chief Technology Officer	KS Chen				
	COO	Vic Chao				
	R&D Dept. Vice President	Robert Chu				
	R&D Dept. Vice President	Martin Yeh				
	Chief Strategy and Investment Officer	Harry Huang				
	Subsidiary General Manager	James Lai				
	Sales & Service Dept. Director	Allen Lin				
	Sales & Service Dept. Director	Kevin Chang				
	Accounting Supervisor / Corporate Governance Officer	Max Cao				
	Financial Officer	Sonia Lu				

Note 1: Individual names and titles should be disclosed, but earnings distribution may be disclosed in a consolidated manner.

Note 2: Enter the amount of managers' remuneration (including stock dividends and cash dividends) proposed to be distributed by the board of directors before the shareholders' meeting in the most recent annual earnings distribution proposal. If it is impossible to estimate, the proposed distribution this year shall be calculated according to the actual distribution ratio of last year. Net profit after tax refers to the net profit after tax of the most recent year. If IFRS has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial statement of the most recent year.

Note 3: The scope of application of managers is in accordance with the regulations of the Taiwan Stock Exchange Regulations Third Word No. 0920001301 on March 27, 1992. Its scope is as follows: (1) General manager and equivalents (2) Deputy general managers and equivalents (3) Associate managers and equivalents (4) Head of the financial department (5) Head of the accounting department (6) Others who are responsible for the company's management affairs and signatures man of rights.

Note4: Directors, presidents and vice presidents who receive employee bonuses (including stock bonuses and cash bonuses) should fill out this form in addition to the attached form "Remuneration Disclosure Methods".

(VI) Compare and explain the analysis of the proportion of the total remuneration paid by the company and all companies in the consolidated statements to the company's directors, supervisors, general managers and deputy general managers to the net profit after tax in the last two years. And the description of the policy, standard and combination of remuneration, the procedure for determining remuneration and its relationship with business performance and future risks.

1. Analysis of the ratio of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, supervisors, president and vice president to the net income in the last two years:

<div> <div></div> <div>Year</div> <div>Items</div> </div>	Ratio of total remuneration to net income of the Company (%)			
	2023		2024	
	The Company	Companies included in financial reports	The Company	Companies included in financial reports
Director's Remuneration	70.83%	75.33%	-3.65%	-3.65%
President and Vice President Remuneration	98.49%	98.80%	-50.99%	-89.62%

2. Policies, standards and combinations of remuneration, procedures for determining remuneration and the relationship to business performance and future risks:

The Company pays remuneration to directors, supervisors, general managers and deputy general managers according to the ratio and scope stipulated in the company's bylaws of association, and refers to the salary level of the position in the industry market, the scope of power and responsibility of the position and the contribution to the achievement of the Company's operating goals. In the process of setting remuneration, not only refer to the overall operating performance of the Company, but also refer to the achievement of individual performance and the degree of contribution to the performance of the Company, and give reasonable remuneration.

The remuneration for the Company's managers includes monthly salaries and various bonus systems, retirement systems, and assessment systems, all of which have been approved by the Remuneration Committee and submitted to the Board of Directors for resolution and execution. The salary adjustments, bonuses, and other remuneration for senior managers are based on the Company's operational performance, individual performance, and contribution. These considerations include contributions and performance in economic, environmental, and social dimensions, which are part of the Company's governance indicators for sustainable development. The Human Resources unit drafts recommendations, which are then reported to the Remuneration Committee. After review by the committee, the proposals are submitted to the Board of Directors for resolution and execution.

The remuneration for managers, such as the president and vice presidents, is handled according to company regulations. This includes fixed remuneration such as a fixed monthly salary, various job allowances, and year-end bonuses. Retirement funds (including both new and old retirement systems) and welfare funds are allocated monthly according to the Company's "Retirement Plan". Additionally, variable remuneration includes performance bonuses, employee compensation, employee stock options, and treasury shares, among other compensations, which are awarded based on special circumstances and the achievement of operational performance. There is a positive correlation between these remunerations and operational performance. The amounts paid are disclosed according to legal requirements, and future risks are considered to be limited.

### III. The state of corporate governance

#### (I) Operation of the Board of Directors:

The number of meetings in the most recent year (2024) was 5, and in 2025 until the publication date of the annual report, there were 3 meetings, and the board of directors held a total of 8 meetings (A). The attendance of directors is as follows:

Title	Name	Attendance in person (B)	No. of presence by proxy	Actual presence (attendance) rate (%) 【(B)/(A)】 (Note 2)	Remarks
Chairman	Michel Wang	6	2	75	Re-elected on June 21, 2023
Director	KS Chen	8	—	100	Re-elected on June 21, 2023
Director	Eric Chang	8	—	100	Re-elected on June 21, 2023
Corporate Director	Donghua Investment Co., Ltd. Representative : Ray Hou	8	—	100	Re-elected on June 21, 2023
Director	Harry Huang	8	—	100	Re-elected on June 21, 2023
Director	Kuangshu Hsueh	8	—	100	Re-elected on June 21, 2023
Independent Director	JF Lu	8	—	100	Re-elected on June 21, 2023
Independent Director	Alex Kao	8	—	100	Re-elected on June 21, 2023
Independent Director	Eddy Peng	8	—	100	Newly appointed on June 21, 2023

Other matters to be recorded:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: The important resolutions of the board of directors are as follows, and no independent directors object or have reservations.

(II) Any documented objections or qualified opinions raised by independent directors against the Board's

resolutions in relation to matters other than those described above: None.

II. When a director implements the revocation of an interest-related proposal, the director's name, content of the proposal, reason for recusal and participation in voting shall be stated:

(I) March 06, 2024 Board of Directors Meeting

1. Since KS Chen, Eric Chang, and Harry Huang are the senior managers of the Company, proposal 3 is related to their bonuses and remuneration, and interests are avoided in accordance with the law. Additionally, Directors Eric Chang, Harry Huang, and Hou Rongxian are involved in Proposal 6, so they recused themselves from discussions and voting on this matter in accordance with the law.

2. Proposal content:

(a) Proposal 1: The Company's 2023 Performance Bonuses for Company Managers.



(b) Proposal 2: Proposal to lift the non-compete restrictions for directors and their representatives.

3. Excluding the directors who legally recused themselves from discussion and voting, the chairman consulted with the remaining non-recused directors present, and there were no objections. The proposals were passed as presented.

(II) May 08, 2024 Board of Directors Meeting

1. Since KS Chen, Eric Chang, and Harry Huang are the senior managers of the Company, proposal 1 and 2 are related to their bonuses and remuneration, and interests are avoided in accordance with the law.

2. Proposal content:

(a) Proposal 1: The Company's 2023 distribution of employee compensation.

(b) Proposal 2: The Company's 2024 Performance Bonuses for Company Managers.

3. Excluding the directors who legally recused themselves from discussion and voting, the chairman consulted with the remaining non-recused directors present, and there were no objections. The proposals were passed as presented.

(III) November 06, 2024 Board of Directors Meeting

1. Since Michel Wang, KS Chen, Eric Chang, and Harry Huang are the senior managers of the Company, proposal 1~3 are related to their bonus compensation and will be handled with a conflict of interest in accordance with the law. Independent Director JF Lu has been appointed by Chairman Michel Wang to act as the proxy chairperson for these three proposals. Since Director Eric Chang is a party involved in proposal 17, he will also recuse himself from this matter in accordance with the law.

2. Proposal content:

(a) Proposal 1: The Company's 2024 Performance Bonuses for Company Managers.

(b) Proposal 2: The Company's 2024 Annual Year-end Bonus for the Company's executives.

(c) Proposal 3: The Company's 2025 Salary Adjustment of the Company's executives.

(d) Proposal 17: The Company intends to approve the appointment of the CEO.

3. Excluding the directors who legally recused themselves from discussion and voting, the chairman consulted with the remaining non-recused directors present, and there were no objections. The proposals were passed as presented.

(IV) March 06, 2025 Board of Directors Meeting

1. Since Directors KS Chen, Eric Chang, and Harry Huang serve as senior managers of the Company, Proposal 2 is related to their bonus compensation and they recused themselves from discussion and voting in accordance with the law.

2. Proposal:

(a) Proposal 2: Discussion on the 2024 performance bonus distribution for the Company's managerial officers.

3. Aside from the directors who recused themselves in accordance with the law, the remaining participating directors expressed no objection to the proposal, and it was approved as proposed.

(V) April 25, 2025 Board of Directors Meeting

1. Since Independent Director Alex Kao serves as the Chairman of the investee company in Proposal 4, he recused himself from the discussion and voting in accordance with the law. Additionally, Director Eric Chang recused himself from Proposal 6 due to his role as an Independent Director of the transaction counterparty.

2. Proposal: details:

(a) Proposal 4: Approval of the capital increase plan for "LEDlas Corp."

(b) Proposal 6: Cancellation of the original proposal to sell part of the factory facilities owned by Jiangsu Superior Technology Semiconductor Co., Ltd.

3. Aside from the directors who recused themselves in accordance with the law, the remaining participating directors and independent directors raised no objections, and the

proposals were approved as presented.

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) evaluation:

The Company has conducted the evaluation of the board of directors in 2024, and will disclose the implementation of the evaluation in 2025.

Evaluation Cycle	Evaluation Period	Assessment Scope	Evaluation Method	Evaluation Content
It is implemented once a year and has been approved by the board of directors on March 06, 2025.	January 1 <sup>st</sup> to December 31 <sup>st</sup> , 2024	<ol style="list-style-type: none"> <li>Overall performance of the board of directors</li> <li>Performance of the Board member</li> <li>Performance of the audit committee</li> <li>Performance of the compensation committee</li> </ol>	<ol style="list-style-type: none"> <li>Board self-assessment</li> <li>Board member self-assessment</li> <li>Performance of the audit committee</li> <li>Performance of the compensation committee</li> </ol>	<ol style="list-style-type: none"> <li>Items of the overall performance evaluation of the board of directors: <ol style="list-style-type: none"> <li>The degree of participation in the operation of the Company.</li> <li>Improve the decision-making quality of the board of directors.</li> <li>Composition and structure of the board of directors.</li> <li>Election, appointment and continuing education of directors.</li> <li>Internal control.</li> </ol> </li> <li>Items for performance evaluation of directors: <ol style="list-style-type: none"> <li>Control of the Company's goals and tasks.</li> <li>Awareness of directors' responsibilities.</li> <li>The degree of participation in the operation of the company.</li> <li>Internal relationship management and communication.</li> <li>Professional and continuing education of directors.</li> <li>Internal control.</li> </ol> </li> <li>Items of audit committee performance evaluation: <ol style="list-style-type: none"> <li>The degree of participation in the operation of the Company.</li> <li>Cognition of the responsibilities of the functional committee.</li> <li>Improve the decision-making quality of functional committees.</li> <li>Composition and member selection of functional committees.</li> <li>Internal control.</li> </ol> </li> <li>Items of compensation committee performance evaluation:</li> </ol>

				(1) The degree of participation in the operation of the Company. (2) Cognition of the responsibilities of the functional committee. (3) Improve the decision-making quality of functional committees. (4) Composition and member selection of functional committees. (5) Internal control.
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IV. Goals for strengthening the functions of the board of directors for the current year and the most recent year (such as establishing an audit committee, improving information openness, etc.) and evaluation of their implementation:

(I) Strengthen the Functions of the Board of Directors

1. In accordance with the "Procedures of the Board of Directors of Public Offering Companies", the Company has drafted the "Procedure Rules of the Board of Directors" of the Company, and operates the functions of the board of directors in accordance with relevant regulations.
2. Members of the current board of directors of the Company have participated in the "Corporate Governance-related Advanced Training Course" held by the organization designated by the "Key Points of Advanced Education for Directors and Supervisors of Listed OTC Companies" in the previous year, and will continue to provide class information and arrange advanced education this year.
3. The Company has set up independent directors, all of whom use their professional knowledge and ability to provide relevant suggestions to the board of directors on the Company's internal control system implementation, business and financial and other related proposals.
4. Since the 10th Board of Directors was elected at the 2020 Annual General Meeting, our company has established three independent directors' seats and formed an Audit Committee to enhance the functions of the Board of Directors.
5. The accounting department regularly attends the audit committee, and discusses and communicates with the audit committee on financial reports, corporate governance and related laws and regulations.
6. Enhancing communication between board members and the management team, in addition to board meetings, includes organizing roundtable discussions and inviting directors to participate in important company events such as groundbreaking ceremonies for new factories and inauguration ceremonies for completed factories.

(II) Improving Information Openness

The Company's financial statements are commissioned by Crowe Horwath International to regularly review or verify certification. All information required by laws and regulations can be completed correctly and in a timely manner, and special personnel are responsible for the collection of various information of the Company, and regularly report and disclose various information that should be announced in the public information observatory according to regulations, and regularly update the information on the Company's official website so that the Company's stakeholders can better understand the Company. In addition, the Company has established a spokesperson and proxy spokesperson system to ensure that all important information can be disclosed in a timely and fair manner.

Note 1: Directors and supervisors who belong to a corporation shall disclose the names of the shareholders of the corporation and the names of their representatives.

Note 2 : (1) If a director or supervisor resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance (%) is calculated based on the number of board meetings and the actual number of actual present (in

attendance) during the term of office.

- (2) Before the end of the year, if there is a re-election of directors and supervisors, the new and old directors and supervisors shall be filled in, and the old, new or re-appointed and re-election dates shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings and the number of actual present (in attendance) during the term of office.

Matters listed in Article 14-3 of the Securities Exchange Act of the Company

Date of Board Meeting	Important Resolution
March 06, 2024 (11 <sup>th</sup> Term, 5 <sup>th</sup> Session)	1.Approval of the Company's 2023 annual operating report and financial statements. 2.Approval of the 2023 earnings distribution plan. 3.Proposal for additional funding to investee company "Jiangsu E&R Technology Co., Ltd." 4.Proposal for additional funding from investee company "Jiangsu E&R Technology Co., Ltd." to investee company "Chentai (Shanghai) Trading Co., Ltd." 5.Proposal for additional funding to investee company "Wuxi E&R Semiconductor Materials Technology Co., Ltd." 6.Authorization for foreign currency transactions including pre-purchase, pre-sale, currency exchange, and interest rate swap for operational risk hedging needs. 7.Acknowledgment of the Company's "Internal Control System Statement."
May 08, 2024 (11 <sup>th</sup> Term, 6 <sup>th</sup> Session)	1.Approval of the Company's Q1 2024 consolidated financial statements. 2.The Company cooperated with Crowe Horwath International's internal adjustment and replacement of accountants. 3.Proposal for additional funding to investee company "Jiangsu E&R Technology Co., Ltd." 4.Proposal for additional funding to investee company "Wuxi E&R Semiconductor Materials Technology Co., Ltd."
August 07, 2024 (11th Term, 7th Session)	1.Approval of the Company's Q2 2024 consolidated financial statements. 2. Proposal for additional funding to subsidiary "Wuxi E&R Semiconductor Materials Technology Co., Ltd."
November 06, 2024 (11th Term, 8th Session)	1.Approval of the Company's Q3 2024 consolidated financial statements. 2.Ratification of endorsement and guarantee provided to investee company "TECH-WAVE INDUSTRIAL CO., LTD. " 3.Proposal for additional funding to subsidiary "Wuxi E&R Semiconductor Materials Technology Co., Ltd." 4.Proposal for additional funding to investee company "Jiangsu Superior Technology Semiconductor Co., Ltd " 5.Approval of the revision to the "Internal Control System." 6.Approval of the 2025 Annual Audit Plan.
December 25, 2024 (11th Term, 9th Session)	Proposal for additional funding to investee company "Jiangsu Superior Technology Semiconductor Co., Ltd "
March 06, 2025 (11th Term, 10th Session)	1.Proposal for the partial amendment of the Company's Articles of Incorporation. 2.Approval of the Company's 2024 annual operating report and financial statements. 3.Approval of the 2024 earnings distribution plan. 4.Proposal for additional funding to investee company "Jiangsu Superior Technology Semiconductor Co., Ltd " 5.Proposal for additional funding to investee companies "Wuxi E&R Semiconductor Materials Technology Co., Ltd." and "Jiangsu Superior Technology Semiconductor Co., Ltd " 6.Acknowledgment of the Company's "Internal Control System Statement." 7.Approval of the revision to the "Internal Control System."
April 25, 2025 (11th Term, 12th Session)	1.Approval of the Company's Q1 2025 consolidated financial statements. 2.Proposal for additional funding to investee company "Jiangsu Superior Technology Semiconductor Co., Ltd "

Date of Board Meeting	Important Resolution
	3.Proposal for additional funding to investee company "Wuxi E&R Semiconductor Materials Technology Co., Ltd."  4.Proposal to cancel the previously approved partial plant sale by "Jiangsu Superior Technology Semiconductor Co., Ltd "

(II) Information on the operation of the audit committee and the participation of supervisors in the operation of the board of directors:

1. Information on the operation of the Audit Committee:

The Audit Committee has held 5 meetings in the recent (2024) year and 1 meeting in 2025 as of the date of publication of the annual report. The Audit Committee has held 6 meetings in total (A). The attendance of independent directors is as follows:

Job Title	Name	Number of Actual Attendance (B)	Number of Delegated Attendance	Rate of Actual Attendance (%) 【(B)/(A)】 (Note )	Remarks
Independent Director	JF Lu	6	—	100	Re-elected on June 21, 2023
Independent Director	Alex Kao	6	—	100	Re-elected on June 21, 2023
Independent Director	Eddy Peng	6		100	Newly appointed on June 21, 2023
Other matters to be recorded:					
I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes					
(I) Matters listed in Article 14-5 of the Securities and Exchange Act:					

Date and Session of the Audit Committee	Contents of the Motion	Independent Directors' Opinions and Significant Suggestions	Audit Committee Resolution Results	The Company's Handling of the Audit Committee's Opinions
March 06, 2024 (2 <sup>nd</sup> Term, 4 <sup>th</sup> Session)	1.Proposal to approve the investment in " King Tech (Vietnam)Transmission Corp." 2.The case of the Company intending to provide reinvestment company "Tech-Wave Industrial Co., Ltd." endorsement guarantee ratification.	N.A.	All members of the Audit Committee agreed to the motion.	N.A.
May 08, 2024 (2 <sup>nd</sup> Term, 5 <sup>th</sup> Session)	1. The case of the Company's Q1 2024 consolidated financial statements. 2. The company cooperated with Crowe Horwath International's internal adjustment and replacement of accountants. 3. Proposal for additional funding to " Jiangsu E&R Technology Co., Ltd." 4. Proposal for additional funding to investee company "Wuxi E&R Semiconductor Materials Technology Co., Ltd." 5. Proposal to approve the investment in "Uniconn Interconnections Technology Co., Ltd.”.	N.A.	All members of the Audit Committee agreed to the motion.	N.A.
August 07, 2024 (2 <sup>nd</sup> Term, 6 <sup>th</sup> Session)	1.The case of the Company's Q2 2024 consolidated financial statements. 2.Proposal for additional funding to subsidiary " Wuxi E&R Semiconductor Materials Technology Co., Ltd."	N.A	All members of the Audit Committee agreed to the motion.	N.A.
November 06, 2024 (2 <sup>nd</sup> Term, 7 <sup>th</sup> Session)	1.The case of the Company's Q3 2024 consolidated financial statements. 2.Proposal to ratify the endorsement/guarantee provided to reinvestment company "TECH-WAVE INDUSTRIAL CO., LTD " 3.Proposal for additional funding to subsidiary " Wuxi E&R Semiconductor Materials Technology Co., Ltd." 4. Proposal for additional funding to investee company " Jiangsu Superior Technology Semiconductor Co., Ltd. " 5. Proposal to approve the revision of the Company’s “Internal Control System.” 6.Proposal to approve the 2025 annual audit plan.	N.A	All members of the Audit Committee agreed to the motion.	N.A.
December 25, 2024 (2 <sup>nd</sup> Term, 8 <sup>th</sup> Session)	1.Proposal for additional funding to investee company " Jiangsu Superior Technology Semiconductor Co., Ltd."	N.A	All members of the Audit Committee agreed to the motion.	N.A.

March 06, 2025 (2nd Term, 9th Session)	1.The Company's 2024 annual business report and financial statements. 2. The Company's 2024 earnings distribution table. 3. Proposal for additional funding to investee company " Jiangsu Superior Technology Semiconductor Co., Ltd." 4. Proposal for additional funding to investee companies " Wuxi E&R Semiconductor Materials Technology Co., Ltd." and " Jiangsu Superior Technology Semiconductor Co., Ltd." 5. Acknowledgment of the Company's "Internal Control System Statement." 6. Proposal to approve the revision of the Company's "Internal Control System."	N.A	All members of the Audit Committee agreed to the motion.	N.A.
April 25, 2025 (2nd Term, 10th Session)	1.The case of the Company's Q1 2025 consolidated financial statements. 2.Proposal for additional funding to investee company " Jiangsu Superior Technology Semiconductor Co., Ltd." 3.Proposal for additional funding to investee company " Wuxi E&R Semiconductor Materials Technology Co., Ltd."	N.A	All members of the Audit Committee agreed to the motion.	N.A.

(II) Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.

II.Execution of the recusal of independent directors' proposals on interests. The name of the independent director, the content of the proposal, the reasons for the avoidance of interests and the circumstances of participating in voting shall be stated: no such case.

III.Communication between independent directors and internal audit supervisors and accountants (Should include major events, methods and results of communication on the company's financial and business conditions):

(I) Each year, independent directors and internal audit supervisors or accountants hold a separate meeting of the accountants or audit supervisors at least once to communicate the internal audit report or the accountant's audit report, through meetings (excluding the board of directors) or discussions.

(II) The head of internal audit regularly reports to the audit committee

1.Annual internal audit plan

2.The internal audit supervisor submits the completed audit reports to each independent director by the end of the following month and enhances audit focus based on the independent directors' feedback.

(III) Accountants must participate in the audit committee every six months and report the results of the annual audit.

(IV) Other: In the event of major abnormal events, or independent directors, audit supervisors and accountants deem it necessary to communicate independently, they can hold a meeting to communicate at any time.

Date	Attendees	Communication Items	Results
March 06, 2024 The Audit Committee	Independent Director JF Lu Independent Director Alex Kao Independent Director Eddy Peng CPA Lee Ching Ling Audit Supervisor Anita Huang	1.The auditor explained and communicated matters related to the Company's individual and consolidated financial reports for 2023. 2. Based on self-assessment and	It was passed without objection.



			internal audit results, communicated that the Company's internal control system complies with all laws and has no significant deficiencies.	
November 06, 2024 The Audit Committee	Independent Director JF Lu Independent Director Alex Kao Independent Director Eddy Peng Audit Supervisor Anita Huang	Reported and communicated the 2025 audit plan. It was passed without objection.		It was passed without objection.
March 06, 2025 The Audit Committee	Independent Director JF Lu Independent Director Alex Kao Independent Director Eddy Peng CPA Hsieh Jen-Yao Audit Supervisor Anita Huang	1.The auditor explained and communicated matters related to the Company's 2023 individual and consolidated financial reports. 2.Based on self-assessment and internal audit results, communicated that the Company's internal control system complies with all applicable laws and has no significant deficiencies. It was passed without objection.		It was passed without objection.

IV. The company regularly assesses the independence of the certified public accountant: The Audit Committee is entrusted with overseeing the independence of the certifying audit firm to ensure the impartiality of the financial statements. Generally, the certifying audit firm is not permitted to provide other services to the Company, except for tax-related services or specially approved items. All services provided by the certifying audit firm must be approved by the Audit Committee. To ensure the independence of the certifying audit firm, the Audit Committee annually evaluates the auditors' independence, professionalism, and competence, considering the Audit Quality Indicators (AQIs). This includes assessing whether there are any relationships, business, or financial interests between the auditors and the Company. On March 6, 2025, the second session of the ninth Audit Committee meeting and the eleventh session of the tenth Board of Directors meeting reviewed and approved that Lee Kuo Ming and Hsieh Jen Yao of Crowe Taiwan CPAs meet the AQIs independence evaluation standards, making them suitable to serve as the Company's financial and tax certifying auditors.

Evaluation Items	Yes	No	Summary Description
1. Not an employee of the company or its affiliates.	✓		After investigation, the accountant has no such situation.
2. Those who are not directors or supervisors of the company or its affiliated companies (except those who are independent directors of the company or its parent company, or an independent director of a subsidiary in which the company directly or indirectly holds more than 50% of the voting shares).	✓		After investigation, the accountant has no such situation.

3. There are no accountants, their spouses, minor children, or natural person shareholders holding more than 1% of the company's total issued shares or holding the top ten shares in the name of others.	✓		After investigation, the accountant has no such situation.
4. Those who are not the spouses, relatives within the second-degree relatives, or lineal blood relatives within the third-degree relatives of the persons listed in the preceding three paragraphs.	✓		After investigation, the accountant has no such situation.
5. Not the directors, supervisors or employees of the legal person shareholders who directly hold more than 5% of the total issued shares of the company, or the directors, supervisors or employees of the top five legal person shareholders.	✓		After investigation, the accountant has no such situation.
6. There is no director (council), supervisor, manager, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company.	✓		After investigation, the accountant has no such situation.
7. There is no relationship between spouse or second-degree relatives with other directors.	✓		After investigation, the accountant has no such situation.
8. None of the events in Article 30 of the Company Law have occurred.	✓		After investigation, the accountant has no such situation.
9. In the absence of Article 27 of the Company Law, the government, legal person or its representative shall be elected.	✓		After investigation, the accountant has no such situation.
10. Whether to obtain the "Independence Declaration" issued by the appointed accountant and the audit team.	✓		Provided
◆ After the assessment, none of the above-mentioned independent assessment items have been found for the appointed certified public accountants. It can be confirmed that the certified public accountants are independent and the reliability of the financial reports issued is safe.			

Note:

(1) If an independent director resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of audit committee meetings and the actual number of attendance during their tenure

(2) Before the end of the year, if an independent director is to be re-elected, the new and old independent directors should be filled in, and the old, new or re-appointed and re-election date of the independent director should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee and the actual number of attendances during their tenure.

2.Participation of supervisors in the operation of the board of directors: The Company has established an audit committee to replace the supervisor on June 18, 2020, so it is not applicable.

(III) The operation of corporate governance and the differences and reasons for the actual governance status of listed companies

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
1、Does the company formulate and disclose the Code of Practice on Corporate Governance in accordance with the "Listed Company Governance Code of Practice"?	✓		The Company has established a “Corporate Governance Best Practice Principles,” which include relevant regulations aimed at protecting shareholders’ rights, strengthening the functions of the Board of Directors, enhancing the effectiveness of functional committees, respecting the rights and interests of stakeholders, and improving information transparency. The full content of the Principles is available on the Company’s website.	It will be determined in due course in the future.
2、Company's shareholding structure and shareholders' equity				
(1) Has the Company established internal operating procedures to deal with shareholder suggestions, doubts, disputes and litigation matters, and implemented them in accordance with the procedures?	✓		(1) The Company has set up spokespersons, proxy and stock affairs units, etc., to deal with shareholders' suggestions, doubts or disputes and other issues.	Meets the Corporate Governance Code of Practice Provisions.
(2) Has the Company kept the list of the dominant shareholders that exercise defacto control of the Company and the parties that exercise ultimate control of these dominant shareholders under control?	✓		(2) A professional stock affairs agency is in charge, and there are dedicated personnel to handle related matters, and can master the list of major shareholders who actually control the company.	Meets the Corporate Governance Code of Practice Provisions.

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
(3) Has the Company established and implemented risk control and firewall mechanisms with affiliated companies?	✓		(3) Management rights and responsibilities are clearly separated. The company has established relevant systems in the internal control system according to the law and has been implemented. In addition, auditors also monitor the implementation from time to time.	Meets the Corporate Governance Code of Practice Provisions.
(4) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(4) The Company has established "Procedures for the Prevention of Insider Trading," which prohibit insiders from trading securities using non-public market information. According to these procedures, insiders are prohibited from buying or selling the Company's listed stocks, other equity-based securities, or non-equity company bonds, either in their own name or through others, during the following periods: After the news becomes clear, before it is made public or within 18 hours after it is made public, and 30 days before the announcement of the annual financial report and during the closed period of the fifteen days before the announcement of each quarterly financial report.	
3、Composition and Responsibilities of the Board of Directors				

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
(1) Does the board have a policy on diversity in terms of membership and implement it?	✓		(1) The nomination and selection of members of the board of directors of the Company follows the provisions of the Company's articles of association, and adopts a candidate nomination system. In addition to evaluating the academic experience and qualifications of each candidate, it also follows the "Director Election Regulations".The criteria for selecting board members should comprehensively consider the individual's professional knowledge, experience, business judgment, commitment to the Company's core values, and reputation for ethical behavior and leadership. Furthermore, the diversity of the overall board members' backgrounds, including gender, age, and culture, should be taken into account.	Meets the Corporate Governance Code of Practice Provisions.
(2) In addition to the salary and remuneration committee and audit committee set up in accordance with the law, does the Company voluntarily set up other various functional committees?		✓	(2) The company has established a remuneration committee and an audit committee in accordance with the law. However, there are no other functional committees. In the future, various other functional committees will be set up as needed.	
(3) Does the company formulate the performance evaluation method and method of the board of directors, conduct performance	✓		(3) The Company has set performance evaluation methods, and conducts performance evaluations annually and	Meets the

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
evaluation every year and regularly, and report the results of performance evaluation to the board of directors, and use it as a reference for the remuneration and nomination of individual directors?			regularly, and reports the results of performance evaluations to the board of directors. The annual distribution of directors' remuneration will refer to the performance of individual directors as the basis.	Corporate Governance Code of Practice Provisions.
(4) Does the company regularly assess the independence of the Certified Public Accountant?	✓		(4) To ensure the independence of the certifying accounting firm, the Audit Committee annually evaluates the accountants' independence, professionalism, and suitability, referencing Audit Quality Indicators (AQIs). This evaluation includes assessing whether the accounting firm has any business or financial relationships with the Company or its directors. Currently, the certifying accountants have no relationships with the Company or its directors, and their independence is not in doubt.	

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
4、Whether the listed OTC company has a qualified and appropriate number of corporate governance personnel, and appoints a corporate governance supervisor to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information required to execute their business, assisting directors and supervisors in complying with laws and regulations, Handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, and prepare minutes of the board of directors and shareholders' meetings, etc.)?	✓		<p>The Company has assigned a corporate governance officer, who is in charge of corporate governance-related matters, and supervised by the president. Corporate governance related affairs, including the following:</p> <p>(1) Reporting company-related information and major events in accordance with statutory announcements.</p> <p>(2) Handling matters related to the meetings of the board of directors and the shareholders' meeting in accordance with the law, and assist the company in complying with the relevant laws and regulations of the board of directors and the shareholders' meeting.</p> <p>(3) Making the minutes of the board of directors and shareholders' meetings.</p> <p>(4) Providing the information required by the directors to execute their business, and the latest laws and regulations related to the operation of the company, to assist the directors in complying with the laws and regulations.</p> <p>(5) Affairs related to investor relations.</p> <p>(6) Formulating and revising the articles of association of the Company and other management measures.</p>	Meets the Corporate Governance Code of Practice Provisions.

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
5、Whether the company has established communication channels with all stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a special area for stakeholders on the company's website, and appropriately responded to the important corporate social responsibilities that stakeholders are concerned about issue?	✓		The company has set up an investor area on the company's website, and set up a spokesperson and proxy as a channel for communication with stakeholders, and the company has dedicated personnel to deal with related issues.	Meets the Corporate Governance Code of Practice Provisions.
6、Does the company appoint a professional stock transfer agent to handle the affairs of the shareholders' meeting?	✓		The company has entrusted the stock transfer agent department of SinoPac Security to handle affairs related to the shareholders' meeting.	Meets the Corporate Governance Code of Practice Provisions.
7、Information Disclosure				
(1) Does the company set up a website to disclose financial business and corporate governance information?	✓		(1) At present, the Company's financial and corporate governance-related disclosures are disclosed in the public information observatory in accordance with regulations, and the Company has set up a website to update relevant company information from time to time for investors and the general public to inquire.	Meets the Corporate Governance Code of Practice Provisions.
(2) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company	✓		(2) The Company has designated personnel responsible for collecting company information and disclosing relevant information on the "Market Observation Post System"	



Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
information, implementing the spokesperson system, and placing the company website during the corporate briefing, etc.)?			and the company website. Additionally, a spokesperson system is implemented to release information externally in accordance with company policies and needs.	
(3) Does the company announce and file the annual financial report within two months after the end of the fiscal year, and announce and file the financial report for the first, second and third quarters and the operating conditions of each month before the specified deadline?	✓		(3) The Company announces and declares financial reports before the deadline or within the deadline. The monthly progress is announced around the 5th of each month. The relevant quarterly and annual reports are released on the same day as the board of directors. As soon as possible more than one week earlier than the stipulated deadline.	Meets the Corporate Governance Code of Practice Provisions.
8、Does the company have other material information that would help understand how corporate governance is working? (Including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company purchases liability insurance for directors and supervisors, etc.)	✓		(1) Employee Rights and Employee Care The Company and the companies in the Group are committed to creating the best well-being of employees, establishing a humanized management system, providing welfare information at any time, conducting education and training to improve employees' professional skills and career development, setting up welfare committees and organizing various activities to promote employees communicate. In addition, it will strengthen the establishment of interactive communication and provide multiple channels for complaints.	Meets the Corporate Governance Code of Practice Provisions.

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
			<p>(2) Investor Relations</p> <p>The Company has a spokesperson and acting spokesperson system, communicates with investors through the spokesperson and the shareholders' meeting, and fully discloses relevant information through the Market Observation Post System and the company's website according to the law to protect the rights and interests of investors.</p> <p>(3) Supplier Relationship</p> <p>The Company establishes partnership with suppliers based on the principle of equality and mutual benefit, establishes a stable supply chain, and conducts audits from time to time to confirm the quality of supply.</p> <p>(4) Stakeholders' Rights</p> <p>The Company has smooth communication channels with banks and other creditors, employees, customers, suppliers and other relevant stakeholders, and respects their legitimate rights and interests. And the contact information of stakeholders has been set up on the Company's website to provide communication channels.</p> <p>If legal issues are involved, professional lawyers or legal</p>	

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
			<p>advisers shall be entrusted to assist in handling, so as to safeguard the rights and interests of related parties.</p> <p>(5) Advanced Study of Directors</p> <p>The directors of the Company all have relevant professional knowledge, and have completed the training courses according to the gist of the training and implementation of directors and supervisors. The Company also actively encourages directors to participate in advanced education, and provides information on relevant advanced education courses for directors at any time for reference, and assists in enrolling in relevant advanced education courses.</p> <p>(6) Implementation of Risk Management Policies and Risk Measurements</p> <p>The Company has established an "Internal Control System" and related management measures, and conducts self-inspection every year, and set up an audit unit, formulate an audit plan based on the risk assessment results every year, and check the company's internal control system and related laws and regulations according to the audit plan, and executed project audits</p>	

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
			<p>and issue reports from time to time.</p> <p>(7) Implementation of Customer Policy</p> <p>The Company has set up special personnel to deal with business marketing strategies, credit investigation, payment collection, and customer complaints, to maintain a smooth channel of communication with customers and strictly abide by the relevant contracts signed with customers to ensure the rights and interests of customers, maintain a good relationship, and provide the best service.</p> <p>(8) Circumstances in which the Company purchases liability insurance for directors</p> <p>The Company conducts an annual review of insurance coverage and reports the renewal status to the Board of Directors after policy renewal.</p>	
<p>9 、Based on the latest Corporate Governance Evaluation results released by the Taiwan Stock Exchange Corporation's Corporate Governance Center, the Company has made improvements in several areas, while other areas still require enhancement. Below is a summary of the improvements made and priority measures for areas needing further attention:</p> <p>Items Improved:</p> <p>(1) Preparation of the ESG Sustainability Report independently.</p>				

Evaluation Items	Operation Condition (Remarks)			Differences and reasons for the actual governance status of listed companies
	Yes	No	Summary Description	
<div>(2) Full completion of continuing education by all directors. (3) Implementation of ESG sustainability policies.</div> <div>Items Yet to Be Improved:<div>(1) Increasing the attendance rate of directors at the shareholders' meetings. (2) Including key questions raised by shareholders and the Company’s responses in the minutes of the Annual General Meeting.</div></div>				

Note 1: Regardless of whether "Yes" or "No" is checked, the operation status should be stated in the Summary Description field.

Note 2: The term “corporate governance self-assessment report” refers to a report on the current company operation and implementation in the respective assessment projects, which are evaluated and explained by the company according to the corporate governance self-assessment projects.

(IV) If the company has set up a remuneration committee, it shall disclose its composition, responsibilities and operations:

#### 1. The Information of Remuneration Committee Members

Condition		Professional Qualifications and Experience (Note 2)	Independence Situation (Note 3)	Number of concurrently serving as members of compensation committees of other public offering companies
Identity (Note 1)	Name			
Independent Director (convener)	JF Lu	Please refer to page 17 for information disclosure on the professional qualifications of directors and the independence of independent directors.		0
Independent Director	Alex Kao			0
Independent Director	Eddy Peng (Note 5)			0

Note 1: Please specify the relevant working years, professional qualifications and experience, and independence of each member of the Compensation Committee in the form. If they are independent directors, please refer to the relevant content of the information of directors and supervisors (1) in Schedule 1 on page 17. Please fill in the as independent directors or others respectively (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual compensation committee members.

Note 3: Independence Condition :State the independence of the Remuneration Committee Members, including but not limited to whether they, their spouses, or relatives within the second degree act as directors, supervisors or employees of the company or its affiliated companies, the number and proportion of the company's shares held by the person, spouse, relatives within the second degree of kinship (or in the name of others), whether he is a director, supervisor or employee of a company that has a specific relationship with the company (Refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of the company listed on stock listing or trading at the business office of a securities firm), and the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

#### 2. Compensation Committee Responsibilities

The Compensation and Remuneration Committee should faithfully perform the following functions with the concept of good management, and submit the suggestions to the board of directors for discussion:

- (1) Regularly or irregularly review the regulations and make suggestions for amendments.
- (2) To set and regularly review the performance evaluation standards for directors and managers of the company, annual and long-term performance goals, and policies, systems, standards and structures for remuneration.
- (3) Regularly evaluate the achievement of the performance goals of the directors and managers of the company, and determine the content and amount of their individual salaries based on the evaluation results obtained from the performance evaluation standards.

#### 3. Information on the Operation of the Compensation Committee

- (1) There are 3 people in the compensation committee of the Company
- (2) Term of office of the current members: From June 21, 2023 to June 20, 2025, the Remuneration Committee held 3 meetings in 2024, and 1 meeting in 2025 before the publication of the annual report. The Remuneration Committee held 4 meetings in total (A). The attendance of the committee members is as follows:

Job Title	Name	Number of Actual Attendance (B)	Number of Delegated Attendance	Rate of Actual Attendance (%) 【(B)/(A)】 (Note )	Remarks
Convener	JF Lu	5	—	100	Re-elected on June 21, 2023
Committee	Alex Kao	5	—	100	Re-elected on June 21, 2023
Committee	Eddy Peng	3	—	100	Newly appointed on June 21, 2023

Other matters to be recorded:

- I. If the board of directors does not adopt or amend the recommendations of the remuneration committee, it shall state the date of the board of directors, the period, the content of the proposal, the result of the resolution of the board of directors, and the company's handling of the opinions of the compensation and compensation committee. (If the salary and remuneration approved by the board of directors is superior to the recommendation of the salary and remuneration committee, the circumstances and reasons for the difference should be stated): No such circumstance.
- II. For the resolutions of the Compensation Committee, if members have objections or reservations and have records or written statements, the date, period, content of the proposal, all members' opinions and the response of members' opinions shall be stated in the Compensation and Remuneration Committee: No such case.
- III. The Remuneration Committee of the Company held a meeting in the last year to review and evaluate the salary and remuneration information of the company as follows:

Date and Session of Remuneration Committee	Contents of the Motion	Resolution	The Company's handling of the opinions of the Remuneration Committee
March 06, 2024 (5 <sup>th</sup> Term, 2 <sup>nd</sup> Session)	1. The Company's 2023 employees' remuneration distribution proposal. 2. The Company's 2023 director's remuneration distribution proposal. 3. The Company's 2023 annual manager performance bonus.	All members of the Remuneration Committee present agreed to the motion.	Proposed at the board of directors and approved by all the directors present.
May 08, 2024 (5 <sup>th</sup> Term, 3 <sup>rd</sup> Session)	1. The Company's 2023 employees' remuneration distribution proposal. 2. The Company's 2024 annual manager performance bonus.	All members of the Remuneration Committee present agreed to the motion.	Proposed at the board of directors and approved by all the directors present.
November 06, 2024 (5 <sup>th</sup> Term, 4 <sup>th</sup> Session)	1. Discussion on the adjustment of directors' transportation allowance. 2. Discussion on the 2024 performance bonus for managers. 3. Discussion on the 2024 year-end bonus for managers. 4. Proposal for the 2025 salary adjustment for managers.	All members of the Remuneration Committee present agreed to the motion.	Proposed at the board of directors and approved by all the directors present.
March 06, 2025 (5 <sup>th</sup> Term, 5 <sup>th</sup> Session)	1. Proposal for the Company's 2024 directors' and employees' remuneration. 2. Discussion on the 2024 performance bonus for managers.	All members of the Remuneration Committee present agreed to the motion.	Proposed at the board of directors and approved by all the directors present.

Note :(1) If a remuneration committee member resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of audit committee meetings and the actual number of attendance during their tenure

(2) Before the end of the year, if an remuneration committee member is to be re-elected, the new and old remuneration committee member should be filled in, and the old, new or re-appointed and re-election date of the remuneration committee member should be indicated in the remarks column. The actual attendance

rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of attendances during their tenure.



(V)Implementation of promoting sustainable development:

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
1、Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (concurrently) unit to promote sustainable development, which is authorized by the board of directors to the senior management to handle and supervised by the board of directors?	✓		The Company's has established a part-time unit for sustainable development within the Finance Department. Together with other relevant departments, we are committed to promoting various initiatives such as corporate social responsibility, environmental protection, and corporate governance, and reports to the president authorized by the board of directors. The Company's 2023 ESG Sustainability Report was approved by the Board of Directors on August 7, 2024, and has been published on the Market Observation Post System (MOPS) and the Company's official website. In addition, a Greenhouse Gas Inventory Task Force was established in February 2023, and reports are presented to the Board of Directors on a quarterly basis.	It complies with the listed Company's code of practice for sustainable development tasks, and there is no significant difference.
2、Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and set relevant risk management policies or strategies?	✓		The Company has integrated the risks of environmental, social and corporate issues related to its operation into its operation strategy. For sustainable management, it has taken into account the Company's current situation and laws and regulations, and implemented it in a step-by-step manner.	It complies with the listed Company's code of practice for sustainable development tasks, and there is no significant difference.
3、Environmental Issues				
(1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(1) The Company belongs to the machinery and equipment manufacturing industry, mainly for design and development, and for the assembly of various parts and modules, so it will not pollute the environment. The Company has carried out environmental monitoring every six months in accordance with laws and regulations, and announced the monitoring results on the Company's website and bulletin board.	It complies with the listed Company's code of practice for sustainable development tasks, and there is no significant difference.
(2) Is the company committed to improving energy	✓		(2) The Company is committed to improving the source related	It complies with the listed

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
efficiency and using environmentally friendly recycled materials with low environmental impact?			problem, enhancing the utilization efficiency of various resources, to achieve the goal of reducing raw materials, and strengthening garbage classification to ensure that resources can be recycled, and install solar panels on the roofs of all factories to use green energy to reduce the impact on the environment.	Company's code of practice for sustainable development tasks, and there is no significant difference.
(3) Does the Company assess the current and future potential risks and opportunities of climate change for the company, and take measures to address climate-related issues?	✓		(3) The Company, with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework, has disclosed potential future risks and corresponding response strategies in its Sustainability Report.	It complies with the listed Company's code of practice for sustainable development tasks, and there is no significant difference.
(4) Has the Company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management policies?	✓		(4) The Company operates in the automated manufacturing industry, primarily focusing on research and equipment assembly. The waste generated mainly consists of employees' daily waste, totaling about 12 metric tons annually. As per regulations, there is no requirement to submit a waste disposal plan. Our water usage is also limited to general domestic use, with an average annual consumption of approximately 18.183 kiloliters. Therefore, these are not considered significant issues for our company, and we handle them according to local government regulations. As a result, our disclosure only includes greenhouse gas emissions through the greenhouse gas inventory. The Company has compiled greenhouse gas emission data for the past two years and has published it on our company's website. We fall under Stage 3 of the greenhouse gas inventory and verification disclosure schedule. The Company has proactively planned to complete the disclosure of the parent company's individual greenhouse gas inventory information and obtain reasonable assurance by 2025.	

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
			We have implemented environmental adjustments by regulating temperature controls. During winter, we raise the air conditioning by 2 degrees and shut it down 2 hours earlier to reduce carbon emissions. We are actively promoting digital operations and recycling paper to minimize paper usage. Additionally, we have implemented a waste sorting system to reduce our environmental impact.	
4、Social Issues				
(1) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		<p>(1) The Company strictly abides by various labor laws and regulations when formulating management systems and procedures to protect employees' rights and interests.</p> <p>The Company has long been committed to fostering a friendly work environment for employees. As of 2024, female employees make up 22.82 % of the total workforce, with women holding 14.6 % of management positions. In terms of policies, we have established internal regulations such as "Work Rules," "Prevention of Sexual Harassment," and "Recruitment and Employment Management." These policies clearly outline protections for employee rights regarding working hours, attendance, gender, and other aspects, ensuring that colleagues receive proper care and protection.</p> <p>For pregnant employees, in addition to regular monitoring and health consultations, we provide dedicated parking spaces and nursing rooms, ensuring comprehensive care for expectant mothers. We also accommodate employees with lactation needs by offering lactation rooms. The Company is dedicated to creating a gender-friendly work environment, promoting</p>	It complies with the listed company's code of practice for sustainable development tasks, and there is no significant difference.

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
			diversity and inclusivity in the workplace to empower women to fully utilize their talents. In compliance with the amendments to the Gender Equality in Employment Act, the Company revised the “Regulations for Prevention, Complaint, and Disciplinary Measures of Sexual Harassment” on October 8, 2024, to uphold gender equality and provide a workplace environment free from sexual harassment for employees, job applicants, and service recipients. In 2024, workplace sexual harassment prevention awareness programs were conducted, reaching approximately 298 participants.	
(2) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee salary and remuneration?	✓		(2) The Company has formulated work rules, employee treatment and attendance measures and other regulations, and formulated performance bonus system, employee dividend method, treasury stock transfer method, employee stock option method...etc. In addition to handling labor insurance and health insurance for laborers, and providing labor pensions, it also provides group accident insurance for all employees. The Company also has an employee welfare committee to handle various welfare matters and subsidies, including employee travel, birthday and wedding and funeral subsidies, and the establishment of company clubs.	It complies with the listed company's code of practice for sustainable development tasks, and there is no significant difference.
(3) Does the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	✓		(3) On the day of registration, the new employees of the Company will be notified of the Company's internal work hazards and relevant regulations. The Company also conducts regular health checks for employees with longer tenure than required by labor laws, arranges safety education training courses, and ensures the implementation of related regulations and fire safety inspections	It complies with the listed company's code of practice for sustainable development tasks, and there is no significant difference.

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
			<p>to maintain employee safety and provide a healthy work environment. In addition to adding safety issues into the original 5S and merging them into 6S, the Company has regular education, inspection, and auditing, and has set up a factory guard to provide employees with health and safety information on a regular basis. The Company also conducts health-related questionnaires from time to time and arranges medical professionals to provide consulting services.</p> <p>In 2024, the Company organized a total of 20 labor safety and workplace security seminars, with approximately 122 participants, including at least two fire drills annually. We also conducted 47 health education lectures with around 369 participants and reached out to 13,173 individuals through health education information campaigns.</p> <p>The Company has obtained certifications such as the Safe Workplace Certification, the Health Start Certification and the Corporate Fitness Certification from Health Promotion Administration, etc. Additionally, we have been recognized as a "CHR Corporate Health Responsibility " by the Common Health Magazine for 2023.</p>	
(4) Does the Company establish an effective career development training program for employees?	✓		(4) The Company plans its future development plan based on the characteristics of its employees and the nature of its business, and regularly and irregularly organizes relevant education and training courses.	It complies with the listed company's code of practice for sustainable development tasks, and there is no significant difference.
(5) Does the Company follow relevant regulations and international standards regarding products, customer health and safety, customer privacy, marketing and	✓		(5) The Company upholds the concept of honesty and integrity to treat customers, customer-oriented, to provide customers with the required technology, rigorous production, excellent quality	

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
labelling, and formulate relevant consumer protection policies and grievance procedures?			and excellent service. There is an e-mail box on the company's website to deal with issues related to the Company's customer rights complaints, and to provide a fair and immediate channel for handling customers' complaints.	
(6) Has the Company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		(6) From time to time, supervise the Company's processing manufacturers whether their operating environment management complies with laws, and select high-quality suppliers as long-term partners to jointly enhance the Company's responsibility to the environment and society. At present, the Company has not signed a supply contract with suppliers, but when contacting suppliers, they will be reminded to avoid harm to the environment, and pay attention to the supplier's environment and personnel when visiting the factory to ensure that they are in the compliance with relevant regulations.	
5、Does the Company refer to the internationally accepted reporting standards or guidelines to edit reports that disclose non-financial information of the Company, such as sustainability reports? Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?	✓		Since 2023, the Company has prepared its Sustainability Report annually in accordance with the GRI Standards. The report also references the guidelines of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) to disclose relevant information. Through the report, stakeholders can gain insight into the Company's performance in economic, environmental, and social aspects. The report has been duly filed on the Market Observation Post System (MOPS) and published on the Company's official website.	It complies with the listed company's code of practice for sustainable development tasks, and there is no significant difference. In the future, a sustainability report will be edited according to actual requirement and laws.
6、If a company has its own sustainable development code in accordance with the "listed company code of practice for sustainable development", please describe the difference between its operation and the established code: The Company has established a “Sustainable Development Best Practice Principles,” and diligently adheres to its provisions in actual operations.				
7、Other important information to help understand the implementation of promoting sustainable development: The Company makes donations or donates items and related social welfare organizations from time to time to help and support socially disadvantaged groups. The kindness club of the				

Evaluation Items	Operation Condition (Note 1)			Differences and reasons with the listed company's sustainable development code of practice
	Yes	No	Summary(Note 2)	
Company also initiates visits to nursery schools, provides entertainment activities for children and presents related gifts. The Company regularly responds to the food bank donation activities held by Taipei Exchange every year, and donates and forms teams to participate in the charity run held by well-known enterprises. The Company also funds activities in neighboring townships, actively interacts with the community, and fulfills its social civic responsibilities. We also sponsor school concerts and presentations, among other activities. The Company will occasionally participate in the enterprise talent recruitment activities of various colleges and universities, and provide opportunities for internships in colleges and universities, as well as invites to the company for visiting activities...etc. At the same time, it cooperates with community colleges to create a green and co-prosperous community. atmosphere.				

Note 1: If you tick "Yes" for the implementation situation, please specify the important policies, strategies, measures and implementation situation adopted; if you tick "No" for the implementation situation, please refer to the "Differences and reasons for the listed company's sustainable development code of practice" ” field to explain the discrepancies and reasons, and to describe the plans to adopt relevant policies, strategies and measures in the future.

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

(VI) Climate-Related Information of Listed Companies:

1. Implementation of Climate-Related Information

Item	Implementation Status								
(1) Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	To effectively address climate change issues, the Company's dedicated sustainability information management unit monitors stakeholder requirements and trends related to climate topics, convenes relevant responsible departments to assess and manage climate risks, and formulates corresponding strategies and targets. Actions taken are reported to and confirmed by the Board of Directors on a quarterly basis.								
(2) Describe how identified climate risks and opportunities affect the business, strategy, and financial planning over the short, medium, and long term.	Based on the climate change risk and opportunity assessment methodology, the Company evaluates the impact of risk items on the Company and the timing of their occurrence.								
(3) Describe the financial impact of extreme weather events and transition actions.	<p>The results of the identification of climate risks and opportunities are as follows:</p> <table> <tr> <td>Risk Category</td><td> A. Increased frequency of heavy rainfall/typhoons causing plant damage (e.g., exhaust tower damage, leaks), impacting company operations.  B. Increased frequency of water shortages, causing unstable water supply to the plant, affecting some production lines.  C. Climate warming, leading to increased electricity consumption and power supply strain.  D. Climate affecting employee efficiency (attendance) or health (e.g., high temperatures increasing safety risks, or extreme weather causing high absenteeism). </td></tr> <tr> <td>Opportunity Category</td><td> A. Conduct market assessments for renewable energy and low-carbon fuels.  B. Plan contingency measures for water and electricity shortages.  C. Develop water/electricity saving measures, carbon reduction strategies, and implement improvement projects through ISO systems.  D. Collaborate with clients to assess joining international initiatives such as the Science Based Targets initiative (SBTi) and set reduction targets. </td></tr> <tr> <td>Strategy</td><td> A. Conserve energy and reduce utility costs.  B. Enhance disaster resilience to minimize operational disruptions.  C. Save electricity to reduce costs. </td></tr> <tr> <td>Risk Management</td><td> A. To fulfill our social responsibility to protect the environment, the Company prohibits the use of harmful substances regulated by law in production equipment and disseminates related information to all departments to ensure our products meet customer requirements.  B. The Company continuously invests in research and development to modify processes, improve </td></tr> </table>	Risk Category	A. Increased frequency of heavy rainfall/typhoons causing plant damage (e.g., exhaust tower damage, leaks), impacting company operations. B. Increased frequency of water shortages, causing unstable water supply to the plant, affecting some production lines. C. Climate warming, leading to increased electricity consumption and power supply strain. D. Climate affecting employee efficiency (attendance) or health (e.g., high temperatures increasing safety risks, or extreme weather causing high absenteeism).	Opportunity Category	A. Conduct market assessments for renewable energy and low-carbon fuels. B. Plan contingency measures for water and electricity shortages. C. Develop water/electricity saving measures, carbon reduction strategies, and implement improvement projects through ISO systems. D. Collaborate with clients to assess joining international initiatives such as the Science Based Targets initiative (SBTi) and set reduction targets.	Strategy	A. Conserve energy and reduce utility costs. B. Enhance disaster resilience to minimize operational disruptions. C. Save electricity to reduce costs.	Risk Management	A. To fulfill our social responsibility to protect the environment, the Company prohibits the use of harmful substances regulated by law in production equipment and disseminates related information to all departments to ensure our products meet customer requirements. B. The Company continuously invests in research and development to modify processes, improve
Risk Category	A. Increased frequency of heavy rainfall/typhoons causing plant damage (e.g., exhaust tower damage, leaks), impacting company operations. B. Increased frequency of water shortages, causing unstable water supply to the plant, affecting some production lines. C. Climate warming, leading to increased electricity consumption and power supply strain. D. Climate affecting employee efficiency (attendance) or health (e.g., high temperatures increasing safety risks, or extreme weather causing high absenteeism).								
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Strategy	A. Conserve energy and reduce utility costs. B. Enhance disaster resilience to minimize operational disruptions. C. Save electricity to reduce costs.								
Risk Management	A. To fulfill our social responsibility to protect the environment, the Company prohibits the use of harmful substances regulated by law in production equipment and disseminates related information to all departments to ensure our products meet customer requirements. B. The Company continuously invests in research and development to modify processes, improve								



		<p>equipment production efficiency, and adjust internal workflows to reduce energy consumption and resource waste caused by internal communication errors, thereby reducing potential environmental risks.</p> <p>C. Greenhouse gas reduction and control efforts span from product design, supplier management, machine assembly, to customer service stages, continuously striving to control greenhouse gas emissions.</p> <p>D. As an equipment design and assembly company, our greenhouse gas emissions are primarily from electricity consumption, with no significant pollutants. We have also planted trees extensively within our plants to achieve carbon neutrality, adhering to this concept in machine development and assembly.</p>	
	Indicators and Targets	Following the " Sustainable Development Roadmap " issued by the Financial Supervisory Commission (FSC) in March 2022, we plan to conduct annual greenhouse gas inventories and verifications with the goal of achieving a 1% carbon reduction each year.	
	Financial Impact	<p>A. Affects assembly progress and increases operating costs.</p> <p>B. Operational impact leading to decreased revenue and profitability.</p> <p>C. Increased electricity consumption, raising costs and carbon emissions.</p>	
(4) Explain how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management system.	In recent years, global warming has intensified climate change, and awareness of environmental protection, green economy, and conservation has surged. Companies worldwide have introduced corresponding strategies. In response to the impacts of climate change, the Company has formulated corresponding strategies for various risks, aiming to reduce energy consumption and carbon emissions and enhance carbon reduction management performance to achieve corporate sustainability goals. The Company follows the Task Force on Climate-related Financial Disclosures (TCFD) framework to disclose potential future risks and response strategies.		
(5) If scenario analysis is used to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used.	The Company currently does not have quantified assessment results of the financial impact of climate change risks.		
(6) If there are transition plans for managing climate-related risks, describe the content of these plans and the indicators and targets used for identifying and managing physical and transition risks.	The Company currently does not have quantified assessment results of the financial impact of climate change risks, so there are no specific transition indicators.		
(7) If internal carbon pricing is used as a planning tool, explain the basis for	The Company has not used internal carbon pricing.		

setting the prices.	
(8)If climate-related targets are set, explain the covered activities, greenhouse gas emission scopes, planning timeline, annual progress, and other relevant information; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, explain the sources and quantities of the offset emissions or the number of RECs.	Please refer to the annual report's section on "(3) Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans. "
(9)The situation of greenhouse gas inventory and assurance, and reduction targets, strategies, and specific action plans (also detailed in 1-1 and 1-2).	Please refer to the annual report's sections on "(1.) Greenhouse Gas Inventory Information for the Last Two Years," "(2.) Greenhouse Gas Verification Information," and " (3.) Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans."

## 2. Greenhouse Gas Inventory and Verification Status for the Last Two Years

### (1) Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (in metric tons CO2e), intensity (metric tons CO2e per million NTD), and data coverage for the last two years.			
Item	2023	2024	
Scope 1: Direct greenhouse gas emissions (metric tons CO2e)	110.0642	117.4665	
Scope 2: Indirect greenhouse gas emissions (metric tons CO2e)	2,526.7835	2,602.1121	
Total emissions = Scope 1 + Scope 2 (metric tons CO2e)	2,636.8477	2,719.5786	
Greenhouse gas emission intensity (metric tons CO2e per full-time employee)	8.40	9.13	

Notes:

1. Scope 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources from transportation, and fugitive emissions. Emission factors are calculated based on the latest data announced by the Energy Administration, Ministry of Economic Affairs, R.O.C (version 6.0.4 of the IPCC Sixth Assessment Report).
2. Scope 2 refers to indirect emissions from energy use, such as purchased electricity. Electricity emission factors are calculated based on the latest emission factors announced by the Energy Administration, Ministry of Economic Affairs, R.O.C.
3. Types of greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O).
4. Purchased electricity emission factors are based on the Energy Administration, Ministry of Economic Affairs, R.O.C. announcements: 2023 electricity emission factor = 0.494kgCO<sub>2</sub>e; 2024 electricity emission factor = 0.474kgCO<sub>2</sub>e.

Note 1: Direct emissions (Scope 1, from sources owned or controlled by the company), energy indirect emissions (Scope 2, from imported electricity, heat, or steam), and other indirect emissions (Scope 3, from company activities but not covered in energy indirect emissions).

Note 2: The scope of direct emissions and energy indirect emissions data should be handled in accordance with the timeline stipulated in Paragraph 2, Article 10 of the " Regulations Governing Information to be Published in Annual Reports of Public Companies " (hereinafter referred to as the Regulations). Other indirect emissions information may be disclosed voluntarily.

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: Greenhouse gas emission intensity can be calculated per unit of product/service or revenue, but at least the data calculated per million NTD revenue should be disclosed.

## (2) Greenhouse Gas Verification Information

Describe the verification status for the last two years as of the annual report printing date, including the scope, verification agency, verification standards, and verification opinions.

The Company's greenhouse gas inventory reports in recent years have only undergone internal verification and have not been externally assured. The Company plans to engage an external verification body in 2025 to perform assurance on its greenhouse gas (GHG) emissions

Note 1: The timeline should be handled in accordance with the provisions of Paragraph 2, Article 10 of the Regulations. If the company does not obtain a complete greenhouse gas assurance opinion by the date of the annual report printing, it should indicate that "complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should indicate that "complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information should be disclosed in the annual report of the following year.

Note 2: The assurance institution should comply with the relevant regulations for sustainability report assurance institutions set by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

## (3) Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Describe the baseline year and data for greenhouse gas reduction, reduction targets, strategies, and specific action plans, as well as the achievement of reduction targets.

### ◆Greenhouse Gas Reduction Baseline Year and Reduction Targets

The Company began conducting greenhouse gas (GHG) inventories as early as 2015. However, it was not until 2023 that we formally established a dedicated GHG Inventory Team. We have designated 2023 as the base year for carbon reduction., aiming for an annual 1% reduction in accordance with the " Sustainable Development Roadmap " issued by the Financial Supervisory Commission (FSC).

**◆GHG Emission Reduction Strategies and Specific Action Plans**

1. In 2023, we participated in ASE Group's small manufacturing industries through large-scale manufacturing project, collaborating on supply chain carbon management to collectively meet GHG emission reduction targets and address climate change challenges.
2. We are replacing older, energy-intensive equipment with energy-efficient models.
3. We are installing motion sensors for lighting in stairwells and pantry areas to achieve energy conservation and carbon reduction.

**◆Progress Toward Reduction Targets**

Since the external inventory and verification processes are not yet complete, the Company has scheduled to engage an external verification body in 2025 to verify and assure its greenhouse gas emissions. Upon completion of the inventory, the Company will publicly disclose its reduction strategy accordingly.

Note 1: The timeline should be handled in accordance with the provisions of Paragraph 2, Article 10 of the Regulations.

Note 2: The base year should be the year in which the inventory was completed based on the consolidated financial reporting boundary. For example, according to Paragraph 2, Article 10 of this operational procedure, companies with a capital amount exceeding 10 billion NTD should complete the inventory of the consolidated financial report for the year 113 by the year 114. Therefore, the base year is 113. If the company has completed the inventory of the consolidated financial report earlier, the earlier year may be used as the base year. Additionally, the data for the base year can be calculated using either a single year or an average of multiple years.

(VII) The Company's performance of integrity management and the measures taken:

Evaluation Item	Operation Condition (Note)			Differences and reasons with the listed company's integrity management and the measures taken
	Yes	No	Summary	
1、Formulate integrity management policies and program				
(1) Does the Company formulate an honest management policy approved by the board of directors, and express the policy and practice of honest management in regulations and external documents, and whether the board of directors and senior management actively implement the commitment to the management policy ?	✓		(1) The Company has formulated the "Integrity Management Operating Procedures and Behavior Guidelines". Regarding the integrity management policy and the active implementation of the commitment of the board of directors and management, it has taken into account the Company's current situation and regulations, and implemented it in a step-by-step manner.	It complies with the listed company's integrity management code.

Evaluation Item	Operation Condition (Note)			Differences and reasons with the listed company's integrity management and the measures taken
	Yes	No	Summary	
(2) Whether the Company has established an assessment mechanism for the risk of dishonest behavior, regularly analyzes and evaluates the business activities with high risk of dishonest behavior within the business scope, and formulates a plan for preventing dishonest behavior based on it, and at least covers the "Integrity Management of Listed OTC Companies" What are the precautionary measures for the behaviors of Article 7, Paragraph 2 of the Code?	✓		(2) Integrity and reliability are the most important core values in the Company's corporate culture. They are promoted in the education and training of new employees and on-the-job training, and there are relevant norms in work rules and insider trading prevention management procedures, and establish complete violation penalties, and complaint system to prevent the occurrence of dishonest behavior.	
(3) Has the Company clearly defined operating procedures, behavior guidelines, and disciplinary and appeal systems for violations of preventing dishonest behavior, and implement them, and regularly review and revise the plan?	✓		(3) The Company's "Work Rules" and "Integrity Management Procedures and Behavior Guidelines" stipulate that no gifts, entertainment or any form of bribery may be required, accepted or given that may impair loyalty or professional judgment. It has also required all employees in the group to sign the "Business Confidentiality, Intellectual Property and Integrity and Ethics Agreement" upon entry to implement the integrity code of conduct. The agreement is regularly reviewed for adequacy and appropriateness. The Company also has an e-mail (goodfaith@enr.com.tw) for reporting and appeals. If it receives a breach of integrity, it will assign senior executives and audit units to jointly handle it properly.	
2、Implement Integrity Management				
(1) Has the Company assessed the integrity records of the companies it deals with and specify the terms of integrity in the contracts signed?	✓		(1) When the Company signs contracts with others, it will try to fully understand the integrity management situation of the other party as much as possible, and incorporate integrity management into the business contract.	It complies with the listed company's integrity management code. No significant difference. In the future, it will be implemented
(2) Has the Company set up a dedicated unit for promoting		✓	(2) Although the company has not yet set up a full-time unit for	

Evaluation Item	Operation Condition (Note)			Differences and reasons with the listed company's integrity management and the measures taken
	Yes	No	Summary	
corporate integrity management under the board of directors, and regularly (at least once a year) report to the board of directors its integrity management policy and plan for preventing dishonest behavior and supervise the implementation?			corporate integrity management, it has formulated the "Integrity Management Operating Procedures and Behavior Guidelines", which is implemented jointly executed by the operations general management office and the human resources department. These procedures are based on the principles outlined in the 'Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,' and we are gradually implementing them in a systematic manner. Additionally, through internal audit operations, we aim to assess whether our company meets the integrity requirements across various aspects. In addition, the management of the Company also strictly abides by the rules of integrity management and reports to the board of directors at least once a year, aiming to establish a benchmark for good behavior within the Company.	in a step-by-step manner depending on actual needs and relevant regulations.
(3) Has the Company have a policy to prevent conflicts of interest, provide appropriate channels for presentation, and implement it?	✓		(3) The Company has clearly stated in the "Guidelines for Operational Procedures and Behaviors of Integrity Management" that it should avoid any conflicts that may cause personal interests and the interests of the Company. Directors who have an interest in the resolutions listed by the board of directors and their own or their representative corporations abstain from participating in discussions and voting.	It complies with the listed company's integrity management code. No significant difference. In the future, it will be implemented in a step-by-step manner depending on actual needs and relevant regulations.
(4) Whether the Company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit will formulate relevant audit plans based on the assessment results of the risk of dishonest behavior, and according to the audit, to prevent	✓		(4) The Company has a rigorous accounting system and a dedicated accounting unit. The financial reports are checked by certified accountants to ensure the fairness of the financial statements. The internal auditors also perform audits in accordance with the audit plan to ensure the effective operation of the company's internal control system.	

Evaluation Item	Operation Condition (Note)			Differences and reasons with the listed company's integrity management and the measures taken
	Yes	No	Summary	
dishonest behavior, or to entrust an accountant to perform the audit?				
(5) Does the Company regularly hold internal and external education and training for integrity management?	✓		(5) The Company has regularly or irregularly promoted education and training courses and publicity matters related to integrity management.	
3、Operation of the Company Whistleblowing System				
(1) Has the Company formulated a specific reporting and reward system, established a convenient reporting channel, and assigned appropriate specialized personnel to deal with the reported object?	✓		The Company has an e-mail(goodfaith@enr.com.tw) for reporting and appealing. If there is any violation of integrity, it will assign senior executives and audit units to jointly handle it properly, and report to the general manager for appropriate punishment depending	It complies with the listed company's integrity management code.
(2) Has the company established standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	✓		on the circumstances. The current operation takes the operations general management office and human resources department and the audit office as the reporting channels. If there is a violation of integrity, it will be handled in accordance with the employee	It complies with the listed company's integrity management code.
(3) Does the Company take measures to protect whistleblower from being mistreated due to whistleblowing?	✓		disciplinary measures. The Company has clearly established the protection of whistleblowers so that they will not be improperly dealt with due to the whistleblower matters.	
4、Strengthen Information Disclosure Does the Company disclose the content of its integrity management code and promote its effectiveness on its website and MOPS?	✓		The Company has set up a website to disclose the "Integrity Management Operating Procedures and Behavior Guidelines" formulated by the Company, and disclosed the implementation of integrity management in the annual report.	It complies with the listed company's integrity management code.
5、If the Company has its own integrity management code based on the "listed company integrity management code", please describe the difference between its operation and the established code: The Company implements it in accordance with the spirit of the integrity management operating procedures and behavior guidelines, in a step-by-step manner, its operation is not				

Evaluation Item	Operation Condition (Note)			Differences and reasons with the listed company's integrity management and the measures taken
	Yes	No	Summary	
materially different from this Code.				
6、Other important information that helps to understand the integrity of the Company's business operations: (such as the company's review and revision of its integrity management code, etc.) The company always pays attention to the development of the relevant norms of integrity management, and reviews the Company's integrity management policy accordingly, to implement the integrity management policy.				



(VIII) Other important information sufficient to improve understanding of how corporate governance works may also be disclosed:

1. The Company has formulated specific rules for the level-by-level authorization authorized by the board of directors to implement the hierarchical responsibility management mechanism. The internal audit unit will conduct an annual audit based on the audit plan of the risk assessment, and report the audit results to the audit committee and the board of directors.
2. The Company has taken out relevant insurance to avoid risks, and has purchased liability insurance for directors.
3. In accordance with the provisions of the " Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act ", significant information about the Company will be disclosed on the public information observatory from time to time. In addition, the Company has established "Management Procedure to Prevent Insider Trading " to avoid improper information leakage and prevent insider transactions from happening, to protect the rights and interests of the Company and all stakeholders.

(IX) Implementation Status of Internal Control System

1. Internal Control Statement: Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw/mops/#/web/t06sg20>, and enter the company code and the year to search for relevant information.
2. Those who entrust an accountant to review the internal control system shall disclose the accountant's review report: none.

(X) The important resolutions of the shareholders' meeting and board of directors in the most recent year and up to the date of the annual report publication.

Conference Category	Date	Important Resolutions
Board of Directors	2024.03.06	<ol style="list-style-type: none"> <li>1. The total number of directors' and the employees' remuneration of the company in 2023.</li> <li>2. The Company's 2023 director's remuneration distribution proposal.</li> <li>3. The Company's 2023 annual manager performance bonus case.</li> <li>4. The Company's 2023 annual business report and financial statements.</li> <li>5. The Company's 2023 earnings distribution table.</li> <li>6. Proposal to lift the non-competition restrictions on directors and their representatives.</li> <li>7. Proposal for additional funding to " Jiangsu E&amp;R Technology Co., Ltd.".</li> <li>8. Proposal for additional funding from investee company "Jiangsu E&amp;R Technology Co., Ltd." to investee company "Chentai (Shanghai) Trading Co., Ltd.".</li> <li>9. Proposal for additional funding to investee company "Wuxi E&amp;R Semiconductor Materials Technology Co., Ltd.".</li> <li>10. Authorization for foreign currency transactions</li> </ol>

Conference Category	Date	Important Resolutions
		<p>including pre-purchase, pre-sale, currency exchange, and interest rate swap for operational risk hedging needs.</p> <p>11. Proposal to approve the investment in " King Tech Vietnam Co., LTD.".</p> <p>12. Acknowledgment of the Company's "Internal Control System Statement."</p> <p>13. Proposal to approve the 2024 business plan.</p> <p>14. Proposal to convene the 2024 Annual General Meeting of Shareholders.</p> <p>15. Proposal to handle shareholder proposals for the 2024 Annual General Meeting.</p>
Board of Directors	2024.05.08	<p>1. The company's employee remuneration distribution plan for 2023.</p> <p>2. The Company's 2024 annual manager performance bonus case.</p> <p>3. The case of the Company's Q1 2024 consolidated financial statements.</p> <p>4. The company cooperated with Crowe Horwath International's internal adjustment and replacement of accountants.</p> <p>5. Proposal for additional funding to " Jiangsu E&amp;R Technology Co., Ltd.".</p> <p>6. Proposal for additional funding to investee company "Wuxi E&amp;R Semiconductor Materials Technology Co., Ltd.".</p> <p>7. Proposal to approve the investment in "Uniconn Interconnections Technology Co., Ltd.".</p> <p>8. Proposal to set the record date for the capital increase by converting the third unsecured convertible bonds into common shares in Q1 2024.</p>
Shareholders Meeting	2024.06.20	<p>* Report Items:</p> <p>1. The Company's 2023 Annual Business Report.</p> <p>2. The Company's 2023 Audit Committee Review Report.</p> <p>3. Report on the execution of the Company's third domestic unsecured convertible bonds.</p> <p>4. Report on the distribution of the Company's 2023 directors' remuneration and employees' compensation.</p> <p>5. Report on the distribution of 2023 earnings as cash dividends.</p> <p>* Approval Items:</p> <p>1. The Company's 2023 Annual Business Report and Financial Statements.</p> <p>2. The Company's 2023 Earnings Distribution Table.</p> <p>* Discussion Item:</p> <p>1. Proposal to lift the non-competition restrictions on directors and their representatives.</p> <p>* Shareholders' Inquiries: No such situation.</p> <p>* Execution Status of Shareholders' Meeting Resolutions:</p> <p>1. The proposal for approval of the Company's 2023 Business Report and Financial Statements was approved.</p> <p>2. The proposal for approval of the Company's 2023 Earnings Distribution Table was approved, and a cash dividend of NT\$0.50085125 per share was distributed on April 29, 2024.</p>

Conference Category	Date	Important Resolutions
		3. The proposal to lift the non-compete restrictions on newly elected directors and their representatives was approved.
Board of Directors	2024.08.07	<ol style="list-style-type: none"> <li>1. Proposal to approve the Company's consolidated financial statements for Q2 2024.</li> <li>2. Proposal to provide additional loan funding to the sub-subsidiary "Wuxi E&amp;R Semiconductor Materials Technology Co., Ltd."</li> <li>3. Proposal to establish a new reinvestment company in Malaysia through a Singapore holding company.</li> <li>4. Proposal to approve the amendment of the "Accounting Policy."</li> <li>5. Proposal to approve the Company's 2023 ESG Sustainability Report.</li> <li>6. Proposal to ratify the appointment of the General Manager of the investee company under the Carrier Tape Business Unit.</li> <li>7. Proposal to appoint the Chief Operating Officer (COO) and Chief Strategy &amp; Investment Officer (CSIO).</li> </ol>
Board of Directors	2024.11.06	<ol style="list-style-type: none"> <li>1. Discussion on the performance bonus for managers for Q2–Q3 of 2024.</li> <li>2. Discussion on the 2024 year-end bonus for managers.</li> <li>3. Proposal for the 2025 salary adjustment for managers.</li> <li>4. Proposal to approve the Company's consolidated financial statements for Q3 2024.</li> <li>5. Proposal to ratify the endorsement and guarantee for the reinvestment company "TECH-WAVE Industrial Co., Ltd."</li> <li>6. Proposal to provide additional loan funding to the sub-subsidiary "Wuxi E&amp;R Semiconductor Materials Technology Co., Ltd."</li> <li>7. Proposal to ratify the company name change of the reinvestment company "Jiangsu E&amp;R Technology Co., Ltd."</li> <li>8. Proposal to provide additional loan funding to the reinvestment company "Superior Technology Semiconductor Co., Ltd."</li> <li>9. Proposal to approve the amendment of the "Internal Control System."</li> <li>10. Proposal to approve the 2025 audit plan.</li> <li>11. Discussion on the amendment of the "Board of Directors Meeting Guidelines."</li> <li>12. Discussion on the establishment of the "Corporate Governance Best Practice Principles."</li> <li>13. Discussion on the establishment of the "Sustainable Development Best Practice Principles" and the abolishment of the "Corporate Social Responsibility Best Practice Principles."</li> <li>14. Proposal to set investment limits.</li> <li>15. Proposal to approve the 2025 bank loan credit lines.</li> <li>16. Proposal to set the record date for capital increase via conversion of the 2021 Employee Stock Warrants and the third unsecured convertible bonds into common shares in Q3 2024.</li> <li>17. Proposal to appoint the Chief Executive Officer (CEO).</li> </ol>

Conference Category	Date	Important Resolutions
		18. Discussion on the adjustment of travel and transportation allowance for board directors.
Board of Directors	2024.12.25	1. Proposal to provide additional loan funding to the reinvestment company "Jiangsu Superior Technology Semiconductor Co., Ltd." 2. Proposal to approve the 2025 business plan.
Board of Directors	2025.03.06	1. Proposal on the remuneration for directors and employees for the fiscal year 2024. 2. Discussion on the performance bonus distribution for managers in 2024. 3. Proposal to amend certain provisions of the Articles of Incorporation. 4. Proposal on the 2024 Business Report and Financial Statements. 5. Proposal on the 2024 Profit and Loss Appropriation Statement. 6. Proposal to provide additional funding loans to the investee company " Superior Technology Semiconductor Co., Ltd." 7. Proposal to provide additional funding loans to the investee companies "Wuxi E&R Semiconductor Materials Technology Co., Ltd." and " Superior Technology Semiconductor Co., Ltd." 8. Proposal to approve the capital increase of " Uniconn Interconnections Technology Co., Ltd." 9. Proposal to approve the bank syndicated credit agreement. 10. Approval of the company's "Internal Control System Declaration." 11. Proposal to amend the "Internal Control System." 12. Proposal regarding matters related to convening the 2025 Annual General Meeting of shareholders. 13. Acceptance of shareholder proposals for 2025. 14. Proposal to set the base date for capital increase upon exercise of employee stock warrants issued in 2021 and the third unsecured convertible corporate bonds for the 4th quarter of 2024.
Board of Directors	2025.04.09	1. Proposal to implement the 12th share repurchase plan.
Board of Directors	2025.04.25	1. Proposal to approve the Company's consolidated financial statements for the first quarter of 2025. 2. Proposal to provide additional funding loans to the investee company "Jiangsu Superior Technology Semiconductor Co., Ltd." 3. Proposal to provide additional funding loans to the investee company " Wuxi E&R Semiconductor Materials Technology Co., Ltd." 4. Proposal to approve the capital increase of " LEDlas Corp. " 5. Proposal to approve the syndicated bank credit agreement. 6. Proposal to cancel the original plan to sell part of the plant on behalf of Jiangsu Superior Technology Semiconductor Co., Ltd. 7. Proposal to transfer treasury shares to employees at a price lower than the actual average repurchase price. 8. Proposal to set the base date for the capital increase upon

Conference Category	Date	Important Resolutions
		conversion of the third unsecured convertible corporate bonds into common shares for the first quarter of 2025. 9. Proposal to update matters related to convening the 2025 Annual General Meeting of shareholders.

(XI) In the most recent year and up to the date of printing the annual report, the directors or supervisors have different opinions on the important resolutions passed by the board of directors, and there are records or written statements. Its main content: No such thing.

#### IV. Information on Audit Fees Paid to the Certifying CPA:

Amount Unit: NTD thousand

The Name of Accounting Firm	Accountant Name	Period Covered by CPA's Audit	Audit Fee	Non-audit fees	Total	Remarks
Crowe (TW) CPAs	Jen Yao Hsieh	2024.01 to 2024.12	2,390	1. Business Registration 47 2. English Version of Financial Report 209 3. Inventory Write-off Certification Fee 20 4. Provisional Income Tax Filing Fee 65 5. Salary Information Checklist for Non-Managerial Employees 25	2,756	N.A.
	Kuo Ming Lee	2023.01 to 2023.12				

(I) If the accounting firm is changed and the audit fee paid in the replacement year is lower than the audit fee in the year before the change, the amount, proportion and reason for the decrease in audit fee shall be disclosed: Not applicable.

(II) If the audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction of the audit fee shall be disclosed: Not applicable.

#### V. Information on the Change of Independent Auditors:

(I) About the Former Accountant:

Date of Change	Approved by the Board of Directors on May 8, 2024
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Reason and Explanation for the Change:	To comply with relevant regulations and internal personnel adjustments at Crowe (TW) CPAs, the signing CPAs have been changed starting from the second quarter of 2024. The auditors have been changed from CPA Mr. Ching-Lin Lee and CPA Mr. Kuo-Ming Lee to CPA Mr. Jen-Yao Hsieh and CPA Mr. Kuo-Ming Lee.		
Explanation of Whether the Termination or Non-Acceptance of the Engagement Was Initiated by the Company or the Auditors	Party Involved Situation	Auditor	Company
	Voluntary termination of engagement	Not Applicable	Not Applicable
	Refusal to accept (continue) the engagement	Not Applicable	Not Applicable
Audit opinions other than unqualified opinions issued in the most recent two years and their reasons	No		
Any Disagreements With the Issuer	Yes		Accounting Principles or Practices
			Disclosure in Financial Reporting
			Audit Scope or Procedures
			Others
	No	V	
	Explanation		
Other disclosure items (Items required to be disclosed under Subparagraph 6, Items 4 to 7 of Article 10 of these Regulations)	None.		

(II) About Successor Accountants:

Name of CPA firm	Crowe (TW) CPAs
Names of CPAs	CPA Ching-Lin Lee and CPA Kuo-Ming Lee
Date of Appointment	Approved by the Board of Directors on May 8, 2024
Consultations conducted prior to appointment regarding accounting treatment or principles for specific transactions and the type of audit opinion that might be issued on the financial statements:	None
Written opinions from the successor CPAs regarding any disagreements with the former CPAs	None

(III) Reply letter from the former accountant to the items 1 and 2 of Article 10, paragraph 6 of this Standard: None.

VI. The chairman of the board, the president, or the manager in charge of financial or accounting affairs, who have worked in the firm of the certified public accountant or its affiliates within the last year: Not applicable.

VII. In the most recent year and as of the publication date of the annual report, the transfer of equity of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% and changes in equity pledge. If the counterparty of the equity transfer or equity pledge is a related person, the name of the counterparty, the relationship with the company, directors, supervisors, shareholders with a shareholding ratio exceeding 10%, or the number of pledged shares shall be disclosed:

(I) Shareholding changes of directors, supervisors, managers and major shareholders:

Changes in Shareholding of Directors, Supervisors, Managers, and Major Shareholders:

Share Transfers:

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

[https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1), and enter the company code and the relevant year.

Changes in Pledged Shares:

Please refer to the MOPS at [https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1), and enter the company code and the relevant year.

(II) If the counterparty of the equity transfer is a related person, it shall be disclosed:

Name	Reason for equity transfer	Transaction date	Counterparty	The relationship between the counterparty and the company, directors, supervisors, managers, and shareholders with a shareholding ratio exceeding 10%	Number of shares	Transaction price
KS Chen	Gift	2023.02 2023.02	Hsu, Miao Chen Yu Min	Spouse Child	200,000 45,000	Not applicable.
Eric Chang	Gift	2023.02	Chang, Ching-Chuan	Child	35,000	Not applicable.
Robert Chu	Gift	2023.12	Chu, Chun-Yi	Child	30,000	Not applicable.
Allen Lin	Gift	2.23.05	Lin, Yi-Cheng	Child	50,000	Not applicable.
Max Tsao	Gift	2024.03	Tsao, Ken-Han	Child	11,000	Not applicable.

(III) If the counterparty of the equity pledge is a related person, it shall be disclosed: there is no such circumstance.

VIII. Information on Relationships Among the Top Ten Shareholders by Shareholding Ratio:

April 14, 2025; Unit: share

Name	Shares held		Spouse and minor children now holding shares		Shares held in the names of others		The titles, names and relationships of the top ten shareholders who are related persons or are spouses or relatives within the second degree of kinship.		Remark
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (or Name)	Relationship	
Michel Wang	4,200,334	3.97%	0	0%	822,956	0.8%	-	-	-



Name	Shares held		Spouse and minor children now holding shares		Shares held in the names of others		The titles, names and relationships of the top ten shareholders who are related persons or are spouses or relatives within the second degree of kinship.		Remark
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (or Name)	Relationship	
Peng-Hsuan Chao	3,550,000	3.36%	0	0%	0	0%	-	-	-
Chung-Fu Mao	2,119,000	2.01%	0	0%	0	0%	-	-	-
Hsiao-Ying Kung	1,754,000	1.66%	0	0%	0	0%	-	-	-
Hsio-Hua Chiang	1,580,000	1.50%	0	0%	0	0%			
Harry Haung	1,215,680	1.15%	0	0%	0	0%			
Eric Chang	1,059,661	1.00%	0	0%	0	0%			
KS Chen	1,004,000	0.95%	0	0%	0	0%	-	-	-
Yu-Kuo Yang	949,428	0.90%	0	0%	0	0%	-	-	-
Tsai, Teng-Shun	911,000	0.86%	0	0%	0	0%	-	-	-

IX. The number of shares held by the company, the company's directors, supervisors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and combined to calculate the comprehensive shareholding ratio:

March 31, 2025; Unit: thousand shares; %

Reinvestment Business (Note)	The company's investment		Investment of directors, supervisors, managers and directly or indirectly controlled enterprises		Comprehensive Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Hong Kong E&R SEMICONDUCTOR MATERIALS CO., LTD	15,000	100.00%	—	—	15,000	100.00%
ENRICHMENT TECH.CORPORATION	7,290	100%	—	—	7,290	100%
TECH-WAVE INDUSTRIAL CO.,LTD.	2,500	51.43%	—	—	2,500	51.43%
EXCELLENT TECHKNOWLEDGIES	9,709	100%	—	—	9,709	100%

HOLDINGS PTE. LTD.						
EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE. LTD.	101	100%			101	100%

Note: It is a long-term equity investment of the Company.

### Three. Fundraising Situation

#### I. Capital and Shares

##### (I) Source of Share Capital:

##### 1.Share Capital Formation Process

March 31, 2022; Unit: thousand shares; %

Year. Month	Issue price (NTD)	Authorized Stock		Paid-up Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Share Capital	Offset share capital with property other than cash	Others
2016.01	12.1	100,000	1,000,000	55,406	554,060	Employee stock option new shares 5,295 Decrease of treasury shares and restricted new shares 10,325	—	01/13/2016 MOEA Licensed Commercial No.10501004660
2016.04	12.1	100,000	1,000,000	55,459	554,590	Employee stock option new shares 575 Decrease restricted new Shares 45	—	04/25/2016 MOEA Licensed Commercial No.10501075000
2016.05	12.1	100,000	1,000,000	55,195	551,954	Employee stock option new shares 61.5 Decrease restricted new Shares 325.1	—	05/27/2016 MOEA Licensed Commercial No.10501107890
2016.09	11.9	100,000	1,000,000	53,947	539,476	Decrease of treasury shares 1,245 Decrease restricted new Shares 2.8	—	09/07/2016 MOEA Licensed Commercial No.10501216420
2016.11	11.9	100,000	1,000,000	54,184	541,841	Employee stock option new shares 237	—	11/25/2016 MOEA Licensed Commercial No.10501273150
2017.04	11.9	100,000	1,000,000	54,005	540,050	Employee stock option new shares 28 Decrease restricted new shares 206	—	04/06/2017 MOEA Licensed Commercial No.10601041500
2017.06	11.9 19.19	100,000	1,000,000	61,643	616,436	Employee stock option new shares 401 Convertible bond 7,238	—	06/05/2017 MOEA Licensed Commercial No.10601070530

Year. Month	Issue price (NTD)	Authorized Stock		Paid-up Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Share Capital	Offset share capital with property other than cash	Others
2017.09	28 11.9 19.02~ 19.19	100,000	1,000,000	75,997	759,961	Cash capital increase 10,000 Employee stock option new shares 116 Convertible bond 4,237	—	09/01/2017 MOEA Licensed Commercial No.10601122400
2017.12	11.9 19.02	100,000	1,000,000	76,872	768,723	Employee stock option new shares 144 Convertible bond 731	—	12/07/2017 MOEA Licensed Commercial No.10601164010
2018.03	11.9 19.02	100,000	1,000,000	78,190	781,897	Employee stock option new shares 156 Convertible bond 1,162	—	03/27/2018 MOEA Licensed Commercial No.10701031760
2018.04	11.9 19.02	100,000	1,000,000	78,585	785,852	Employee stock option new shares 101 Convertible bond 294	—	04/20/2018 MOEA Licensed Commercial No.10701038520
2018.08	19.02	100,000	1,000,000	79,221	792,213	Convertible bond 636	—	08/22/2018 MOEA Licensed Commercial No.10701108020
2018.12	11.9 19.02	100,000	1,000,000	79,783	797,828	Employee stock option new shares 20 Convertible bond 542	—	12/11/2018 MOEA Licensed Commercial No.10701150420
2019.04	19.02	100,000	1,000,000	79,794	797,943	Decrease of treasury shares 814 Convertible bond 825	—	04/23/2019 MOEA Licensed Commercial No.10801036620
2019.05	11.9	100,000	1,000,000	79,884	798,843	Employee stock option new shares 90	—	05/16/2019 MOEA Licensed Commercial No.10801057730
2019.11	10	120,000	1,200,000	81,462	814,618	Convertible bond 1,578	—	10/21/2019 MOEA Licensed Commercial No.10801142100
2020.11	42.22	120,000	1,200,000	84,152	841,524	Convertible bond 2,690	—	11/30/2020 MOEA Licensed Commercial No.10901222280

Year. Month	Issue price (NTD)	Authorized Stock		Paid-up Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Share Capital	Offset share capital with property other than cash	Others
2021.03	42.22	120,000	1,200,000	85,431	854,314	Convertible bond 1,279	—	03/24/2021 MOEA Licensed Commercial No.11001046480
2021.05	42.22	120,000	1,200,000	90,273	902,726	Convertible bond 48,412	—	05/31/2021 MOEA Licensed Commercial No.11001087320
2021.08	66	120,000	1,200,000	100,273	1,002,726	Cash capital increase 100,000	—	08/05/2021 MOEA Licensed Commercial No.11001132410
2021.11	15.7 42.14	120,000	1,200,000	100,048	1,000,476	Employee stock option new shares 4,225 Convertible bond 1,825 Decrease of treasury shares 8,300	—	11/25/2021 MOEA Licensed Commercial No.11001217650
2.22.04	42.14	120,000	1,200,000	100,102	1,001,020	Convertible bond 546	—	04/11/2022 MOEA Licensed Commercial No.11101056640
2022.10	15.4 41.31	150,000	1,500,000	100,770	1,007,702	Employee stock option new shares 5,350 Convertible bond 1,332	—	10/31/2022 MOEA Licensed Commercial No. 11101208210
2023.03	15.4 41.31	150,000	1,500,000	99,595	995,953	Employee stock option new shares 125 Convertible bond 3,026 Decrease of treasury shares 14,900	—	27/03/2023 MOEA Licensed Commercial No. 11230049990
2023.08	-	150,000	1,500,000	98,595	985,953	Decrease of treasury shares 10,000	—	2023.08.28 MOEA Licensed Commercial No 11230164030
2024.05	65.08 64.74	150,000	1,500,000	102,735	1,027,355	Convertible bond 4,140	—	2024.06.13 MOEA Licensed Commercial No 11330099540

Year. Month	Issue price (NTD)	Authorized Stock		Paid-up Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Share Capital	Offset share capital with property other than cash	Others
2024.12	29.9 64.74	150,000	1,500,000	106,427	1,064,275	Employee stock option new shares 212 Convertible bond 3,480		2024.12.02 MOEA Licensed Commercial No 11330205040
2025.03	29.9 64.74	150,000	1,500,000	108,381	1,083,813	Employee stock option new shares 151 Convertible bond 1,802		2025.03.04 MOEA Licensed Commercial No 11330205040
2025.05	64.74	150,000	1,500,000	108,496	1,084,956	Convertible bond 114	—	The resolution to change the base date for capital increase was approved by the Board of Directors on April 25, 2025, and is currently under processing

## 2.Type of shares

April 14, 2025; Unit: Shares

Type	Authorized Stock			Remark
	Outstanding Shares	Unissued Stock	Total	
Common Stock	108,381,345	41,618,655	150,000,000	OTC Stock

3.If it is approved to raise and issue securities under the general reporting system, it shall also disclose the approved amount, the information about the planned issuance and the securities that have been issued: Not applicable.

## (II) List of major shareholders

Names, shareholding amounts and proportions of shareholders holding more than 5% of the shares or the top ten shareholders

April 14, 2025; Unit: shares

Name of Major Shareholders	Shares	Number of Shares Held	Shareholding Ratio (%)
Michel Wang		4,200,334	3.97%

Name of Major Shareholders	Shares	Number of Shares Held	Shareholding Ratio (%)
Chao, Peng-Hsuan		3,550,000	3.36%
Mao, Chung-Fu		2,119,000	2.01%
Kung, Hsiao-Ying		1,754,000	1.66%
Chiang, Hsiu-Hua		1,580,000	1.50%
Harry Huang		1,215,680	1.15%
Eric Chang		1,059,661	1.00%
Yang, Yu-Kuo		1,004,000	0.95%
KS Chen		949,428	0.90%
Tsai, Teng-Shun		911,000	0.86%

### (III) Company Dividend Policy and Implementation Status

#### 1.Dividend policy set based on Articles of Incorporation:

If there is any surplus in the company's annual final accounts, it will be distributed in the following order:

- (1).Pay taxes according to law.
- (2).Make up for accumulated losses.
- (3).Set aside ten percent of such profits as a legal reserve. Unless the cumulative legal reserve is equivalent to the Company's total capital stock.
- (4).A special surplus reserve shall be appropriated according to laws or regulations or necessary for operation; after deducting the previous balances and adding the accumulated undistributed surplus of the previous year, the board of directors shall formulate a shareholder dividend distribution proposal and submit it to the shareholders' meeting for resolution. Shareholder dividends may be distributed in the form of stock dividends or cash dividends.

In the future, according to the environment and growth stage, and based on capital investment and business expansion needs, the Company will achieve sound financial planning and take into account the interests of shareholders for sustainable development. The Company's dividend policy will allocate no less than 10% of the above-mentioned distributable surplus to shareholders' dividends according to the Company's future capital expenditure budget and capital needs. However, when the accumulated distributable surplus is less than 5% of the paid-in share capital, must be allocated. When distributing dividends to shareholders, it can be done in the form of stock dividends or cash dividends, of which the distribution ratio of cash dividends shall not be lower than 10% of the total dividends to shareholders. If the Company has a major investment or development policy, it may be distributed in full as stock dividends.

#### 2.The proposed dividend distribution at the shareholders' meeting:

On March 6, 2025, the Board of Directors resolved not to distribute dividends to shareholders.

#### 3.Explanation of expected major changes in dividend policy: None.

- (IV) The impact of the issue of bonus shares proposed at this shareholders' meeting on the Company's operating performance and earnings per share: There is no issue of bonus shares this year, so it does not apply.

(V) Remuneration of Employees, Directors and Supervisors:

1. The percentage or scope of remuneration for employees, directors and supervisors as stated in the company's articles of association:

Corporation By-Laws	Content
Article 30	If the Company has a profit in the year, it should set aside 5~10% as employee remuneration, which will be distributed in stock or cash by the resolution of the board of directors. The distribution object includes employees of subordinate companies who meet certain conditions. No more than 3% shall be allocated as the director's remuneration by the resolution of the board of directors. Employee remuneration and directors' remuneration distribution proposal shall be submitted to the shareholders' meeting report. However, when the Company still has accumulated losses, it should reserve the amount to make up in advance, and then allocate the employee's remuneration and director's remuneration according to the proportion in the preceding paragraph.
Article 30-1	<p>If there is any surplus in the Company's annual final accounts, it will be distributed in the following order:</p> <p>(1) Pay taxes according to law.</p> <p>(2) Make up for accumulated losses</p> <p>(3) The statutory surplus reserve is set aside at 10%, except when the statutory surplus reserve has reached the total capital of the company.</p> <p>(4) A special surplus reserve shall be appropriated according to laws or regulations or necessary for operation; after deducting the previous balances and adding the accumulated undistributed surplus of the previous year, the board of directors shall formulate a shareholder dividend distribution proposal and submit it to the shareholders' meeting for resolution.</p> <p>In the future, according to the environment and growth stage, and based on capital investment and business expansion needs, the Company will achieve sound financial planning and take into account the interests of shareholders for sustainable development. The Company's dividend policy will allocate no less than 10% of the above-mentioned distributable surplus to shareholders' dividends according to the Company's future capital expenditure budget and capital needs. However, when the accumulated distributable surplus is less than 5% of the paid-in share capital, must be allocated. When distributing dividends to shareholders, it can be done in the form of stock dividends or cash dividends, of which the distribution ratio of cash dividends shall not be lower than 10% of the total dividends to shareholders. If the Company has a major investment or development policy, it may be distributed in full as stock dividends.</p>

The distribution of employee remuneration and directors' remuneration shall be carried out by the board of directors with the approval of more than two-thirds of the directors present and approved by more than half of the directors present, and reported to the shareholders' meeting.

2. The estimated basis of the remuneration of employees, directors and supervisors estimated in the current period, the calculation basis of the number of shares for the



employee compensation distributed by stock, and the accounting treatment if the actual distribution amount is different from the estimated amount:

(1). Estimation basis for employee compensation:

According to Article 30 of the Articles of Incorporation, if the Company has a profit in the year, it should set aside 5~10% as employee remuneration, which will be distributed in stock or cash by the resolution of the board of directors. The distribution object includes employees of subordinate companies who meet certain conditions. However, when the Company still has accumulated losses, it should reserve the amount to make up in advance, and then allocate the employee's remuneration and director's remuneration according to the proportion in the preceding paragraph. Employee remuneration distribution proposal shall be submitted to the shareholders' meeting report.

(2). Estimation basis for directors' and supervisors' remuneration:

According to Article 30 of the Articles of Incorporation, if the Company has a profit in the year, no more than 3% shall be allocated as the director's remuneration by the resolution of the board of directors. However, when the Company still has accumulated losses, it should reserve the amount to make up in advance, and then allocate the employee's remuneration and director's remuneration according to the proportion in the preceding paragraph.

(3). The calculation basis of the number of shares for the employee compensation distributed by stock:

If the shareholders' meeting decides to issue employee bonuses by shares, the number of shares for dividends shall be determined by dividing the amount of the resolution dividends by the fair value of the shares. The fair value of shares refers to the closing price on the day before the resolution of the shareholders' meeting (after considering the effect of ex-rights and ex-dividends).

(4). Accounting treatment when the actual distribution amount is different from the estimated amount:

On the resolution date of the shareholders' meeting, if there is a change in the amount, it will be treated according to the change in accounting estimates and listed as profit or loss for the following year.

3. Remuneration Distribution Approved by the Board of Directors

(1). Remuneration of employees and directors and supervisors distributed in cash or stock, If there is a discrepancy with the estimated amount in the year of recognition of expenses, the discrepancies, reasons and handling shall be disclosed: None.

(2). The amount of employee compensation distributed in stock and its proportion to the total amount of after-tax net profit and total employee compensation in the current period's individual or individual financial statement: None.

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price), if there is a discrepancy from the remuneration of the recognized employees, directors and supervisors, the number of discrepancies, reasons and handling shall be stated: Not applicable due to no distribution.

(VI) The Company buys back the company's shares:

1. The status of the Company's repurchase of the Company's shares (the execution has been completed)

April 30, 2025

Repurchase no.	The 8 <sup>th</sup> Time in 2022	The 9 <sup>th</sup> Time in 2022	The 10 <sup>th</sup> Time in 2023	The 11 <sup>th</sup> Time in 2023
Purpose of repurchase	Transfer shares to employees	Maintain the company's credit and shareholders' rights	Maintain the company's credit and shareholders' rights	Transfer shares to employees
Repurchase period	October 14, 2022 to November 11, 2022	November 14, 2022 to December 13, 2022	March 23, 2023 to May 08, 2023	June 07, 2023 to June 15, 2023
Repurchase price range	NTD50 to NTD80per share	NTD50 to NTD80per share	NTD50 to NTD70per share	NTD50 to NTD 70 per share
Types and numbers of shares bought back	989,000 shares	1,490,000 shares	1,000,000 shares	1,000,000 shares
Amount of shares bought back (NT\$)	NTD 51,705,794	NTD 82,534,958	NTD 50,564,662	NTD 60,943,547 元
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	98.9%	99.3%	100%	100%
The number of repurchased shares that have been cancelled or transferred	0 shares	1,490,000 shares	0 shares	0 shares
Accumulated number of the Company's shares held by the Company	1,823,000 shares	1,823,000 shares	2,823,000 shares	2,823,000 shares
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	1.69%	1.69%	1.69%	2.61%

Note 1 : The 8<sup>th</sup> and 11<sup>th</sup> buyback of the company's shares have not yet been transferred.

Note 2 : The 9<sup>th</sup> share buyback of the company in 2022 was approved for cancellation by the Board of Directors on March 7, 2023, with the capital reduction record date set for March 9, 2023. The Ministry of Economic Affairs approved the capital reduction and treasury stock cancellation on March 27, 2023, with the letter of MOEA Licensed Commercial No. 11230049990.

Note 3 : The 10<sup>th</sup> buyback of the Company's stock in 2023 was cancelled by the resolution of the board of directors on August 10, 2023, and the record date for capital reduction was set as August 15, 2024. The Ministry of Economic Affairs has approved the capital reduction and cancellation of treasury shares with the letter of MOEA Licensed Commercial No. 11230164030 dated August 28, 2023.

2.The situation of the company's repurchase of the company's shares (which is still in progress):

April 30, 2025

Repurchase Program	12th Round
Purpose of Repurchase	To maintain the Company's credit and protect shareholders' rights and interests
Repurchase Period	April 10, 2025 – June 9, 2025
Repurchase Price Range	NT\$50 to NT\$80 per share
Type and Quantity of Shares Repurchased	641,000 shares
Amount of Shares Repurchased	NTD 46,387,236
Percentage of Shares Repurchased to Planned Repurchase Quantity (%)	42.74%
Number of Shares Cancelled or Transferred	0 shares
Accumulated Number of Treasury Shares Held	3,464,000 shares
Cumulative Shareholding as a Percentage of Total Issued Shares (%)	3.20%

## II. Handling of corporate bonds

### (I) Corporate bonds outstanding and in-process yet to be redeemed

Types of corporate bonds	Bonds Issued During the Third Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
Issue Date	July 13, 2022
Denomination	NT\$100,000
Place of issue and trading	—
Par Value	Issued in full par value
Issue Amount	NT\$1,000,000,000
Coupon Rate	0%
Term	5 years Maturity date:: 2027.07.13
Guarantor	Not applicable
Trustee	Trust Division of Bank Sinopac company limited
Underwriter	Taichung Commercial Bank Securities Co., Ltd.
Certifying Lawyer	N.A.
Certifying CPA	N.A.
Repayment Method	Repayment of Principal Once Due
Unredeemed Balance	As of April 14, 2025, the balance of corporate bonds that have not been redeemed or converted is 381,300 thousand.
Conditions for redemption or early redemption	1. From October 14, 2022 (the next day when three full months pass since the issuance day) to June 3, 2027 (forty days before the maturity

Types of corporate bonds	Bonds Issued During the Third Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
	<p>date), if the closing price of the company's common stock exceeds the current conversion price by 30% (inclusive) for 30 consecutive trading days, the Company may, within the next 30 business days, send a "Bond Recall Notice" with a one-month expiration date by registered mail (the aforementioned period is calculated from the date of issuance of the letter by the Company, and the expiry date of the period is taken as the benchmark date of bond recall, and the aforementioned period cannot be the period of cessation of conversion in Article 9) to bondholders (the ones listed in the bondholder register on the fifth business day prior to the date of dispatch of the "Bond Callback Notice". For bondholders who subsequently acquire the convertible corporate bonds due to trading or other reasons, it shall be done by way of announcement). The Company will take back its outstanding convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recovery reference date.</p> <p>2. From October 14, 2022 (the next day when three full months pass since the issuance day) to June 3, 2027 (forty days before the maturity date), if the outstanding balance of the converted corporate bonds is lower than the original issued 10% of the total amount, the Company may send a " Bond Callback Notice " by registered mail at any time thereafter (the aforementioned period is calculated from the date of issuance of the letter by the Company, and the expiry date of the period is taken as the benchmark date of bond recall, and the aforementioned period cannot be the period of cessation of conversion in Article 9) to bondholders (the ones listed in the bondholder register on the fifth business day prior to the date of dispatch of the "Bond Callback Notice". For bondholders who subsequently acquire the convertible corporate bonds due to trading or other reasons, it shall be done by way of announcement). The Company will take back its outstanding convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recovery reference date.</p> <p>3. If the creditor fails to reply in writing to the Company's stock affairs agency before the bond recovery benchmark date stated in the "Bond Recovery Notice" (the validity comes effect upon receipt of notice, but for mailing cases, the validity shall be based on the postmark date), the Company will take back its outstanding principal convertible corporate bonds in cash at the face value of the bonds within five business days after the bond recovery reference date.</p> <p>4. When the Company implements the request for the conversion of corporate bonds, the deadline for bondholders to request conversion is the second business day after the day when OTC trading is terminated.</p> <p>5. The date when three and four full years pass since the issuance day (July 13, 2025 and July 13, 2026) are the benchmark dates for the bondholders to sell back the bond. Forty days before the sell-back benchmark date (June 3, 2025 and June 3, 2026), the Company shall send a "Notice of Put-back Right Exercise" to bondholders by registered mail (the ones listed in the bondholder register on the fifth business day prior to the date of dispatch of the " Notice of Put-back Right Exercise ". For bondholders who subsequently acquire the</p>

Types of corporate bonds	Bonds Issued During the Third Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
	<p>convertible corporate bonds due to trading or other reasons, it shall be done by way of announcement), and ask the OTC trading center to announce the exercise of the bond holder's sell-back right. The bondholder may notify the Company's stock affairs agency in writing within 40 days before the sell-back base date (the validity comes effect upon receipt of notice, but for mailing cases, the validity shall be based on the postmark date), and request the Company to add interest based on the face value of the bonds for redemption [the interest for 3-year bonds is 101.5075% of the bond's face value (real yield is 0.50%); the interest for 4-year bonds is 102.0151% of the bond's face value (real yield is 0.50%)] The Company accepts the sell-back request and shall redeem the convertible corporate bonds in cash within five business days after the sell-back base date. If the aforementioned date falls on a day when the centralized securities trading market is closed, it will be postponed to the next business day.</p>
Restrictive covenants	<p>(1) Cash Dividend</p> <ol style="list-style-type: none"> <li>Bondholders who request conversion during January 1 of the current year to 15 business days (exclusive) before the Company's cash dividend transfer closure date of the current year may participate in the distribution of cash dividends for the previous year by the resolution of the shareholders' meeting of the current year.</li> <li>From 15 business days (inclusive) before the closing date of the Company's cash dividends for the current year to the ex-dividend base date (inclusive) of the cash dividends, the conversion of the converted corporate bonds shall be suspended.</li> <li>Bondholders who request conversion from the day following the ex-dividend base date of the current year's cash dividend to December 31 of the current year (inclusive) shall not be entitled to the cash dividend of the previous year issued by the resolution of the shareholders' meeting of the current year. However, it can participate in the cash dividend of the current year issued by the resolution of the shareholders' meeting in the next year.</li> </ol> <p>(2) Stock Dividend</p> <ol style="list-style-type: none"> <li>Bondholders who request conversion from January 1 of the current year to 15 business days (exclusive) before the closing date of the ex-rights transfer of the Company's free allotment of the current year, the converted ordinary shares shall be included in the stock dividend of the year before the resolution of the annual shareholders' meeting.</li> <li>In the current year, the Company shall stop the conversion of the converted corporate bonds from the 15 business days (inclusive) before the book closure date for issuance of bonus shares to the ex-right base date for bonus shares.</li> <li>Bondholders who request conversion from the day following the ex-right base date for bonus shares to December 31 of the current year (inclusive) shall not be entitled to the cash dividend of the previous year issued by the resolution of the shareholders' meeting of the current year. However, it can participate in the cash dividend of the current year issued by the resolution of the shareholders' meeting in the next year.</li> </ol>

Types of corporate bonds		Bonds Issued During the Third Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022
Name of rating agency, date and result of rating		N.A.
Other Rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	N.A.
	The issuance and conversion, exchange, or subscription rules	Please refer to the corporate bond section on MOPS for information about bond issuance
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		If calculated based on the current conversion price of NT\$64.74 per share, it is estimated that 5,889,713 shares will be converted, and the maximum dilution of the current issued shares of 108,381,345 shares will be 5.44%. The equity dilution of converted corporate bonds depends on the conversion situation, and it occurs gradually and has a deferred effect. Therefore, overall, the impact on the dilution of shareholders' equity is still limited.
Name of the custodian institution of the exchangeable underlyings		N.A.

(II) Corporate bonds due within one year: The third domestic unsecured conversion corporate bond issued by the Company in 2022 is due on July 13, 2027, so there is no corporate bond due within one year.

(III) Those that have issued convertible corporate bonds that can be converted into ordinary shares, overseas depositary receipts, or other securities shall be listed in the table below.

April 30, 2025 Unit:NTD

Corporate Bond Type		Bonds Issued During the Third Issuance of Domestic Unsecured Convertible Corporate Bonds in 2022		
Items	Year	2023	2024	January 1 to 30 April, 2025
Market Value of convertible	Highest	127	219	150
	Lowest	101	118.35	122.7

corporate bonds	Average	110.79	150.40	136.67
Conversion price		67.6	64.74	64.74
Issue Date and Conversion Price upon Issue		Issue Date: July 13, 2022, with an initial conversion price of NT\$67.60. On April 27, 2023, the conversion price was adjusted to NT\$65.08. On April 9, 2024, the conversion price was adjusted to NT\$64.74.		
Method for performance of conversion obligations		Issuance of new shares		

(IV) Issued Exchange Corporate Bonds: None.

(V) Raise and issue ordinary corporate bonds by means of comprehensive declaration: None.

(VI) Issued corporate bonds with warrants: None.

(VII) Privately Placed Corporate Bonds in The Past Three Years: None.

III. Handling of Special Shares: None.

IV. Overseas Depositary Receipts: None.

V. Employee Share Subscription Warrants

(I) As of the publication date of the annual report, the company's employee share subscription warrants and its impact on shareholders' rights and interests:

April 30, 2025

Type of employee share subscription warrants	The first issue of employee stock option certificates in 2021
Effective registration date	October 12, 2021
Issue Date	November 15, 2021
Duration	5 years
Number of Units Issued	500
Ratio of the number of issued subscribable shares to the total number of issued shares	0.46%
Subscription Period	2023/11/15~2026/11/14
Exercise method	Issuance of new shares
Vesting period and percentage (%)	The accumulative share subscription ratio after 2 years is 50% The accumulative share subscription ratio after 3 years is 75% The accumulative share subscription ratio after 4 years is 100%

Number of shares subscribed through exercise of the warrants	363,250 share
Amount of the shares subscribed through exercise of the warrants (NT\$)	NT\$10,861,175
Number of unexercised shares	136,750 shares
Subscription price per share of the unexercised shares	NTD 29.9
Ratio of the number of unexercised shares to the total number of issued shares (%) (Note)	0.13%
The effect on shareholders' equity	The duration of this share warrant certificate is 5 years, and it will be implemented two years after the date of issuance. It will dilute the equity of the original ordinary shareholders year by year, so the dilution effect and impact on shareholders' equity are still limited.

Note: The total number of issued shares refers to the number of shares listed in the Ministry of Economic Affairs' change registration information



(II) Accumulated until the date of publication of the annual report, the manager who obtained the employee stock option certificate and the names of the top ten employees who obtained the certificate and the number of shares that can be subscribed, the status of the acquisition and the status of subscription:

Unit: share, NTD: thousand, May 15, 2022

	Job Title	Name	Release Date	Number of subscriptions acquired	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)	Executed (Note 1)				Unexecuted (Note 2)			
						Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)	Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)
Manager	Subsidiary General Manager	James Lai	2021.11.15	79,000	0.07%	59,250	29.9	1,772	0.05%	49,000	29.9	1,465	0.05%
	Director	Allen Lin											
	Vice President	Martin Yeh											
	Director	SJ Hong											
	Director	Kevin Chang											
	Accounting Supervisor	Max Tsao											
	Financial Director	Sonia Lu											
Staff	Manager	Josh Huang	2021.11.15	98,000	0.09%	73,500	29.9	2,198	0.07%	131,000	29.9	3,917	0.13%
	Manager	Zhichuang Yang											
	Manager	Zhaoming Chen											
	Manager	Ben Lin											
	Manager	Simon Lin											
	Manager	Qingde He											
	Deputy Manager	Guanyu Zhao											
	Deputy	Lighten Lu											

	Job Title	Name	Release Date	Number of subscriptions acquired	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)	Executed (Note 1)				Unexecuted (Note 2)			
						Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)	Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions obtained to the total number of issued shares (Note 4)
	Manager												
	Deputy Manager	Tsun I Meng											
	Deputy Manager	Winphy Lin											
	Deputy Manager	Jason Chang											

Note 1: Including managers and employees (those who have resigned or died should be specified), individual names and titles should be disclosed, but their acquisition and subscription conditions can be disclosed in a consolidated manner.

Note 2: The number of columns depends on the actual number of issuances.

Note 3: The top ten employees with the number of shares that can be subscribed for the share option certificate refer to employees other than managers.

Note 4: The total number of issued shares refers to the number of shares listed in the Ministry of Economic Affairs' change registration information.

Note 5: The price of employee stock options that have been executed shall disclose the price of the stock options at the time of execution.

Note 6: The subscription price of unexecuted employee stock options shall disclose the adjusted stock subscription price calculated according to the issuance method.

VI. Status of Employee Restricted Stock: None.

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions

(I) In the most recent year and as of the date of publication of the annual report, completed mergers and acquisitions or transfer of shares from other companies to issue new shares: None.

(II) In the most recent year and as of the publication date of the annual report, the board of directors has passed a resolution to acquire new shares or issue new shares by transferring shares from other companies: None.

VIII. Implementation of Company's capital allocation plans:

In July 2022, the Company issued its third domestic unsecured convertible bonds. For details regarding the issuance plan, implementation status, and resulting benefits, please refer to the Market Observation Post System (MOPS) at [https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2) by entering the company code and the corresponding year.

## Four. Operational Overview

### I. Company Management

#### (I) Business Scope

1. The main business scope of the Group includes semiconductor packaging and testing, glass substrate, LED packaging and testing, flexible printed circuit board (FPC) process, passive component manufacturing process, smart phones and the most advanced production equipment for wearable products, which are described as follows according to the company:

##### (1) Parent company - E&R Engineering Corporation

- A. R&D, manufacturing and sales of laser marking, laser cutting and other automation equipment.
- B. R&D, manufacturing and sales of laser application equipment.
- C. R&D, manufacturing and sales of plasma cleaning machines.
- D. R&D, manufacturing, and sales of automation equipment for glass substrates.
- E. R&D, manufacturing and sales of FPC (Flexible Printed Circuit) equipment.

##### (2) Subsidiary

- A. Subsidiary - TECH-WAVE industrial Co. Ltd.  
Manufacturing and sales of FPC.
- B. Subsidiary - E&R Semiconductor Materials Co., Ltd.  
SMD packaging material trading business.

##### (3) Sub-subsidiary

- A. Sub-subsidiary - E&R(Dongguan) Semiconductor Materials Co., Ltd., and Wuxi E&R Semiconductor Materials Technology Co., Ltd.  
Design and manufacture of packaging tapes for semiconductor / LED / passive components.
- B. Sub-subsidiary - Chen Tai Trading(Shanghai) CO. LTD, and Superior Technology Semiconductor Co., Ltd.  
Manufacturing, sales and after-sales service of automation equipment.

#### 2. Proportion of Business

Unit: NTD thousand

Item	Main Product	2023		2024	
		Net Operating Revenues	Proportion (%)	Net Operating Revenues	Proportion (%)
Semiconductor Equipment	Laser Equipment	743,206	47.97	870,668	52.93
	Plasma Equipment	102,802	6.64	167,578	10.19
Electronic Component Products	SMD Packaging Materials	307,822	19.87	304,781	18.53

Other	395,544	25.52	301,881	18.35
Total	1,549,374	100.00	100.00	100.00

3. The Company's current product items:

Main industry category	Product Category	Main Products	Important Purpose or Function
Semiconductor Equipment	Laser Equipment	Laser Marking Tool	*IC components and LED components are marked for identification and traceability. *Wafer printing and wafer QR code.
		Laser Pattern Scribing Tool	*Flexible board or glass ITO touch circuit production, silver paste circuit production
		Laser Cutting Tool	*Wearable components cutting and manufacturing. *SIP IC cutting and manufacturing *Sapphire cutting and manufacturing. *Reinforced glass cutting and manufacturing. *Ceramic substrate cutting and manufacturing. *Flexible Printed Circuit Board (FPC) cutting and manufacturing.
		Laser Drilling Tool	* LED ceramic substrate drilling *3D IC substrate drilling *Smartphone glass screen drilling *Glass substrate modification and through-hole processing *ABF substrate drilling
	Plasma Equipment	Plasma Cleaning Tool	*IC package lead frame cleaning *IC packaging substrate cleaning *Pre-cleaning for wafer-related processes *Cleaning for automotive and panel displays * ABF substrate cleaning
		Wafer level packaging plasma processing	*Wafer dicing *Wafer micro-etching
	Other (spare)	Parts and professional maintenance services	*Income from spare parts replacement and maintenance of the above equipment
Electronic Component Products	FPC	Design and manufacture of FPC and module components related to touch panel	*Used in mobile phones, laptops, and 3C communication products
	SMD Packaging Material	Design and manufacture of packaging tape and cover tape for semiconductor/LED/passive components	*Loading and protection of surface mount components SMD

#### 4. New products planned to be developed:

- (1) Glass Substrate Process Equipment
- (2) Wafer Level Plasma Micro-etching Equipment
- (3) Advanced Packaging Process Equipment
- (4) Third-generation Semiconductor Application Equipment
- (5) Plasma Etching Tool for Micro Led
- (6) Silicon Photonics Co-Packaging Technology Equipment

#### (II) Industry Overview:

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

###### (1.) Overview of Taiwan's Semiconductor Industry

With the global economic recovery and the drive of AI (Artificial Intelligence), Taiwan's semiconductor industry value in 2024 is expected to exceed NT\$5 trillion, growing by 22% year-on-year, surpassing the global market average performance. The end-user market is gradually recovering, and the rising demand for emerging AI applications continues to drive rapid growth in the semiconductor industry. According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market value is expected to reach US\$611.2 billion in 2024, growing by 16.0% year-on-year; it is projected to grow further to US\$687.4 billion in 2025, with an annual growth of 12.5%, reflecting the strong market performance.

The Industrial Technology Research Institute (ITRI) points out that the global semiconductor industry's direction is also deeply influenced by national policies. The U.S. Chips Act, the EU Chips Act, and industry development plans in Taiwan, Japan, and other countries are reshaping the global semiconductor supply chain ecosystem. As the core hub for global semiconductor manufacturing, Taiwan will continue to play a key role under policy support and technological innovation. In 2025, Taiwan's semiconductor industry is expected to exceed NT\$6 trillion in value, with a year-on-year growth rate of 16.5%. If we look at Taiwan's three major sub-industries—IC design, manufacturing, and packaging and testing—each will experience double-digit growth in 2025 (as shown in Figure 1), continuing to propel Taiwan's IC industry into a new era.

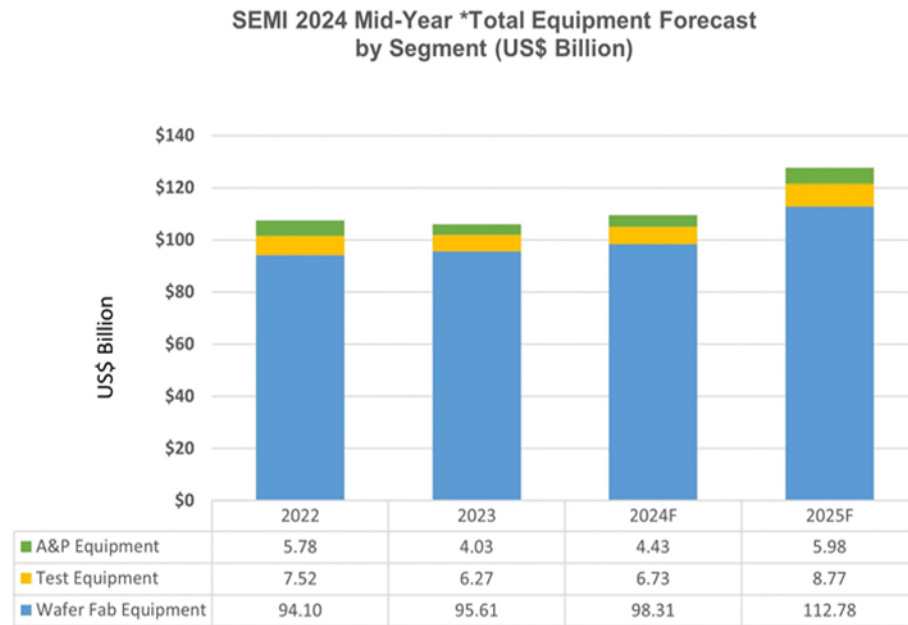


Figure 1: In 2024, Taiwan's IC industry surpassed the NT\$5 trillion mark, with an estimated year-on-year growth of 22.0%. (Source: Industrial Technology Research Institute, IEK, October 2024)

## (2.) Overview of Semiconductor (Equipment) Industry

At SEMICON West 2024, the international semiconductor industry association SEMI released its mid-year semiconductor equipment forecast report, predicting that global semiconductor manufacturing equipment sales will increase by 3.4% year-on-year in 2024, reaching a new record of USD 109 billion. The growth momentum is expected to continue into 2025, driven by demand in both front-end and back-end processes, with total sales forecasted to reach a historic high of USD 128 billion (as shown in Figure 2).

SEMI's Chief Marketing Officer and President for Taiwan, Terry Chao, analyzed: "The growth curve for semiconductor manufacturing equipment sales will extend into 2025, with a further expansion of approximately 17%. The global semiconductor industry has a strong foundation and growth potential to support the AI wave and various disruptive applications." The semiconductor industry is at a critical juncture, with expansion investments and the development of mainstream technologies to meet the ever-evolving global industry demands. Generative AI and high-performance computing are driving advancements in advanced logic and memory, while mainstream processes continue to support critical applications like automotive, IoT, and power electronics. By region, China, Taiwan, and South Korea are expected to remain the top three in equipment spending in 2025. This year, shipments of equipment to China are expected to exceed the record-breaking USD 35 billion. However, after significant investments over the past three years, China is expected to experience a downturn in 2025.



*Source: SEMI Equipment Market Data Subscription (EMDS), July 2024*

Figure 2 :Global Semiconductor Manufacturing Equipment Sales Total (Source: SEMI, July 2024)

### (3.) Global Semiconductor Industry Overview

According to the World Integrated Circuit Association (WICA), the global semiconductor market is expected to reach USD 611.2 billion in 2024, marking a 17% year-on-year growth. The global market has hit its bottom and is about to enter an upward cycle. The Chinese market is growing the fastest, followed by the United States, with both countries showing growth rates of 20.1% and 18.2%, respectively, compared to the same period in 2023. China remains the largest electronic device manufacturing region in the world and is still the largest integrated circuit market globally. In 2024, the semiconductor market in Mainland China is expected to reach approximately USD 186.5 billion, accounting for 30% of the global semiconductor market.

SEMI, the International Semiconductor Industry Association, recently released its latest quarterly global wafer fab forecast report, which indicates that 18 new wafer fabs are expected to be established by 2025. This includes three 8-inch fabs and fifteen 12-inch fabs, with most of these facilities expected to begin mass production between 2026 and 2027. According to the 2024 fourth-quarter global wafer fab forecast report, the global semiconductor industry will have up to 97 new high-capacity wafer fabs starting production during this period, with 48 fabs expected to begin operation in 2024 and 32 fabs in 2025. The wafer sizes will range from 12 inches to 2 inches.



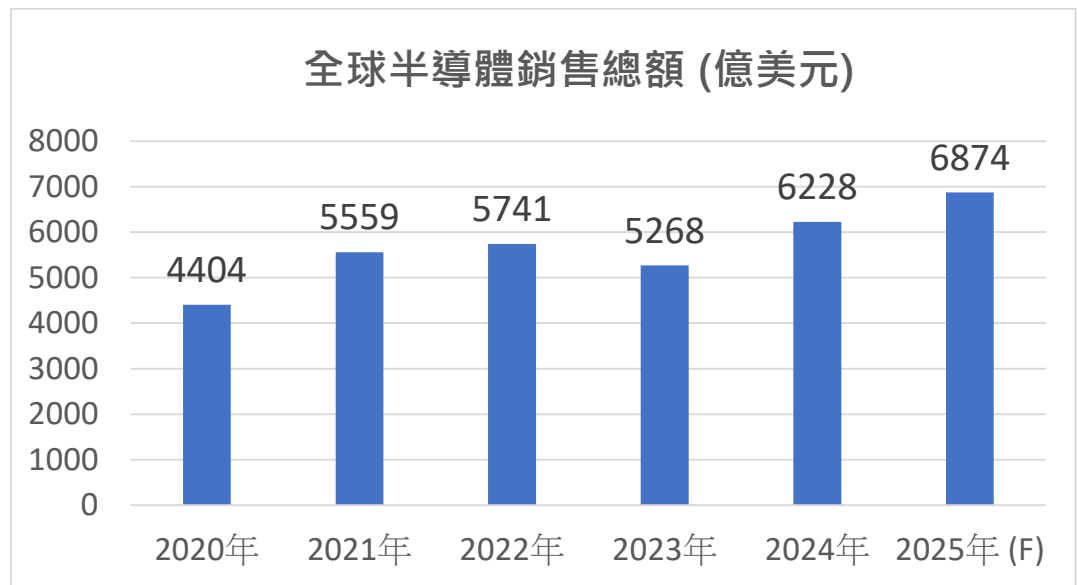
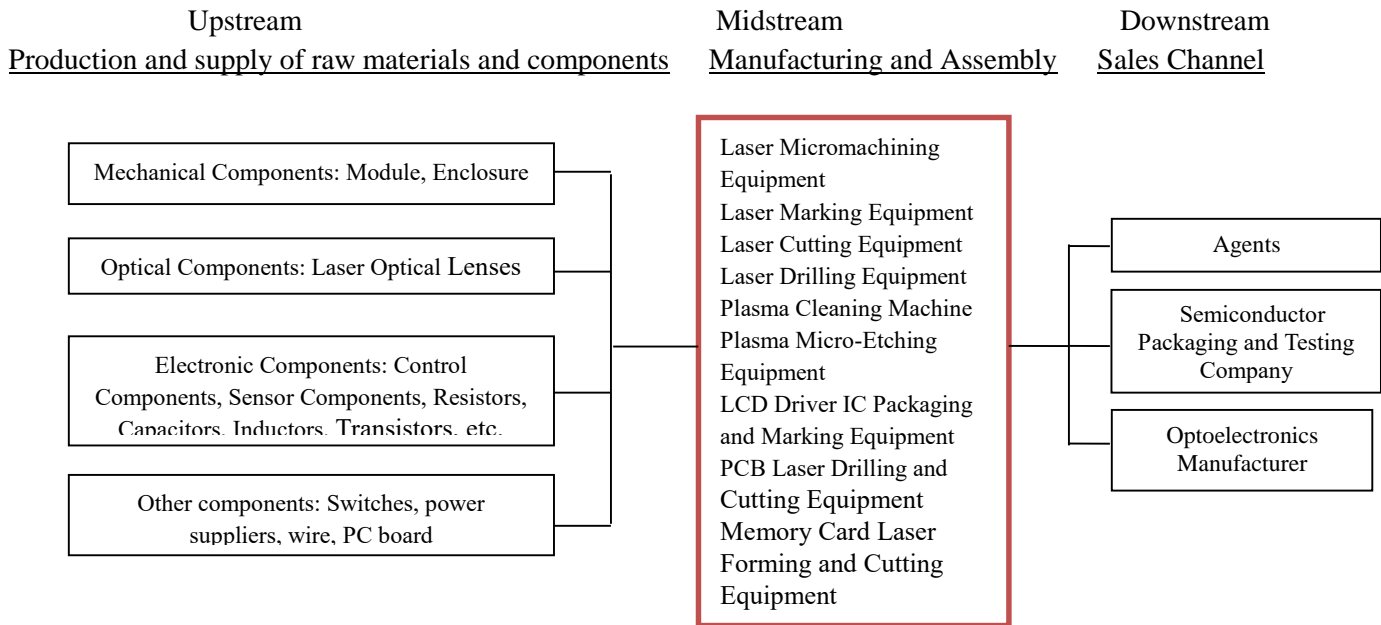


Figure 3: Global Semiconductor Sales Revenue (Source: WICA - World Integrated Circuit Association)

## 2. The Relationship Between Upstream, Midstream, and Downstream in the Industry

The upstream, midstream and downstream correlations of the Group's product industries are listed as follows:

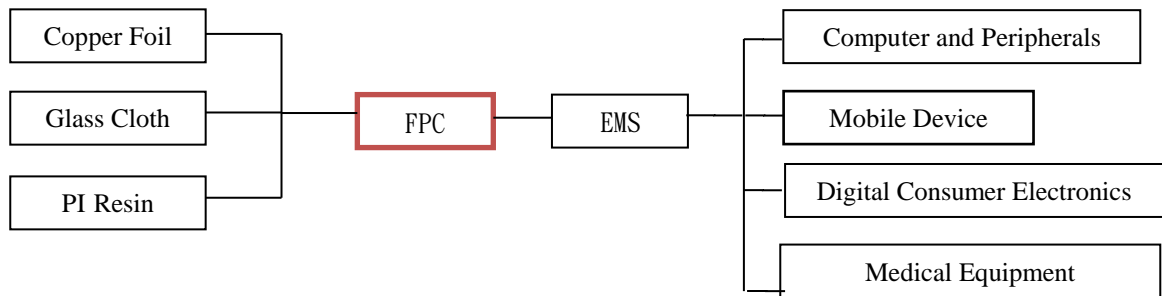
### A. Electronic and semiconductor production equipment manufacturing



Source: ENR Engineering Corp.

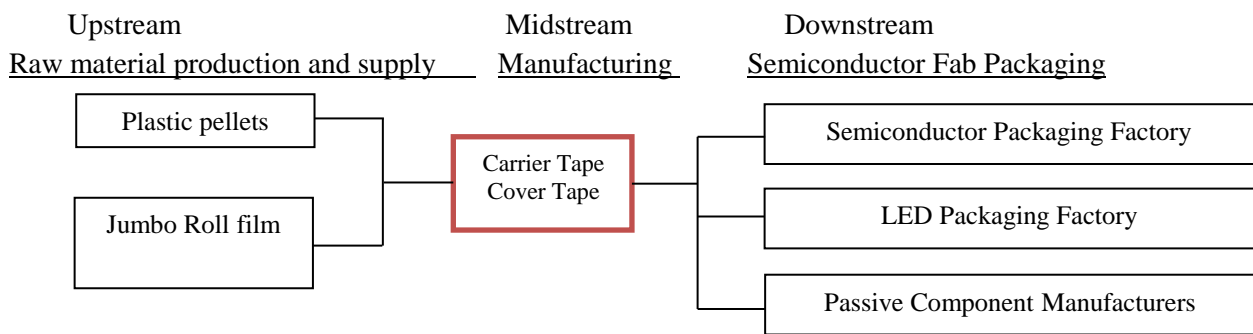
### B. Flexible Printed Circuit board manufacturing

Upstream      Midstream      Downstream      Terminal  
Raw material production and supply    Manufacturing    Assembled by assembly plant    Consumer



Source: ENR Engineering Corp.

## C. Semiconductor Manufacturing



Source: ENR Engineering Corp.

### 3. Various development trends of products

#### A. Opportunities in AI (Artificial Intelligence)

The rise of generative AI, with its reliance on high-speed computing and data processing capabilities, is directly driving demand in the high-performance computing (HPC) semiconductor market. Advanced technologies provide crucial support for generative AI and high-speed computing. It is estimated that semiconductor market revenue will grow by 8%–12% in 2025, leading to a simultaneous increase in capital expenditures, especially in advanced logic processes and advanced packaging related to HPC. The global semiconductor market is projected to reach \$1 trillion by 2030, with AI-related semiconductors contributing to over 50% of the overall growth.

#### B. Advanced Packaging Market

The AI revolution is fueling a significant increase in demand for advanced semiconductor packaging technologies, spanning from Chip-on-Wafer-on-Substrate (CoWoS) and Fan-out packaging—originating from the panel industry—to emerging technologies like multi-layer stacking of High Bandwidth Memory (HBM). Advanced packaging enables multiple chips to be arranged horizontally or vertically, increasing overall transistor density. With continuous technological advancements, packaging has evolved from single-chip solutions to integrating multiple chips, achieving higher transistor density and better performance. Taiwan's investment in advanced manufacturing processes is expected to remain at the forefront of the industry in the coming years.

#### C. Glass Substrate Technology and Development

Glass substrates are emerging as a replacement for traditional organic substrates, enabling more refined circuitry while offering heat resistance and flexibility, making them ideal for high-end applications. Semiconductor packaging technology is shifting from 2D to 3D, utilizing chip stacking to further increase transistor density and enhance performance. Industry leaders like NVIDIA, AMD, and Intel are expected to adopt glass substrates as early as 2026.

#### D. Wafer Plasma Dicing Equipment

Conventional wafer dicing methods rely on blade-based processing, but the blade width results in the loss of valuable wafer area. Additionally, mechanical stress from the blade can lead to chip cracking or breakage, reducing yield rates. Plasma dicing aims to minimize the scribe line width, increasing the number of chips that can be obtained from each wafer. This method also enables flexible cutting designs for various chip shapes while enhancing the strength of individual dies after dicing.

#### E. Silicon Photonics Driving the High-Speed Interconnect Revolution

The AI revolution is creating massive data processing demands, making silicon photonics and co-packaged optical components key technologies for overcoming Moore's Law limitations. Silicon photonics integration is expected to be completed by 2025, entering a phase of continuous growth. Generative AI is pushing the limits of server performance, particularly in data transmission. Whether for on-board chip interconnects or within computing clusters, wider bandwidth and lower power consumption interfaces are essential. Silicon photonics, with its advantages of higher bandwidth, longer transmission distances, and greater energy efficiency, is emerging as a crucial technology to meet these challenges.

### 4. Product Competition

The world's smart communication electronics industry is developing rapidly. ENR Engineering Corp. is a technology company specializing in the design and manufacture of semiconductors, high-end substrate materials, LEDs, passive components and other high-end automation equipment and SMD packaging materials. The main products of ENR Engineering Corp. and its subsidiaries are laser marking machines, laser micromachining machines, laser cutting machines, laser drilling machines, laser scribing tools, laser glass drilling tools, plasma cleaning machines, plasma dicing machines, FPC process equipment and SMT precision packaging carrier tape.

Among them, laser printers, laser micromachining equipment, laser cutting machines, laser drilling machines, and laser scribing machines are the laser solutions provided by ENR Engineering and its subsidiaries. Laser Marking Machine is an earlier developed product, and now it can mark products of different materials, and the customer market is concentrated in Asia. However, due to the launch of smart phones and wearable products, traditional precision processing technology can no longer meet the more subtle needs, precision micromachining has become an important technology to solve this demand, and laser micromachining technology is in great demand. ENR Engineering and its subsidiaries continue the laser application technology, and the research and development has expanded to laser cutting, laser drilling and laser line manufacturing equipment. It is also used for cutting or drilling thin wafers, wearable products, ceramic substrates, glass substrates and other components. In response to the trend of special-shaped cutting in smart phones, wearable products and the rise of Silicon Photonics Co-Packaging (CPO), it guides the investment of laser application manufacturers. At present, the main competitors come from the United States, Japan, Germany and Taiwan.

In terms of plasma dicing machines mainly perform dry etching under vacuum to process wafers into granules (granization). This technology allows for processing all cutting paths on the wafer simultaneously, ensuring high UPH even for small granule components. Moreover, it can accommodate progressively narrower cutting paths, potentially increasing the number of granules obtained. Additionally, it offers advantages such as processing various shapes, high cleanliness in the process, and increased granule strength.

Regarding plasma cleaning machines, ENR Engineering and its subsidiaries are the first

manufacturers in Taiwan to develop this technology application equipment and use it for the IC packaging and testing industry. This technology is applied to IC semiconductor packaging and testing and LED packaging and testing. It is combined with process technology to improve the packaging quality of customers. Competitors are mainly from American and Japanese manufacturers. Recently, in response to environmental protection, the trend of nanotechnology is on the rise, and different technologies need to be matched. The services we provide in different industries also have performance.

In terms of FPC process equipment, the FPC manufacturing industry is an important group under the development of smart phones and tablet computer industries. In order to make smart mobile devices light, thin, short and small, the demand for flexible circuit boards has increased significantly. ENR Engineering and its subsidiaries currently provide automation equipment for different processes. On the basis of dry and wet equipment processes, they continue to provide high value-added equipment and services, such as: pressing, forming, uncapping, electroplating, etc.

Carrier tape products are a mature market compared to the above equipment, and there are many competitors. Moreover, competing factories in mainland China use price-cutting competition to gain market share, which is a potential threat to other competitors. Among them, Surface-Mount Device (SMD) is highly automated in the manufacturing process. The quality of the packaging material used not only affects the production process, but also has a major impact on the quality of SMD. At present, SMD packaging materials regardless of unit price, material quality and reliability is the focus of most electronic component manufacturers, and quality is therefore the focus and opportunity of ENR Engineering and its subsidiaries. ENR Engineering and its subsidiaries invest in and develop high-precision and micro products. For ENR Engineering and its subsidiaries, the competitors are manufacturers from the United States and Japan.

### (III) Technology and R&D Overview

#### 1. The technical level of the business

##### A. Application Technology of Laser Marking and Cutting System

Laser printers and cutting machines are mainly manufactured with Taiwan's local high-precision mechanisms and components, with PLC (Programmable Logic Controller) and PC Base control systems, through man-machine interface technology and high-speed servo control, more precise achieve precision processing of active and passive components, and complete the single-machine automatic function. Secondly, with the integration of electromechanical systems, combined with network integration control, the multi-machine connection control can achieve the purpose of precise measurement and analysis technology, so that manufacturing managers can quickly obtain technology integration information, which can be used as a sharp tool to improve management technology capabilities. In addition, due to the increasingly finer products, high processing precision requirements, and rigorous design and manufacturing requirements, the products of the Group provide high positioning accuracy, can be applied to a variety of materials, and have the characteristics of testing for a single product, making laser printing and cutting the strength of our company. In recent years, it has also obtained patents for dust collection devices for laser processing, wafer leveling devices, wafer laser cutting machines, wafer leveling suction cup structures, etc., and competes with similar companies in Europe, the United States, and Japan.

##### B. Application Technology of Laser Drilling and Grooving

Due to the use of CIF sensors driven by smart phones and smart cars, the technology of laser drilling has been paid more and more attention. Since the Group's strength lies in etching the products to be drilled, the processed products can be almost free from defects and cracks. In addition, the current level of technology not only has high precision, but also provides

faster processing speed than traditional ones. In terms of laser grooving, the group is divided into two application levels: wide groove application and deep groove application. The group's advantage lies in the technology can be applied to a variety of materials. The use of cold processing can reduce processing defects and cracks, maintain the quality of processed products, and can match the needs of plasma cleaning and dry ice cleaning to provide customers with diversified services.

#### C. Visual Inspection System Technology

Laser marking and cutting machines use vision for precise positioning and quality inspection of products. This technology makes good use of photoelectric industry technology (CCD) and sensor technology to quickly pick and place the tested products to achieve the effect of quality management. This technology combined with a marking or cutting machine can reduce costs and achieve the effect of one machine with multiple functions.

#### D. Technology of Plasma Cleaning Application

Plasma cleaning and application technology. Plasma cleaning uses vacuum dry cleaning technology, cooperates with the design and development of precision molds, and is effectively applied to the cleaning and manufacturing of the IC packaging industry and the LED packaging industry before, during and after the process. The advantage of the Group's plasma cleaning is that there is no complete alternative in the market, and it is the most effective method in the process. In recent years, the application technology of plasma cleaning has been widely used, and it can also be applied to the cleaning of other LED and machine board manufacturing, or textile and nanotechnology with environmental protection effects. Compared with the wet cleaning technology, the quality of this technology is greatly improved to meet customer needs. Another advantage of the Group is temperature control, which is the focus of plasma cleaning applications, to reduce damage to products and provide higher quality services.

#### E. The Technology of Flexible Printed Circuit Board Application

In addition to cooperating with foreign optical manufacturers, in the past few years, we have actively developed the roll-to-roll production process, and introduced actual production and sales to improve production yield and cost advantages for customers. Joined in the development of more advanced laser drilling process technology and roll-to-roll vacuum stamping machine in 2014, thereby enhancing the competitiveness of the Group's equipment in the market.

#### F. Flexible Printed Circuit Board Manufacturing

The main development technology of the Group's flexible printed circuit boards in the future will focus on the development of narrow-pitch flexible boards, as well as the technology development of multi-layer boards and rigid-flex boards.

#### G. Development of high-speed precision production equipment for micro-sized packaging tapes

In response to the needs of different customers, the Group has round molds, flat molds, and consistent production equipment. In response to the needs of micro-sized products, we integrates laser, punching and photoelectric detection technologies, and invests in and develops this production equipment. The Group ensures its compatibility and high-quality products, and can protect customers' components during storage and transportation, and can fully meet customers' needs for various order quantities or different sizes and precision of carrier tapes, expanding business and profit scale.

## 2. Research and development personnel and their academic experience

The group's R&D personnel mainly have a college degree or above, and 41.98 % of them have a master's or doctoral degree. As of March 31, 2025, there were a total of 131 R&D personnel

Educational qualifications \ Year	End of 2023		End of 2024		As of March 31, 2025	
	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Master degree or above	68	44.16	60	42.55	55	41.36
University (College)	85	55.19	80	56.74	77	57.90
High school	1	0.65	1	0.71	1	0.76
Total	154	100.00	141	100	133	100

## 3. Annual R&D expenses for the past five years

Unit: NTD thousand

Item	2020	2021	2022	2023	2024
Research and development expenditures	151,771	159,650	208,505	207,420	252,464
Net Operating Revenue	2,040,567	2,544,782	3,222,998	1,549,374	1,644,908
Percentage of Net Operating Revenue	7%	6%	6%	13%	15%

Source of data: Financial reports audited and certified by accountants.

The Group's annual research and development expenditures account for more than 6% of the Group's net operating revenue, and it is expected that the annual R&D investment in the future will maintain or exceed 6% of its net operating revenue.

#### 4. Successfully developed technology or product

Technologies and products successfully developed in the past five years:

Year	Successfully developed technologies and products	R&D content	Application field
2018	B3000 Plus Large Size Panel Laser Marking Machine	1. QC camera system manages marking quality 2. Dual-headed laser and high elastic loading and unloading foup.	Laser Panel Marking
	Backside wafer Laser scribing Wafer Level Backside Scribing Machine	1. Precise platform. 2. The positioning system on the front and back. 3. Femtosecond laser.	12" wafer backside Laser Scribing
2019	Substrate Compound Laser Marking	1. Dual laser marking control. 2. High resolution, large field of view marking quality inspection	TWIN LASER Marking+AOI
	On Tray Laser Marking (with PMI QC, PnP)	1. The design of loading and unloading materials with multiple trays. 2. Product serial number detection information integration. 3. Fast positioning by line scanning.	On tray Laser Marking
2020	Laser Grooving System, Si Wafer	1. Laser micromachining technology. 2. Precise motion control. 3. Spin coating technology	Laser low-k grooving
	Laser Dicing System Si Wafer	1. Ultrafast laser control technology. 2. Optical, mechanical and electrical integration control.	Laser wafer dicing
	Laser Drilling System ,Si Wafer	1. Laser spot scheduling technology. 2. Processing path optimization technology. 3. Multi-beam Spectrophotometry.	Laser drilling
	SIP Laser Cutting (substrate type)	1. Product cutting laser focus dynamic control. 2. Integration of cutting and grooving marking process. 3. High-precision product working platform.	SIP UV Laser cutting
2021	Laser Dicing System , Glass Wafer	1. Bessel beam optical	Laser glass



Year	Successfully developed technologies and products	R&D content	Application field
		path design. 2. Processing path optimization technology. 3. Development of spot shaping technology	cutting
2022~ 2024	Laser Via drilling system	1.Fan-out wafer/panel level packaging drilling. 2. High-speed laser drilling optical module technology	ABF drilling
	Plasma Dicing	1.High-speed cutting process development. 2. Automated production/vacuum chamber design	Silicon wafer cutting Hardness wafer cutting
	TGV Laser Modification	1. Ultra-High-Speed Modification Processing Technology	Through Glass Via

#### (IV) Long-Term and Short-Term Business Development Plans

##### 1. Short Term Development Plan

- (1) Increase in sales service bases and marketing channels. In addition to continuing to deepen the original mainland and Southeast Asian markets, the Group is also actively expanding the European, American and Northeast Asian markets, and is currently cooperating with customers. The Group will continue to launch new products to deeply cultivate existing customers, and add new marketing channels for existing products to global manufacturers.
- (2) Improve the sales support system for agents, fully cooperate with trading partners, and improve marketing channels.
- (3) Continue to develop and improve production technology, reduce costs, actively develop new products with various niches, develop diversified products based on the company's existing scale, and extend core areas to different industries to grasp market opportunities.
- (4) Through cooperative education, participating in high-level talent training programs, and applying for substitute military service, we will expand the channels for recruiting talents. Strengthen the professional training of talents, and closely communicate with research institutions and academic institutions. In addition, the R&D performance evaluation and reward system is carried out internally, and excellent talents are retained to enhance the strength of the R&D department.
- (5) Promote the investor relationship of OTC companies, increase the company's popularity and recruit excellent talents to join.
- (6) Strengthen ERP to effectively manage accounts receivable and inventory, and increase the speed of customer acceptance through active customer service, and speed up the turnover rate of accounts receivable and inventory.

##### 2. Long-Term Development Plan

- (1) Due to the rise of trends such as artificial intelligence, 5G network, Internet of Things, and VR/AR applications, it will become the company's future profit source to develop the blue ocean market with the Group's professional technology - micro laser processing technology and precision plasma surface treatment technology weapon.
- (2) Provide products suitable for different classes, and promote the company's high-tech image

through the corporate identification system to enhance popularity and create higher added value and market share.

- (3) Grasp market trends, strengthen sales of existing products to expand market scale, and actively promote and cooperate with newly developed products by selecting potential customers. In addition to continuously improving and developing the technology of our own products, we will further assist customers shorten their product development timelines.
- (4) Improve product quality and strengthen after-sales service, continue to uphold the concept of sustainable management in operation, establish a good corporate culture, and attach importance to social responsibility.
- (5) Develop ESG sustainable management, attach importance to environmental protection, actively practice social responsibility and implement corporate governance...etc.

## II. Overview of Market, Production, and Sales

### (I) Market Analysis

#### 1. Geographic distribution of major product markets

The main products of our company are semiconductor manufacturing equipment, flexible printed circuit board manufacturing equipment, flexible printed circuit board, semiconductor packaging materials, electronic materials, etc. The main sales areas are as follows:

Unit : NT1000 ; %

Year Area	2023		2024	
	Revenue	Percentage%	Revenue	Percentage%
Taiwan	357,632	23.08	637,972	38.78
China and other regions	1,191,742	76.92	1,006,936	61.22
Total	1,549,374	100.00	1,644,908	100.00

#### 2. Future market status and growth potential

##### (1) The era of 5G application

5G drives the upgrading of semiconductor chips, the promotion of fab construction, and the steady growth of the packaging and testing market. It is a great opportunity for equipment manufacturers. However, opportunities also come with challenges: as products become thinner, lighter, as well as requiring more functions. The process equipment must be able to execute each step precisely and maintain the yield rate of the output product. Due to the development of artificial intelligence, equipment manufacturers must also combine control and IT technologies to develop intelligent manufacturing and processing systems. The following is the development direction of the integrated market.

##### A. Specialization

The IC manufacturing process is gradually oriented by professional division of labor. Compared with the previous IDM model, the number of manufacturers in each process step has increased, and the focus of packaging and testing is also different. For equipment manufacturers to meet the needs of customers and add more machines in a limited area, unifying standardization and variable design of equipment is a way to improve space-saving, which is the future development direction.

##### B. High automation technology

In response to the increase in the demand for process machines, the cost will increase while expanding. Therefore, helping manufacturers to reduce energy consumption, improve processing efficiency, and provide high-automation technology to increase profits is the target.

### C. Technical refinement

Due to the limitations of Moore's law and the increasing complexity of products, and in response to the rapid growth of IoT in recent years, SiP will become the mainstream trend in the next few years. The key to the competition of manufacturers lies in their IC capabilities. Therefore, whether it is packaging or testing, the manufacturing process must be more precise and accurate. For equipment manufacturers, precision and accuracy are the directions of future equipment research and development.

## (2) Develop diversified products to expand the scope of product applications

Nowadays, 3C consumer products are becoming light, thin, short and multi-functional. All walks of life hope to obtain the maximum function at the lowest cost. Semiconductor packaging factories and flexible printed circuit board manufacturers are bound to be greatly affected by this, and eager to purchase such items, which one machine contain with multiple functions. Take the E&R'S subsidiary as an example, TECH-WAVE INDUSTRIAL CO., LTD., Which develops the flexible circuit board manufacturing industry. In order to fully understand the industry's future, and to ensure the future development of its terminal products. The parent company can develop the latest equipment in real time, and provide its customers with semiconductors through the subsidiary, Dongguan E&R and Wuxi E&R to develop packaging tapes and cover tapes required for ICs, LEDs and passive components in the semiconductor manufacturing industry after packaging to provide the best integration service. Laser-related equipment is developing towards a multi-purpose machine. Laser printers are not only used as a semiconductor packaging process to print barcodes for tracking, but also make divisions in the system so that customers can confirm product status in the shortest time. Other Related equipment can also be modularized and different laser heads can be used for scribing or cutting. Therefore, even in a recession, customers can use replacement or upgrade methods to increase the application range of the machine while reducing capital expenditures.

In addition to the original semiconductor production, manufacturing and other industrial chains, the recent application of products in the prospect of precision medicine and digital medicine, and the rise of international environmental protection economic awareness, its core technology is extended to environmental protection, biomedicine and other directions. Semiconductor technology can be applied to the biomedical industry, breaking through existing technologies, and providing innovative testing equipment in the medical field to assist in the development of new medicine. Using semiconductor technology to develop equipment that used in different fields is a new trendy market for the future equipment manufacturers.

## (3) Standardization of Smart Devices

Combining domestic software resources to develop smart software modules, and develop smart machines for precision and performance monitoring and compensation, so that design parameters can meet process requirements, such as automatic optical inspection-establish, a smart manufacturing system for production decision support, it develops comprehensive automation and standardization, so that products with the same specifications can consistently solve most of the problems in the process. Take E&R as an example, Laser imprinting machines and cutting machines use visual inspection for precise positioning and quality inspection of products, and make good use of photoelectric industry technology (CCD) and sensor technology to quickly pick and place tested products to achieve the effect of quality management. Through the intelligentization of the system, it will help manufacturers reduce costs and achieve better efficiency in the future. To E&R,

this will also increase the value of equipment and product competitiveness.

### 3. Differentiation and Competitive Advantage

#### (1) Excellent international marketing ability

In the domestic semiconductor production equipment market, in addition to cooperating with major foreign manufacturers to develop competitive products as a long-term agency relationship, E&R has also established a good and mutually beneficial cooperative relationship with agents, and has successfully promoted to Southeast Asia and China for the marketing, manufacturing and after-sales service. In terms of LED process equipment, our customers are mainly domestic and China's LED manufacturers. In the part of packaging and carrying tape, we also provide service in the central and southern regions in China.

#### (2) High quality and diverse products

In addition to the IC packaging and testing factory equipment, E&R's automated multi-functional equipment has completed the development of LED and FPC equipment. In terms of touch panel-related flexible circuit boards and module components, the integration of upstream and downstream is carried out by introducing strategic partners. Semiconductor, design, and manufacture of packaging tapes for LED and passive components, due to the diverse customer base, in order to meet the needs of various customer tapes, we design and develop molds and produce tapes according to the product sizes required by customers to meet customer needs.

#### (3) Instant customer service system

E&R has perfect after-sales service and instant on-site service to provide local services quickly which meets customers' needs. After-sales service maintenance personnel have many experience and conduct in-depth research on the production process of customers' products to help customers solve problems and to improve the precision and yield.

#### (4) Improve supply chain integration capabilities

E&R has a complete system of component system structure, and cooperates well with suppliers. Except for a few key parts and components that are supplied by two or more foreign suppliers, the supply of goods is stable and no shortage of materials, supplied by domestic manufacturers. Assembly and processing parts are also supplied by Domestic professional third-party manufacturers, therefore the supply chain is complete and the production cost is also reduced.

### 4. Favorable/Unfavorable Factors for the Company's Development

#### (1) Favorable Factors:

##### A. Industrial Precision Requirements

With the trend of 3C products and optical components becoming thinner and shorter, the demand for precision of production equipment in the semiconductor manufacturing industry is also increasing. The company has been deeply involved in laser application technology and precision mechanical equipment for more than 20 years. Through years of accumulation of key technologies and R&D innovation capabilities, we have created pur superior integration capabilities. Integrate the most advanced laser femtosecond technology into the IC micromachining process, continuously improving the precision, equipment stability, and processing speed. Our high quality has been approved and adopted by domestic and foreign manufacturers.

##### B. Excellent Sales and R & D team

E&R's Sales, customer service, and R&D teams have been investing in equipment and machine manufacturing for a long time. We continuously accumulate manufacturing and service experiences, expand customer network, and understanding what customer needs.

### C. Efficient service

To serve customers instantly, E&R has set up a North, Central and South Offices and service bases in Bangkok, Thailand, Penang, Malaysia, and Manila, the Philippines, providing 24-hour instant maintenance services. Also, we actively deploy and provide the most immediate services through reinvestment in China.

### (2) Unfavorable factors and countermeasures for future development:

#### A. Requires continuous and significant R&D investment to remain competitive

The industry in which the Group operates is a technology-intensive industry, and the market environment is changing rapidly. It is necessary to continuously invest in research and development funds and cultivate R&D technical teams to cope with the ever-growing and innovative market.

##### Specific countermeasures:

Fully obtain the support of major investors for investment in research and development. Continuously accumulate the company's competitiveness, enhance investors' trust in the company, strengthen the ability to raise long-term stable funds in the capital market, continue to improve research and development capabilities and technical levels, and strengthen international competition force.

#### B. The characteristics of this industry cause the aging of accounts receivable to be relatively long, which is not conducive to the operation of funds

The machine equipment industry completes the payment according to the delivery and acceptance. The acceptance period can sometimes be as long as one year. The characteristics of the industry result in a longer aging of accounts receivable, which is not conducive to capital turnover.

##### Specific countermeasures:

In recent years, E&R has continued to strengthen the management and collection of accounts receivable and has continuously developed high-precision equipment to create market exclusivity, enhance the bargaining power with customers and actively improve the conditions for payment terms.

#### C. Labor costs are gradually increasing in China

In the past, due to the high domestic labor costs, to reduce operating costs, E&R moved SMD electronic packaging materials to China, where labor costs were lower. To provide instant services for semiconductor equipment customers, we also established a service base in China. But in recent years, as China guarantees its people to increase the minimum wage of the people year by year, it will gradually increase the operating costs of subsidiaries, and the continuous increase in costs will reduce profit margins.

##### Specific countermeasures:

In order to reduce the impact of labor costs, the E&R's reinvestment in China actively uses automation equipment to reduce the impact of rising labor costs. We also research and develop SMD packaging material manufacturing high-speed automation equipment to achieve internal business integration.

## (II) Main Purposes and Production Processes of Key Products

### 1. Main Purposes of Key Products

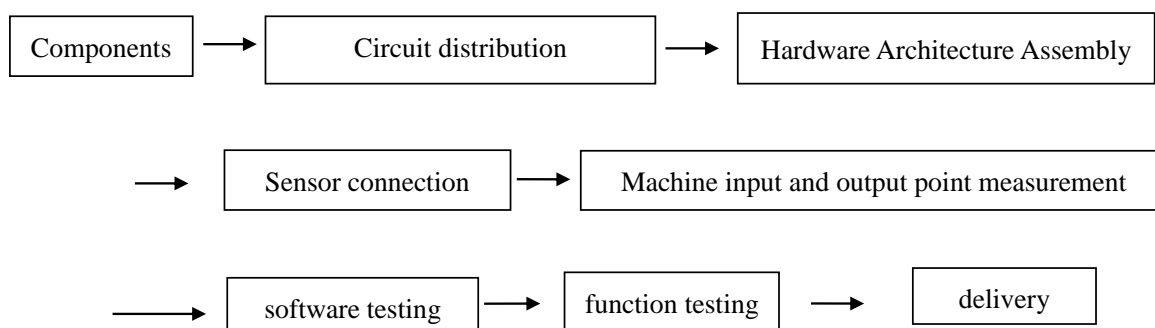
- (1) Laser printers are used for identification machines at the end of the IC packaging and testing process.
- (2) Laser micro-cutting machine is used in the molding and manufacturing of semiconductor components.
- (3) Plasma cleaning machine is used for cleaning in IC and LED manufacturing process.

(4) Flexible board equipment is used in the FPC industry product process.

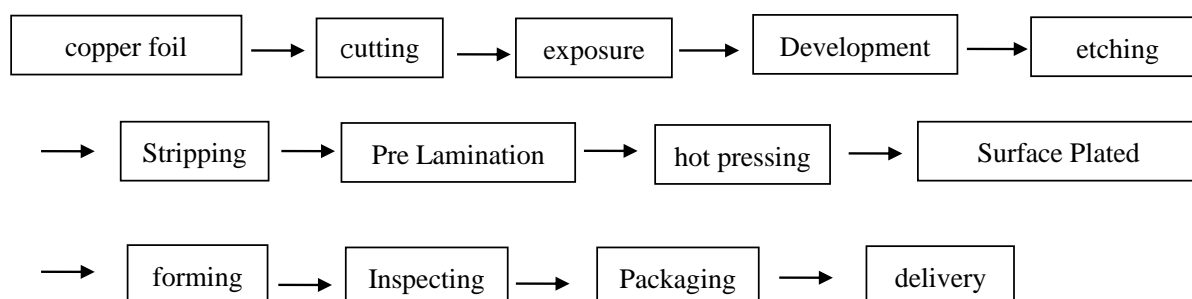
(5) SMD packaging materials are used for the packaging of IC industry, diode industry, passive component industry, LED industry and other components.

## 2. Production Processes of Key Products

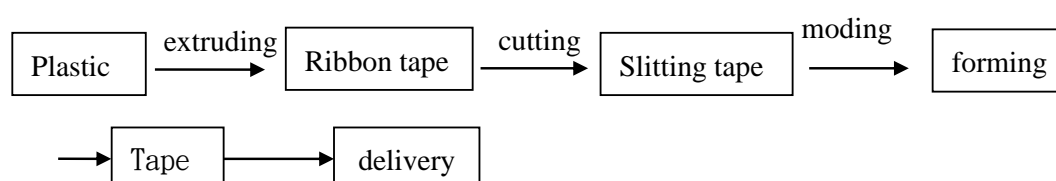
### (1) Automation equipment process



### (2) Flexible Printed Circuit Board Process



### (3) SMD packaging process



## (III) Supply status of main materials

The main materials of the Company's products are laser sources, laser optical path components, RF vacuum generators, matches, pumps and plastic rolls, etc. There are many suppliers, but the proportion of purchases from each manufacturer is not high, so there is no excessive concentration of purchase sources. In addition, we maintain long-term good cooperative relations with many suppliers, to ensure the stability of supply sources.

## (IV) Explanation of significant deviation in the gross profit margin of major products or departments in the recent two years

Unit: NT/1000

Item \ Year	2023	2024	Increase or decrease	Ratio of change (%)
Operating Revenue	1,549,374	1,644,908	95,534	6.17
Gross Profit	614,281	597,644	(16,637)	(2.71)
Gross Profit Margin (%)	39.64	36.33	(3.31)	(8.35)
Analysis of gross profit margin deviation over 20%: The deviation in gross profit margin in the two periods does not reach 20%.				

## (V) List of major suppliers and customers

1. The purchases amount and percentage of suppliers who have accounted for more than 10% of the total purchases amount in any of the most recent two fiscal years:

Unit: NT/thousand

Item	2023				2024				2025 Q1			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with E&R	Name	Amount	Percentage of annual net purchases (%)	Relationship with E&R	Name	Amount	Percentage of net purchases up to the first quarter of 2025(%)	Relationship with E&R
1	Company A	128,986	14.38	N/A	Company A	172,377	17.90	N/A	Company A	11,203	5.71	N/A
2	Other	768,258	85.62	N/A	Other	790,782	82.10	N/A	Other	185,146	94.29	N/A
	Net purchases	897,244	100.00	—	Net purchases	963,159	100.00	—	Net purchases	196,349	100.00	—

Explanation of reasons for increase or decrease:

The largest supplier remained the same for the two years

2. The sales amount and percentage of the customers who have accounted for more than 10% of the total sales amount in any of the most recent two fiscal years:

Unit: NT/1000

Item	2023				2024				2025 Q1			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with E&R	Name	Amount	Percentage of annual net purchases (%) )	Relationship with E&R	Name	Amount	Percentage of net purchases up to the first quarter of 2025(%) )	Relationship with E&R
1	Company B	628,157	40.54	N/A	Company A	353,794	21.51	N/A	Company A	80,873	25.68	N/A
2.	Company A	141,087	9.10	N/A	Company B	306,719	18.65	N/A	Company B	26,821	8.52	N/A
3	Other	780,130	50.36	N/A	Other	984,395	59.84	N/A	Other	207,219	65.80	N/A
	Net purchases	1,549,374	100.00	—	Net purchases	1,644,908	100.00	—	Net purchases	314,912	100.00	—

Explanation of reasons for increase or decrease:

It is mainly affected by the capital expenditure for expansion needs of sales customers in each year.



III. The number of employees in the recent two years and till the end of April of 2024:

Year		2023	2024	Until the end of April, 2025
Number of Workers	DL	163	165	187
	IDL	416	391	374
	Total	579	556	561
Average Age		39	39	40
Average Service Years		7	7	7
Educational Distribution Ratio (%)	Master or above	16.59	6.80	6.87
	Bachelor/Associate/Diploma	48.64	47.91	47.58
	High School	16.67	21.07	18.54
	Below senior high school	18.10	24.22	27.01
	Total	100.00	100.00	100.00

IV. Environmental Expenditure Information

1. According to the laws and regulations, who should apply for a pollution facility installation permit or a pollution discharge permit, or should pay pollution prevention and control fees, or should set up a special environmental protection unit personnel, the description of the application, payment or establishment: Not applicable.
2. Investment in major equipment for the prevention and control of environmental pollution, its use and possible benefits: Not applicable.
3. In the last two years and up to the publication date of the prospectus, the company's process of improving environmental pollution. If there is a pollution dispute, it should explain the process of handling it: None.
4. In the last two years and up to the publication date of the public statement, the total amount of losses (including compensation) and disposals suffered by the Company due to environmental pollution, and disclosure of its future countermeasures (including improvement measures) and possible expenditures (including failure to adopt countermeasures) If the estimated amount of possible loss, disposition and compensation cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained): None.
5. The impact of the current pollution situation and its improvement on the company's earnings, competitive position and capital expenditure, and its expected major environmental protection capital expenditure in the next two years: Not applicable.

V. Labor Relations

- (I) List the Company's various employee welfare measures, advanced education, training, retirement systems, and their implementation status, as well as the agreement between labor and management and the protection measures for various employee rights and interests.

The Company usually emphasizes two-way communication between labor and capital and attaches great importance to the benefits of employees. Here is the explanation as follows:

1. Employee welfare measures

- (1) Subsidies for marriage/birth/funeral/travel/birthday etc.
- (2) In addition to the labor and health insurance for employees of the Company, the Company also has group insurance and regularly holds employee medical examinations.
- (3) Employee stock subscriptions, employee bonuses, and employee performance bonuses are

implemented by the Company's articles of association and related measures.

- (4) Regularly or irregularly hold employee education and training, internal training or external training can apply to improve the professional skills of employees.
- (5) Employees are entitled to special leave according to their years of service.
- (6) The Company also set up an "Employee Welfare Committee" to promote employee benefits and organize tourism activities, assist in the establishment of associations and provide financial subsidies.

## 2. Advanced training and training

The Company encourages employees to study, enrich their knowledge, and train them to apply intelligence to improve work efficiency. The following events may be held at any time, for detailed measures, please refer to the "Administrative Measures for Education and Training"

- (1) Determine and implement various newcomer training and management, professional... and other business training.
- (2) Select and dispatch employees with excellent grades to go abroad for internships or inspections.
- (3) Select employees with excellent grades to study business-related courses.

## 3. Retirement system and its implementation

- (1) The Company has a preferential retirement method for employees.
- (2) In accordance with the provisions of the Labor Standards Law, the company has established a Labor Retirement Reserve Fund Supervision Committee, which stipulates employee retirement measures, and regularly allocates labor retirement reserve funds according to laws and regulations and deposits them in a special bank account in Taiwan. The committee is responsible for the retirement reserve funds management and use matters.
- (3) The Labor Pension Regulations came into effect on July 1, 2005, and adopted a definite appropriation system. After the implementation, employees can choose to apply the pension provisions related to the "Labor Standards Act", or apply the pension system of the Act and retain the working years before the Act. For employees to whom this regulation applies, the company's monthly contribution to employee pensions shall not be lower than 6% of the employee's monthly salary.
- (4) In accordance with the provisions of the No. 18 Bulletin of the Financial Accounting Standards of the Republic of China, an actuary is appointed to evaluate and calculate the labor retirement reserve, and submit an actuarial evaluation report.

## 4. The situation of the agreement between labor and management:

The Company handles everything in accordance with the relevant provisions of the labor law, and both labor and management follow the employment contract, work rules and various management regulations; the company's labor relationship is harmonious, and there are no major labor disputes and losses. In the future, we will continue to strengthen the communication and coordination between labor and management, and try our best to implement welfare measures to promote a more harmonious labor relationship in order to eliminate the possibility of labor disputes.

In addition, the company also holds regular labor-management meetings in accordance with Article 83 of the Labor Standards Law. Any measures related to labor-management relations have been fully negotiated and communicated by both parties, so no major labor-management disputes have occurred.

## 5. Measures to protect employees' rights and interests

- (1) The Company attaches great importance to employee benefits and two-way communication channels. It has established a comprehensive document management

system, which contains various management methods, and clearly defines employee rights and obligations and welfare items to protect employee rights and interests.

- (2) In terms of personnel safety, according to the provisions of the Occupational Safety and Health Law, new recruits will be notified of the Company's internal operating hazards and related regulations on the day of registration, so that new recruits can understand the Company's environment and hazards.
- (3) In terms of machinery and appliance safety, according to the detailed rules and regulations of the law, all kinds of machines and appliances are maintained by qualified maintenance manufacturers, and all operating colleagues have qualified operation certificates (photographs).
- (4) In terms of environmental safety, environmental monitoring is carried out every six months according to laws and regulations, and the monitoring results are published on the company's website and bulletin board. If there is any environmental hazard, it will be improved according to the monitoring consultant company.
- (5) The Company participates annually in the record-keeping activity for non-disaster working hours conducted by the Industrial Safety and Health Association of the R.O.C.(Taiwan) in accordance with the "Guidelines for the Implementation of Non-Disaster Working Hours Record Activity by Business Units," and has obtained certificates which are announced on the Company's official website.
- (6) The Company makes every effort to promote safety and health work to ensure the safety and hygiene of all employees, taking concrete actions to prevent occupational hazards. We also require our employees to actively participate in safety and health work to establish a good working environment. In 2024, the Company held 20 labor safety and workplace safety training sessions with approximately 122 participants, including at least two fire drills annually. We also conducted 47 health education seminars with approximately 369 participants, and health education information campaigns reached a total of 13,173 participants.
- (7) The Company has obtained certifications for AED safe place certification, the Healthy Workplace Certification and the Corporate Sports Certification by Health Promotion Administration, Ministry of Health and Wealth. Additionally, in 2023, we were recognized as a pledged enterprise by the "Corporate Health Responsibility, CHR" initiative of Common Health Magazine.
- (8) The Company has long been concerned with creating a friendly workplace environment for employees. As of 2024, female employees make up 22.82% of our total workforce, and women hold 14.6% of management positions. We have established internal policies such as "Work Rules," "Sexual Harassment Prevention," and "Recruitment and Employment Management," clearly declaring the protection of employees' rights regarding working hours, leave, gender, etc., ensuring proper care for colleagues. For pregnant employees, we provide regular monitoring, health consultations, designated parking spaces, and adequate care. For employees with breastfeeding needs, we have set up lactation rooms. The Company is committed to creating a gender-friendly work environment with diversity and inclusiveness, enabling women to fully develop their potential in the workplace. In 2024, our company conducted workplace sexual harassment prevention campaigns reaching approximately 298 participants.

- (II) Losses due to labor disputes in the most recent year and up to the date of publication of the annual report, and disclose the estimated amount that may occur at present and in the future: None.

## VI. Information security management:

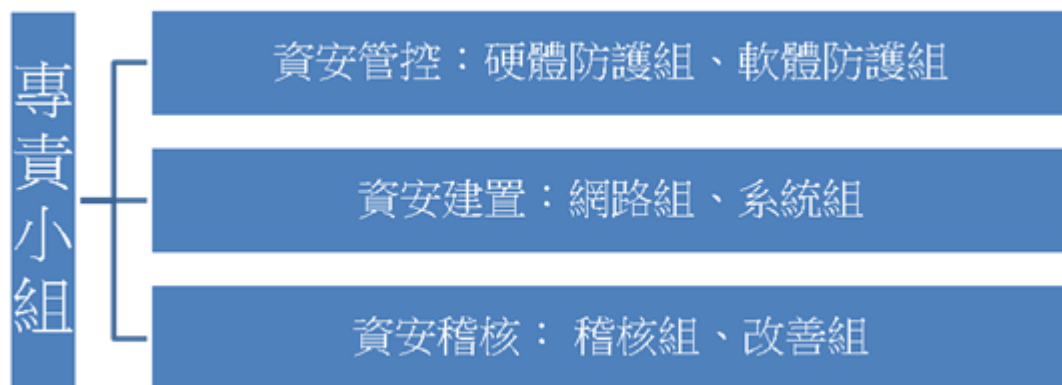
### (I) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management.

#### 1. Information and communication security management strategy and structure

It is the Company's commitment to partners, shareholders and customers to protect the Company's intellectual property and prevent the leakage of client confidential information. It implements management control and audit control, and manages and controls information and communication standard procedures in accordance with procedures, operation instructions and form documents.

Organizational division of labor promotes information security control through information security management and control, information system construction, and information security audit teams, implements the protection of electronic documents of the Company's intellectual property and prevents the leakage of confidential information delivered by customers and developed by the Company.

Customers and suppliers (external supply chain collaboration manufacturers) can rest assured and entrust under trust, achieving a win-win situation and increasing business opportunities.



#### 2. Management plan and input resources

The information security management protection plan is to use the information security system to encrypt and protect the company's internal electronic data files to avoid damage by interested parties and data theft and leakage. The resources invested in purchasing software and hardware equipment and education and training are as follows:

- (1) The hardware of the company's information equipment is protected by network firewalls, endpoint security software, and anti-virus software, so that the electronic files placed on it can be preserved, and the preservation policy that prevents intellectual property from flowing into the hands of competitors can enable customers and cooperation Manufacturers have more trust, resulting in a win-win situation and more opportunities for business cooperation.
- (2) E-mail social engineering drills to increase the security awareness of malicious e-mails, raise awareness of non-official spam, and avoid "opening attached files" or "clicking on links" to cause harm by implanting malicious programs into computers.
- (3) Internal employee information education and training, strengthen information security

thinking and have a sense of crisis for the Company information and information equipment used.

- (II) List the losses, possible impacts, and countermeasures for major information security incidents in the most recent year and as of the date of publication of the annual report. If they cannot be reasonably estimated, the facts that cannot be reasonably estimated should be explained: no major information security incidents occurred.

## VII. Major Contracts

Contract Type	Contracted Party	Contract Period	Key Content	Restrictive Clause
Land Leasing Contract	Taiwan Sugar Corporation	2011.10~2055.01	Lease 8 plots of land at No. 555 and 556 in Xinglong Section, Yanchao District, totaling 17,715.5 square meters of superficial rights.	N/A
Financing Contract	Taiwan Cooperative Bank	2021.12.14~2041.12.14	Medium- and long-term mortgage-backed loans	Fab 3
		2022.01.14~2029.01.14		Fab 3 and auxiliary equipment
		2022.01.14~2027.01.14		Fab 2
Land Leasing Contract	Southern Taiwan Science Park Bureau	2022.12.08~2042.12.31	Plant Land Lease in Qiaotou Science Park	N/A
Qiaotou Science Park New Construction Project Contract	Verizon Construction	Starting from May 16, 2024, to be completed within 630 calendar days.	E&R Qiaotou Factory New Construction Project	N/A
Qiaotou Science Park New Construction Project Contract	Tien Han Engineering Ltd.	Execution to commence on May 2, 2024, in accordance with the schedule agreed upon by both parties.	MEP (Mechanical, Electrical, and Plumbing) and HVAC Engineering Project for E&R's Qiaotou Plant	N/A

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

### I. Financial Status

Comparative analysis of financial status in recent two year

Unit: NT/1000

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	2,615,739	3,081,942	(466,203)	(15)
Property, Plant and Equipment	1,259,492	750,964	508,528	68
Right-of-use Assets	165,523	177,928	(12,405)	(7)
Intangible Assets	13,739	16,668	(2,929)	(18)
Other Assets	147,231	131,257	15,974	12
Total Assets	4,201,724	4,158,759	42,965	1
Current Liabilities	495,565	546,050	(50,485)	(9)
Non-current Liabilities	876,422	1,263,337	(386,915)	(31)
Total Liabilities	1,371,987	1,809,387	(437,400)	(24)
Share Capital	1,083,769	985,954	97,815	10
Capital Surplus	1,734,570	1,237,824	496,746	40
Retained Earnings	165,045	279,600	(114,555)	(41)
Other equity	(2,704)	(31,456)	28,752	91
Treasury shares	(166,725)	(166,725)	0	0
Equity attributable to owners of the parent company	2,813,955	2,305,197	508,758	22
Non-controlling interests	15,782	44,175	(28,393)	(64)
Total Equity	2,829,737	2,349,372	480,365	20
<p>Analysis of those with a change of more than 20% in the last two years, and the amount of change is more than NT\$10 million:</p> <ol style="list-style-type: none"> <li>1. Increase in property, plant and equipment: Mainly due to the construction of plants in Jiangsu STS.</li> <li>2. Decrease in non-current liabilities and total liabilities: Primarily due to the conversion of the third unsecured convertible bonds into common shares.</li> <li>3. Increase in capital surplus, equity attributable to owners of the parent, and total equity: Primarily due to the increase in share premium arising from the conversion of convertible bonds into common shares.</li> <li>4. Decrease in retained earnings: Mainly due to an operating loss in 2024, reversing from a profit in the previous period.</li> <li>5. Increase in other equity: Primarily resulting from the positive shift in the exchange differences on translation of financial statements of foreign operations due to exchange rate fluctuations</li> <li>6. Decrease in non-controlling interests: Mainly attributable to the liquidation of the Company's subsidiary, Suzhou E&amp;R Precision Equipment Co., Ltd., in 2024.</li> </ol>				

## II. Financial Performance

### (I) Analysis of operating results in the recent two years

Unit: NT/1000

Item \ Year	2024	2023	Increased/decreased amount	Change percentage (%)
Net Operating Revenue	1,644,908	1,549,374	95,534	6
Cost of Revenue	1,047,264	935,093	112,171	12
Gross Profit	597,644	614,281	(16,637)	(3)
Operating Expenses	716,583	597,453	119,130	20
Operating Income	(118,939)	16,828	(135,767)	(807)
Non-operating Income and Expenses	65,593	21,487	44,106	205
Net income before tax from continuing operations	(53,346)	38,315	(91,661)	(239)
Income tax expense (benefit)	(5,513)	(14,740)	(9,227)	(63)
Net income after tax from continuing operations	(58,859)	23,575	(82,434)	(350)
<p>Analysis of those with a change of more than 20% in the recent two years, and the amount of change is more than NT\$10 million:</p> <ol style="list-style-type: none"> <li>1. Increase in operating expenses: Primarily due to the completion of the new plant of Jiangsu STS, resulting in higher depreciation expenses; and increased R&amp;D expenditures to enhance competitiveness.</li> <li>2. Decrease in operating income: Mainly due to a decline in gross profit and an increase in operating expenses (as explained in item 1 above).</li> <li>3. Increase in non-operating income and expenses: Primarily attributable to net foreign exchange gains arising from exchange rate fluctuations.</li> <li>4. Decrease in i Net income before tax from continuing operations: Mainly due to a shift from operating profit to operating loss.</li> <li>5. Decrease in Income tax expense: Same as the explanation in item 4 above.</li> <li>6. Decrease in net income after tax from continuing operations: Same as the explanation in item 4 above.</li> </ol>				

### (II) Expected sales and its basis:

Since the Company has not prepared a financial forecast, it does not predict the turnover. Overall, it depends on the industrial environment, customer product and capacity demands, market supply and demand, and competition conditions.

### (III) Possible impact on the Company's future financial business and response plan:

The Company will continue to develop high-end new products and reduce production costs to increase overall revenue and profit. In addition, in response to the possible impact of future financial business, the Company will formulate development strategies and operating guidelines by the overall operating goals, and implement the plan to achieve the goals.



### III. Cash Flow

#### (I) Analysis of cash flow changes in the most recent years

Unit: NT/1000

Item \ Year	2024	2023	Increase (decrease) change percentage	
			Amount	%
Net Cash Inflow (Outflow) from Operating Activities	355,267	246,422	108,845	44
Net Cash Inflow (Outflow) from Investing Activities	(494,247)	(191,857)	(302,390)	(158)
Net Cash Inflow (Outflow) from Financing Activities	22,960	(272,100)	295,060	108
Cash flow analysis: 1. Increase in net cash inflow from operating activities: Primarily due to an increase in accounts payable and other payables in 2024. 2. Increase in net cash outflow from investing activities: Mainly attributable to the increase in construction in progress at the subsidiary Jiangsu STS and the Company's Qiaotou Science Park Plant. 3. Increase in net cash inflow from financing activities: Primarily due to the subsidiary Jiangsu STS obtaining long-term borrowings.				

(II) Remedial Actions for Liquidity Shortfall: None.

(III) Cash Liquidity Analysis for the Coming Year:

Beginning Cash Balance (1)	Net Cash Inflow from Operating Activities (2)	Net Cash Flow from Investing and Financing Activities (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Remedial Measures for Cash Shortfall	
				Investing activities	Financing activities
730,387	200,000	(500,000)	430,387	-	-
1. Analysis of Expected Changes in Cash Flow in the Coming Year: (1) Operating Activities: Expected net cash inflow primarily from the Company's core business operations. (2) Investing Activities: Mainly capital expenditures for the new plant in the Qiaotou Science Park and the establishment of a new plasma dicing service line. (3) Financing Activities: Planned syndicated bank loans to strengthen working capital. 2. Remedial Measures for Anticipated Cash Shortfalls and Liquidity Analysis: In addition to covering expenditures with cash inflows from operating activities, the Company plans to utilize bank borrowings if cash balance proves insufficient.					

#### IV. Recent Years Major Capital Expenditures and Impact on Financial and Business:

The Company's major capital expenditures in recent years have primarily focused on the construction of new plants by its subsidiary Jiangsu STS and the Qiaotou Science Park Plant, as well as capital investments in a new plasma dicing service line. The funding sources mainly consisted of proceeds from the issuance of convertible bonds and bank loan facilities. In response to long-term business development

needs, the Company is expanding production capacity to enhance its mid- to long-term competitiveness, which is expected to positively contribute to the Company's financial performance and long-term operational planning.

## V. Long-term Equity Investment Policy and Results

### (I) Investment policy for the most recent year

The Company's management level makes reinvestment based on factors such as operational needs or consideration of the Company's future growth, mainly for long-term strategic investment, and draws up an investment plan. Joint venture partners, shareholding ratio, reference price and financial status and other items will be evaluated in detail. In addition, the Company also keeps abreast of the operating conditions of the invested companies and analyzes the investment results for the companies it has invested in, so as to benefit the management as a follow-up evaluation for post-investment management.

### (II) The main reasons for the profit or loss of reinvestment and the improvement plan

Unit: NT/1000

Reinvestment company	Current (profit) loss of the invested company	Reinvestment Policy	Main reasons for profit or loss	Improvement plan
TECH-WAVE INDUSTRIAL CO., LTD	(12,734)	Mainly engaged in the manufacturing, processing, and trading of flexible circuit boards.	The main reason for the loss is the unfavorable business environment in the flexible PCB industry.	The Company is actively developing new customers and reducing operating costs.
E&R Semiconductor Materials Co., Ltd	(23,505)	Invested in E&R(Dongguan)Semiconductor Materials Co., Ltd. a to engage in the production and sales of SMD packaging materials.	The main reason for the loss is that the number of orders received by the reinvestment company is insufficient to cover operating expenses.	The Company plans to strengthen market development in China and reduce operating costs.
ENRICHMENT TECH.CO.	2,298	Invested in Chen Tai Trading (Shanghai) CO.,LTD., and Wuxi E&R Semiconductor Materials Technology Co., Ltd.	The primary source of profit was from Chen Tai Trading (Shanghai) Co., Ltd., which generated earnings through the sale of equipment parts and components.	None.
Excellent Internation Holding Limited	(77,662)	Invested in Jiangsu Superior Technology Semiconductor Ltd.	The newly constructed plant of the invested company has just been completed and is still in the early stage of operations	The Company plans to strengthen market development in China.

- (III) Investment plan for the upcoming year: This will be evaluated based on the business strategy of the Group and operational needs.

## VI. Analysis and evaluation of risk events

- (I) The impact of interest rate, exchange rate, and inflation on the company's profit and loss and solution:

### 1. Variable interest rate

E&R's capital planning is based on the principle of stable construction, and safety management is the priority in capital allocation. Considering the future development, in addition to maintaining a good relationship with banks to strive for more favorable interest rates, we also considering the costs of different sources of funds and choose appropriate funds. The way of financing is to meet the needs of growth; however, the current low-interest rate has little impact on our company.

### 2. Changes in foreign exchange rates

E&R's foreign currency transactions are mainly generated by exporting goods and importing raw materials. Currently, it adopts a natural hedging policy for exchange rates. Considering that the exchange rate has fluctuated greatly in recent years, the Finance Department collects bank information in a timely manner, pays close attention to exchange rate changes, and adopts more active hedging methods when necessary to reduce the impact of exchange rate changes on the Company.

### 3. Inflation

The Company has no material impact due to inflation.

- (II) Risks Associated with High-Risk/Highly Leveraged Investments; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions

1. All investments of E&R's have been carefully evaluated and handled in accordance with the "Procedures for Acquisition or Disposal of Assets" and the approval authority. As of the publication date of the annual report, no high-risk and high-leverage investments have been made.
2. Fund financing and endorsement guarantees for subsidiaries due to operational needs are handled by the Company's "fund lending to others operating procedures" and "endorsement guarantee operating procedures" regulations, and all information is promptly and accurately announced under laws and regulations.
3. The trading policy of derivatives is implemented by the E&R's "Procedures for Acquisition or Disposal of Assets". The Company's derivatives trading has always been conservative to avoid risks rather than profit. Therefore, hedging adjustments are made according to the changes in foreign currency positions as needed, and forward foreign exchange is mainly selected as a hedging tool. However, the above operations may still cause losses in the transaction itself due to exchange rate fluctuations. The Company has promptly and accurately announced various transaction information under laws and regulations.

- (III) Future R&D plans and estimated expenses

E&R's automation equipment is based on laser application as the core technology. To ensure the long-term advantages of E&R's R&D capabilities and enhance its competitiveness, we continuously invest a large number of R&D funds. We actively recruit excellent R&D talents, implements training and cultivation to enhance the capabilities. Also, we raise the technical threshold, and widen the competition distance among peers. Therefore, our research and development strategy are as follows:

1. Fully understand the market and customer needs, take their satisfaction as the main axis, and jointly develop new products with customers to meet customer needs and provide customers with products with better quality and performance.
2. E&R's long-term training of R & D professionals, conduct R & D performance evaluation and reward system, retain and strive for outstanding talents to enhance the strength of the R & D department. The Company expects that research and development expenses will remain at 5% to 10% of net operating income in the coming year.
3. Fully interact with research institutions and academic units, ask for advice from various experts and scholars, and accumulate the E&R's R&D strength.

(IV) The domestic and international impact of major policy and legal changes on the E&R's financial business and countermeasures

The daily operations are handled by relevant domestic and foreign laws and regulations. Also, we always pay attention to domestic and foreign political and economic development trends, and the changes in regulations, to adjust operating strategy. In the most recent year and up to the publication date of the annual report, there have been no major domestic and foreign policy and legal changes that have affected the Company's finances and business.

(V) The impact of technological changes and industrial changes on E&R's financial business and countermeasures

The Company continues to invest resources in the research and development of new technologies and new products to cooperate with the market development of business units. Sales team collect new information from the market at all time and cooperate with R&D personnel to develop equipment that meets customer needs. Technological changes and industrial changes in the most recent year and up to the publication date of the annual report have no significant impact on the company's financial business.

(VI) The impact of corporate image change on corporate crisis management and countermeasures

Since E&R's establishment, we have actively strengthened internal management, focused on business operations, and committed to maintaining the Company's corporate image, and complying with relevant laws and regulations. To crisis management and various abnormal responses, we take controls immediately to eliminate potential risks. In the most recent year and up to the publication date of the annual report, there has been no incident of corporate crisis management due to changes in corporate image.

(VII) Expected benefits, possible risks, and countermeasures of mergers and acquisitions

In the most recent year and as of the publication date of the annual report, E&R has not carried out a merger and acquisition plan. However, if there is a merger and acquisition plan in the future, we will uphold a prudent assessment attitude and fully consider the synergy of mergers and acquisitions to ensure the interests of the Company and shareholders.

(VIII) Expected benefits, possible risks and countermeasures of plant expansion

The Company expands its operating scale based on the growth of its industry market to enhance its competitiveness and market share, and builds an overall use space to meet the needs of mid- and long-term operational development to improve overall operating performance and management efficiency.

In order to improve the stability of the operation, the rented plant is replaced by the self-built plant. At the same time, in response to the government's recent promotion of the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" policy, and also for the sake of the Company's sustainable operation and strengthen the Company's industrial competitiveness, the Company has planned to build its ownplants in Qiaotou Science Park. The Company intends to invest NT\$640,000 thousand to support the construction of the plant, such as civil engineering, electromechanical and plant affairs. Among them, the first and second floors above the ground are planned to establish a precision equipment assembly area for the production of high-end semiconductor processes - wafer laser marking equipment and other related laser equipment, wafer-level packaging laser micromachining equipment and wafer-level packaging plasma processing equipment, providing future flexible production space to meet the needs of the semiconductor equipment market. It is estimated that after the official inaugurated of the production space of equipment assembly in the fourth quarter of 2025, the estimated increase in production(sales) volume, production(sales) value, gross profit and operating income is shown in the following table:

Unit: units; NT\$ thousand

Year	Product Category	Quantity	Operating Revenue	Cost of goods sold	Gross Profit Margin	Operating Income
2025	Laser Equipment	2	30,000	17,400	12,600	6,600
	Plasma Cleaning Equipment	4	20,000	15,000	5,000	1,000
2026	Laser Equipment	28	420,000	230,000	190,000	106,000
	Plasma Cleaning Equipment	16	80,000	60,000	20,000	4,000
2027	Laser Equipment	45	675,000	364,500	310,500	175,500
	Plasma Cleaning Equipment	25	125,000	92,500	32,500	7,500
2028	Laser Equipment	45	675,000	364,500	310,500	175,500
	Plasma Cleaning Equipment	25	125,000	92,500	32,500	7,500
2029	Laser Equipment	45	675,000	364,500	310,500	175,500
	Plasma Cleaning Equipment	25	125,000	92,500	32,500	7,500
Total		260	2,950,000	1,693,400	1,256,600	666,600

#### (IX) Risks and Countermeasures Faced by Concentration of Purchases or Sales

##### 1. Procurement Concentration Risk

E&R has been in contact with various suppliers for many years. In addition to maintaining a good cooperative relationship, a stable supply source, and no shortage or interruption of supply that affects production operations. We keep conducting various related feasibility assessments, considering conditions such as quality, product yield, delivery date, and supply stability, and actively looking for new suppliers to avoid the risk of centralized purchases.

##### 2. Sales concentration risk

E&R's equipment and products cover semiconductor, packaging and testing, and LED industries. We try our best to maintain current customers and actively develop new products. We also try to diversify the product structure to expand customers and orders for different products.

(X) The impact, risks, and countermeasures of the large number of equity transfers or replacements on the Company of Directors, supervisors, or shareholders holding more than 10% of the shares: None.

(XI) The impact, risks, and countermeasures of the change of management rights on the Company:

The Company's management team is committed to the sustainable development. In the most recent year and up to the date of publication of the annual report, there has been no change in management rights.

(XII) For litigation or non-litigation events, the Company and its directors, supervisors, general manager, people in charge, shareholders holding more than 10% of the shares, and major lawsuits that have been confirmed or are still pending in the subsidiary company shall be listed. If the result may have a significant impact on shareholders' rights or securities prices, shall disclose the facts of the dispute, the amount of the suing subject, the date of commencement of the litigation, the main parties involved in the litigation, and the status of the settlement as of the publication date of the annual report: N/A

(XIII) Information security risk assessment analysis and countermeasures:

The internet is developing in a fast pace, and the threats to network security are also increasing. E&R has constructed a complete information security protection system to ensure the safety of operations. We also formulates relevant operating procedures related to the use of computerized information systems to implement internal control systems and maintain information security policies.

The target of the E&R's Electronic Information Security Policy :

1. Set up information security management measures, and promote the importance of information security from time to time.
2. Respect intellectual property rights and protect suppliers, customers, and company information.
3. Prevent computer virus attacks.
4. Ensure that all information security accidents or suspicious security weaknesses should be responded to upwards following the appropriate reporting mechanism, and properly investigated and handled.
5. Comply with the requirements of relevant laws or regulations, and achieve the goal of business continuity.

The above measures can still effectively protect the Company's information security and prevent improper access and hacker intrusion. In 2024 and as of the date of publication of the annual report, although we had experienced security threats, but the database and information systems have been properly backed up and restored promptly, which did not cause significant impact on the company. Besides, there are no cases or regulatory investigations related to this. We will continue to strengthen the protection of our information security and purchase relevant information equipment and software to implement the internal control system and maintain information security policies.

VII. Other Necessary Supplements: N/A

## **Six. Special Disclosure**

I. Information on related party transactions:

Please refer to the Market Observation Post System (MOPS) at [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10), and enter the company code and fiscal year.

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

III. Other Necessary Supplement: None.

IV. Material Events in the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report in Accordance with Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None.

鈦昇科技股份有限公司



董 事 長：王 明 慶

