

Stock Code: 2483



**Excel Cell Electronic Co., Ltd.**

# **2024 Annual Report**

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# One. Letter to Shareholders

## I. Business plan implementation results during 2024

### (I) Business plan implementation results:

In 2024, the global macroeconomic landscape was influenced by various factors, including persistent inflationary pressure, political and policy issues in the United States, geopolitical conflicts, and a sluggish Chinese economy. Although the rise of AI applications has continued to drive growth in related industries, numerous uncertainties remained in the global economic environment throughout the year. As a result, end-market demand in the industrial and automotive sectors remained relatively weak, leading to a polarized performance in global manufacturing: while demand for advanced semiconductor processes and servers remained strong, the recovery in production and sales in traditional manufacturing sectors was limited. In 2024, the Company's consolidated operating revenue amounted to NT\$1,806,366 thousand, representing an increase of NT\$9,914 thousand compared to 2023. The consolidated gross profit margin was 13%, a decrease of 1 percentage point from the same period last year. Consolidated gross profit declined by NT\$18,739 thousand, while consolidated operating expenses increased by NT\$13,872 thousand. The consolidated operating loss for 2024 was NT\$64,132 thousand, which was a decrease of NT\$32,611 thousand compared to 2023.

Non-operating income totaled NT\$90,930 thousand, mainly including: foreign exchange gains of NT\$33,207 thousand; share of profit from associates accounted for using the equity method of NT\$32,334 thousand; dividend income of NT\$12,128 thousand; interest income of NT\$11,740 thousand; and other income of NT\$16,384 thousand. Finance costs amounted to NT\$18,507 thousand. Net income after tax for 2024 was NT\$39,591 thousand, of which NT\$37,910 thousand was attributable to owners of the Company. Earnings per share (EPS) were NT\$0.35.

(II) Budget implementation: It is not applicable as the Company did not publish financial forecast for 2024.

### (III) Revenue and expenditure and profitability analysis

#### 1. Financial position:

Unit: NT\$ thousand

Account title	2024	2023
Operating revenue	1,806,366	1,796,452
Operation gross profit	230,968	249,707
Operating expenses	295,100	281,228
Operating income	(64,132)	(31,521)
Net income for this period	39,591	37,036
Net income attributable to		
Owners of the Company	37,910	35,280
Non-controlling interests	1,681	1,756

#### 2. Profitability analysis:

Item	2024	2023
Gross profit margin (%)	13	14
Return on assets (%)	1.30	1.23
Return on shareholders' equity (%)	1.56	1.44
As a percentage of paid-in capital (%)	Operating income	(5.88)
	Income before tax	(2.89)
Net profit margin (%)	2.19	2.06
Earnings per share (NTD)	0.35	0.32

#### (IV) Status of R&D

##### 1. Lead Frame for Semiconductor Industry

- (1) In response to the high-power requirements of power modules for electric vehicle (EV) charging stations, the Company collaborated with new customers to develop and submit samples of newly designed lead frames, thereby expanding its presence in the new energy application market.
- (2) For new automotive-grade TVS (Transient Voltage Suppression) chip requirements, the Company developed dedicated lead frames which successfully passed customer validation and have been introduced into mass production.
- (3) A Reel Clip suitable for Power ICs was developed to replace the traditional wire bonding process, significantly enhancing electrical conductivity, assembly stability, and production efficiency for customer products, while optimizing manufacturing processes and reducing costs.
- (4) To meet the high-power demands of EV and smart in-vehicle applications, the Company designed innovative lead frame solutions aimed at expanding its footprint in the high-power electronics market.

##### 2. Electronic components and Stepper Motors

- (1) Developed and promoted a series of future-oriented products—including screwless terminal blocks, push switches, rotary encoder switches, and micro switches—targeting applications in smart industries, automotive, lighting, industrial electronics, and electric power tools.
- (2) Initiated development of high-current, multi-pitch screwless terminal block series for use in industrial electromechanical equipment.
- (3) Developed a compact, high-vibration-resistant trigger switch series for power tools, featuring integrated Hall sensor technology.
- (4) Developed a series of miniature industrial control switches.
- (5) Developed a series of miniature quick-release safety lock switches for industrial control applications.
- (6) Independently developed relay testing equipment, now operational. Based on the original platform, AC (alternating current) relay testing capabilities were added, achieving in-house R&D objectives.
- (7) Completed development of a 1700V silicon carbide opto-isolated relay.
- (8) Completed sampling and mass production launch of clock module motors and related mechanisms.
- (9) Submitted samples of automotive cooling system actuator motors and related mechanisms, currently undergoing customer validation.
- (10) Conducted design and validation of expansion valve body structures and methods for joining dissimilar materials.
- (11) Completed design and cost estimation for brushless DC motors for exhaust fan applications, currently under customer evaluation.
- (12) Completed design of a planetary gearbox.

## II. Summary of this year's business plan

The Company formulated the **2025** business plan; the details are as follows:

### (I) Business approaches:

1. Adopt innovative measures, such as lean manufacturing, an SPC(Statistical process control) quality management, and strategic marketing.
2. Conduct effective preventive management and trend management through data analysis.
3. Share and integrate resources of subsidiaries within the Group.

4. Expand the development of lead frames for semiconductor devices, develop new customers in Europe and the U.S. market; expand automotive electronic components; develop high-end application products and smart/green energy products in the market.
5. Electronic components: Through the continued promotion of innovative activities such as lean production, SPC quality systems, and strategic marketing, we accelerate the research and development of products tailored for environmental sustainability, electric vehicles, and smart home control applications. This effort aims to sustain our global competitiveness, assist customers in maintaining their leadership positions, and provide comprehensive solutions, establishing us as their long-term strategic partners.
6. Expansion of motor manufacturing technology application products: automotive expansion valve coils, solenoid valves, valve actuators, valve linear stepping motor actuators.

(II) Estimated sales and the basis:

Based on industry outlook and customer product development trends, and after assessing the future production capacity of our manufacturing lines, the Company will strengthen the expansion and promotion of key products with long-term growth potential. It is anticipated that demand for semiconductor-related capacity will increase, driven by AI-powered computers, smartphones, servers, and related applications. Additionally, market demand in sectors such as consumer electronics, 5G, automotive, green energy, and industrial applications is expected to gradually recover. The markets related to the Company's core products are projected to maintain relatively stable growth in 2025. However, due to the Company's diverse product lines and wide range of application areas, coupled with the need to flexibly adjust the product mix in response to changing customer requirements, it remains difficult to accurately forecast sales volume.

(III) Important production and sales policy

1. Adopt automated robotic arms to meet precise control and positioning requirements and increase the production capacity of automated equipment.
2. Adopt a high-resolution CCD vision system, which is applied to the important process of electromechanical relays to increase production quality.
3. Adopt trend management for the quality assurance system, to ensure duly implementation of quality inspection.
4. Adopt industry 4.0 smart manufacturing to conduct production management properly by means of various trend analyses.
5. Establish an automated production line for relays.

### **III. Future development strategy**

(I) Lead Frame for Semiconductor Industry:

1. Continue to expand business development in the European, American, and Southeast Asian markets.
2. Expand the automotive electronic component lead frame business.
3. Develop markets for high-end applications, as well as smart and green energy products.

(II) Electronic components and stepper motors:

1. In response to global geopolitical shifts, the Company is actively expanding into emerging markets in ASEAN countries through participation in international trade shows, promotional activities, and enhanced digital marketing strategies. Efforts include leveraging e-commerce platforms such as DigiKey to boost brand visibility, integrating into local e-commerce distribution networks, and executing full product line promotion. In addition, the Company is deepening its market presence in high-potential regions such as Eastern Europe, Japan, and South Korea by focusing on the development and collaboration with direct customers to increase market penetration.

2. Key focus areas include the development of emerging industries such as power supplies for AI servers, new energy applications, and EV charging infrastructure. The Company will also continue to strengthen its presence in core industrial sectors including industrial automation equipment, security surveillance systems, HVAC and refrigeration, and smart home appliances.
3. The Company will promote the advantages of differentiated technologies such as explosion-proof and THR (Through-Hole Reflow) capabilities, while continually upgrading product specifications to meet requirements for high load current, high DC voltage, and high insulation withstand voltage.
4. The Company remains committed to lean manufacturing and implementation of SPC (Statistical Process Control) quality management systems to enhance production efficiency and product quality. These efforts aim to reduce costs and maintain global competitiveness, enabling customers to sustain leadership positions through comprehensive solutions and long-term strategic partnerships.
5. Motor product diversification will continue, with expansion into linear motors, robotic arm motors, screw-type motors, HB-type stepper motors, and brushless DC motors.
6. Application of motor manufacturing technologies will be extended to automotive expansion valve coils, solenoid valves, damper actuators, and linear stepper valve actuators.
7. New market development for various motor products will target Europe, the United States, Russia, and Japan.
8. The Company will develop expansion valve body products to meet the growing demand in automotive and air conditioning-related industries.

#### **IV. Impact of the external competitive environment, regulatory environment, and overall business environment**

##### **(I) Impact of the external competition environment**

In 2024, the global macroeconomic environment was affected by multiple factors, including persistent inflationary pressures, political and policy uncertainties in the United States, geopolitical conflicts, and the economic slowdown in China. Although AI-related applications continued to drive growth in certain sectors, overall global economic conditions remained uncertain throughout the year. As a result, end-market demand in the industrial and automotive sectors remained relatively weak, leading to a polarized performance in global manufacturing: demand for advanced semiconductor processes and servers remained strong, while recovery in traditional manufacturing production and sales was limited.

##### **(II) Impact of Regulatory Environment**

Governments around the world have been introducing new tax, environmental, investment, and labor regulations in response to ongoing global changes. The Company actively monitors regulatory developments in all regions where it operates, ensuring timely adjustments and optimal resource allocation to remain compliant and responsive to shifts in the regulatory landscape.

##### **(III) Impact on the overall business environment**

Looking ahead, the continued development and influence of AI are expected to further drive demand across related industries and applications. Emerging growth opportunities in AI-powered computers, smartphones, and servers are anticipated to stimulate increased capacity demand among semiconductor manufacturers, which in turn will boost demand for lead frames. Meanwhile, with signs of easing geopolitical tensions and the commencement of interest rate cuts in several countries, some of the global economic uncertainties are expected to gradually subside. These developments are likely to support a steady increase in global trade volume and contribute to a gradual recovery in demand across sectors such as consumer electronics, 5G, automotive, green energy, and industrial applications. As a result, the manufacturing sector is expected to experience continued and steady improvement in 2025.

The Company will continue to establish automated production processes, collect automated equipment data in real time, and improve the product production yield. We will adopt lean manufacturing, an SPC (Statistical process control) quality management, strategic marketing, and other innovative activities, to accelerate our R&D of products for artificial intelligence components, environmental protection and green energy, electric vehicles, and smart home control applications, continue to maintain our global competitiveness, and assist clients in achieving and maintaining their leading positions, while providing them with a variety of total solutions as their long-term strategic partner.

I wish you good health and all the best.

Excel Cell Electronic Co., Ltd.  
Chairman: Liao Pen-Li



## Two. Corporate Governance Report

### I. Information on directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

#### (I) Information on directors:

March 31, 2025; Unit: Share; %; NT\$ thousand

Title	Nationality or place of incorporation	Name	Gender/Age	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remark
							Number	Shareholding (%)	Number	Shareholding (%)	Number	Shareholding (%)	Number	Percentage of Shareholding			Title	Name	Relationship	
Chairman	Taiwan	Liao Pen-Lin	Male 71-75	2022.05.31	3 years	1999.05.15	7,339,548	6.73	6,339,548	5.81	3,642,450	3.34	-	-	Master's from Tulane University	Director of KS Terminals, Inc. Director of Siward Crystal Technology Co., Ltd., Director of P-Duke Technology Co., Ltd., Director of Securitag Assembly Group Co., Ltd., Director of Fuzetec Technology Co., Ltd. Director of Good Sky Electric Co., Ltd. Chairman of Pacer Technology Co., Ltd.	Director	Liao Pen-Tien Liao Yueh-Shiang	Brother's Brother and sister	Note 1
Director	Taiwan	Hsiao Teng-Tang	Male 71-75	2022.05.31	3 years	1999.05.15	6,745,729	6.18	6,745,729	6.18	4,206,001	3.86	-	-	Master's from Tunghai University	Supervisor of Good Sky Electric Co., Ltd. Supervisor of Pacer Technology Co., Ltd.	None	None	None	
Director	Taiwan	Liao Pen-Tien	Male 66-70	2022.05.31	3 years	1999.05.15	1,594,935	1.46	1,594,935	1.46	190,117	0.17	-	-	China University of Science and Technology	-	Director	Liao Pen-Lin Liao Yueh-Shiang	Brother's Brother and sister	
Director	Taiwan	Hsu Min-Cheng	Male 61-65	2022.05.31	3 years	2007.06.11	30,000	-	30,000	0.03	-	-	-	-	Master's from Tulane University	-	None	None	None	
Director	Taiwan	Liao Yueh-Shiang	Female 65-70	2022.05.31	3 years	2007.06.11	1,185,389	0.94	1,185,389	1.09	508,644	0.47	-	-	Ling Tung University	Director of P-Duke Technology Co., Ltd. Director of Max Echo Technology Corp. Director of Pacer Technology Co., Ltd.	Director	Liao Pen-Lin Liao Pen-Tien	Brother and sister Brother and sister	
Independent Director	Taiwan	Hsu Ching-Tao	Male 61-65	2022.05.31	3 years	2016.06.08	-	-	-	-	150,000	0.14	-	-	National Chung Hsing University Master's from Management	Independent director of Cayman Engley Industrial Co., Ltd. Independent director of Max Echo Technology Corp.	None	None	None	
Independent Director	Taiwan	Chen Hsiang-Ning	Female 61-65	2022.05.31	3 years	2019.06.10	-	-	-	-	-	-	-	-	Executive Master's from Business Administration, Guanghua School of Management, Peking University	-	None	None	None	
Independent Director	Taiwan	Terry Chiang	Male 61-65	2022.05.31	3 years	2016.06.08	-	-	-	-	-	-	-	-	Master's from Electrical Engineering,	Director of Securitag Assembly Group Co., Ltd. Director of Siward Crystal Technology Co., Ltd.	None	None	None	

Title	Nationality or place of incorporation	Name	Gender/Age	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remark
							Number	Shareholding (%)	Number	Shareholding (%)	Number	Shareholding (%)	Number	Percentage of Shareholding			Title	Name	Relationship	
															University of Southern California					
Independent Director	Taiwan	Chiu Chuan-Tzu	Female 51-55	2022.05.31	3 years	2022.05.31									Doctor 's from Business Administration from Princeton University	None	None	None	None	

Note 1: Where the Chairman and the President or person in an equivalent position (top-level manager) are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and countermeasures shall be disclosed (e.g., increasing the number of independent directors on the board or having more than half of the directors who are not employees or managers concurrently):

- (1) Reasons, reasonableness, and necessity: Chairman Liao Pen-Lin, serves as the President of Company concurrently. The Company's operating segments include Lead Frame for Semiconductor Industry, electronic components, and stepping motors, and the industry situations and development trends are different. Each operating segment has set up the president of each business division. However, the Group's overall development strategy and resource integration still depends on the Chairman's coordination.
- (2) Countermeasures: It is planned to increase the number of independent directors in the election of directors in June 2022.
- (2) In response to the measures: On 2022.05.31, the Board of Directors was re-elected and one independent director was added, making a total of four independent directors.

1. Name of shareholders each holding 10% or more of the total issued shares or in the list of the top ten shareholders if directors are institutional shareholders: Not Applicable
2. Name of shareholders each holding 10% or more of the total issued shares or in the list of the top ten shareholders if directors are juridical persons: Not Applicable
3. Disclosure of information on the professional qualifications of directors and the independence of independent directors: Not Applicable

Name \ Criteria	Professional qualifications and experience		Independence criteria	Number of other public companies where the individual serves as an independent director concurrently
Liao Pen-Lin	Master's from Tulane University	Director of Siward Crystal Technology Co., Ltd. Director of P-Duke Technology Co., Ltd. Director of Securitag Assembly Group Co., Ltd. Director of Fuzetec Technology Co., Ltd. Chairman of Pacer Technology Co., Ltd.	None	None
Hsiao Teng-Tang	Master's from Tunghai University	Supervisor of Pacer Technology Co., Ltd.	None	None
Liao Yueh-Shiang	Ling Tung University	Director of P-Duke Technology Co., Ltd. Director of Pacer Technology Co., Ltd.	None	None
Liao Pen-Tien	China University of Science and Technology	-	None	None
Hsu Min-Cheng	Master's from Tulane University	-	None	None

Name \ Criteria	Professional qualifications and experience		Independence criteria	Number of other public companies where the individual serves as an independent director concurrently
Hsu Ching-Tao	Master's from Management, National Chung Hsing University	Senior Manager of President Securities Corporation	Aligned with Note 1	Independent director of Cayman Engley Industrial Co., Ltd.
Terry Chiang	Master's from Electrical Engineering, University of Southern California	President of Securitag Assembly Group Co., Ltd. Director of Securitag Assembly Group Co., Ltd. Director of Siward Crystal Technology Co., Ltd.	Aligned with Note 1	None
Chen Hsiang-Ning	Executive Master's from Business Administration, Guanghua School of Management, Peking University	President of the International Procurement and Development Department, Nokia Solutions And Networks Taiwan Co., Ltd. Director of the Procurement and Development Department, Asia Pacific, Nokia (China) Investment Co., Ltd.	Aligned with Note 1	None
Chiu Chuan-Tzu	Doctor 's from Business Administration from Princeton University	Vice president of China Development Financial Holding Corporation, KGI Securities Co. Ltd.	Aligned with Note 1	None

Note 1:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in case where the person is an independent director of the company, its parent company or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a manager of (1) or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
- (5) Not a director, supervisor or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks as one of its top five shareholders or was appointed pursuant to Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in case where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (6) Not a director, supervisor, officer or shareholder holding fifty percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (7) Not the same person as the Company's Chairman, President or person with equivalent position or the director, supervisor or employee of the company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the

company, its parent company, or any subsidiary as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

- (8) Not a director, supervisor or employee of a corporate/institutional shareholder that directly holds 5% or more of the total number of issued shares of the company or ranks as of its top five shareholders. The same does not apply, however, in case where the corporate/institution holds 20% or more and no more than 50% of the total number of issued shares of the Company or the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
- (9) Not a professional individual who or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NTD 500 thousand or a spouse thereof. This restriction does not apply to any member of the Remuneration Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to relative regulations of the Securities and Exchange Act and Business Mergers and Acquisitions Act.
- (10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.
- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

#### 4. Diversity and independence of the Board of Directors:

- (1) The overall composition of the Board of Directors shall be taken into account in the election of the Company's directors. The composition of the Board of Directors shall be based on the principle of diversity. An appropriate diversity policy shall be formulated based on its operation, operation model, and development needs, including but not limited to the two indicators below:
  - A. Basic conditions and values: Gender, age, nationality, and cultural backgrounds.
  - B. Professional knowledge and skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- (2) The Board members shall generally possess the knowledge, skills, and qualities necessary to perform their duties. The capabilities and skills that the board shall possess as whole include the following:
  - A. Business judgment.
  - B. Accounting and financial analysis skills.
  - C. Business management skills.
  - D. Crisis management capabilities.
  - E. Industry knowledge.
  - F. International market perspectives.
  - G. Leadership.
  - H. Decision-making ability.

- (3) A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors.
- (4) The Board of Directors shall consider adjusting the composition of the board as per the performance evaluation results.
- (5) The board members have different professional backgrounds of business, production, and finance, which meet the applicable regulations.
- (6) Board diversity target: Female director account for more than 33%; independent directors account for more than 44%.
- (7) Board diversity and board members' core competencies

Name	Basic element					Industry experience			Professional background/ability				Professional	Competencies possessed (Note 1)								
	Nationality	Gender	Serving as the Company's employee concurrently	Age (Note 2)	Length of service as an independent director (Note 3)	Manufacturing	Marketing/ Procurement	Securities	Accounting and finance	Law	Marketing and sales	Production management	Business management	skill	Business judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspectives	Leadership	Decision-making ability
Liao Pen-Lin	R.O.C.	Male	V	C		V	V				V	V	V	Master's from Management	V	Δ	V	V	V	V	V	V
Hsiao Teng-Tang	R.O.C.	Male		C		V	V				V	V	V	Master's from Philosophy	V	Δ	V	V	V	V	V	V
Liao Yueh-Shiang	R.O.C.	Female		B			V		V		V	V	V	Bachelor's from Management	V	V	V	V	V	V	V	V
Liao Pen-Tien	R.O.C.	Male	V	B		V	V				V	V	V	Bachelor's from Technology	V	Δ	V	V	V	V	V	V
Hsu Min-Cheng	R.O.C.	Male	V	B		V	V				V	V	V	Master's from Management	V	Δ	V	V	V	V	V	V
Hsu Ching-Tao	R.O.C.	Male		B	A			V	V				V	Master's from Management	V	V	V	V	V	V	V	V
Terry Chiang	R.O.C.	Male		B	A	V	V				V	V	V	University of Southern California	V	Δ	V	V	V	V	V	V
Chen Hsiang-Ning	R.O.C.	Female		B	A		V				V		V	Master's from Management	V	Δ	V	V	V	V	V	V
Chiu Chuan-Tzu	R.O.C.	Female		A	A			V	V				V	Doctor 's from Business Administration	V	V	V	V	V	V	V	V

Note 1: V: Has professional ability Δ: Has basic ability

Note 2: A:51-60; B:61-70; C:71-80

Note 3: A: Fewer than three terms of office B: More than three terms of office

## (II) Information on the President, Vice Presidents, and the heads of various departments and branches:

March 31, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse or minor children		Shares Held by the Other's		Education and Experience	Current Position(s) in Other Companies	Spouse or relative within second degree of kinship who are managers of the Company			Remark
					Number	Shareholding (%)	Number	Shareholding (%)	Number	Percentage of Shareholding			Title	Name	Relationship	
CEO	Taiwan	Liao Pen-Lin	Male	2007.6	6,339,548	5.81	3,642,450	3.34	-	-	Master's from Tulane University	Director of KS Terminals, Inc. Director of Siward Crystal Technology Co., Ltd., Director of P-Duke Technology Co., Ltd., Director of Securitag Assembly Group Co., Ltd., Director of Fuzetec Technology Co., Ltd. Director of Good Sky Electric Co., Ltd. Chairman of Pacer Technology Co., Ltd.	Second Business Division President	Liao Pen-Tien	Brothers	Note 1
First Business Division President	Taiwan	Hsu Min-Cheng	Male	2016.6	30,000	0.03	-	-	-	-	Master's from Tulane University	None	None	None	None	
Second Business Division President	Taiwan	Liao Pen-Tien	Male	2007.6	1,594,935	1.46	190,117	0.17	-	-	China University of Science and Technology	None	CEO	Liao Pen-Lin	Brothers	
First Business Division Vice President	Taiwan	Tsai Huai-Jen	Male	2020.08	12,005	0.01	47	-	-	-	National Chung-Hsing Senior High School	None	None	None	None	

Note 1: Where the Chairman and the President or person in an equivalent position (top-level manager) are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and countermeasures shall be disclosed (e.g., increasing the number of independent directors on the board or having more than half of the directors who are not employees or managers concurrently):

- (1) Reasons, reasonableness, and necessity: Chairman Liao Pen-Lin, serves as the President of Company concurrently. The Company's operating segments include Lead Frame for Semiconductor Industry, electronic components, and stepping motors, and the industry situations and development trends are different. Each operating segment has set up the president of each business division. However, the Group's overall development strategy and resource integration still depends on the Chairman's coordination.
- (2) In response to the measures: On 2022.05.31, the Board of Directors was re-elected and one independent director was added, making a total of four independent directors.

## II. Remuneration paid to directors, supervisors, the President, and Vice Presidents during the most recent year:

(I) Remuneration to general directors and independent directors (individuals' names and remuneration are disclosed)

Unit: NTD thousand; thousand shares; December 31, 2024

Title	Name	Remuneration to directors								Sum of A, B, C, and D as a % of the net income after tax (Note 10)		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F and G as a % of the net income after tax (Note 10)		Remuneration from investees other than subsidiaries or from the parent company (Note 11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonuses, and allowances (E) (Note 5)		Severance pay (F)		Employee remuneration (G) (Note 6)						
		The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company		Companies in the consolidated financial statements (Note 7)		The Company	Companies in the consolidated financial statements	
Amount of cash	Amount of stock															Cash	Share					
CEO	Liao Pen-Lin	0	0	0	0	112	112	21	21	0.36%	0.36%	3,627	3,627	0	0	146	0	146	0	10.31%	10.31%	None
Director	Hsiao Teng-Tang	0	0	0	0	112	112	21	21	0.36%	0.36%	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Director	Liao Pen-Tien	0	0	0	0	112	112	21	21	0.35%	0.35%	2,575	2,575	0	0	98	0	98	0	7.41%	7.41%	2,598
Director	Hsu Min-Cheng	0	0	0	0	113	113	21	21	0.35%	0.35%	2,604	2,604	103	103	98	0	98	0	7.76%	7.76%	None
Director	Liao Yueh-Shiang	0	0	0	0	113	113	21	21	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Independent Director	Hsu Ching-Tao	0	0	0	0	113	113	21	21	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Independent Director	Chen Hsiang-Ning	0	0	0	0	113	113	21	21	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Independent Director	Terry Chiang	0	0	0	0	113	113	21	21	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Independent Director	Chiu Chuan-Tzu	0	0	0	0	113	113	21	21	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	None

- Note 1: The names of directors shall be listed separately (the names of institutional shareholders and their representatives shall be listed separately), and general directors and independent directors shall be listed separately, with various payment amounts disclosed in an aggregate manner. If a director concurrently serving as the President or the Vice President shall be entered in this table or table (3-1), or tables (3-2-1) and (3-2-2) below.
- Note 2: Refers to the directors' remuneration in the most recent year (including director salary, executive differential pay, severance pay, various bonuses, and incentives).
- Note 3: Refers to the amount of directors' remuneration approved by the resolution of the Board of Directors during the most recent year.
- Note 4: Refers to the directors' professional service fees in the most recent year (including honoraria, special allowance, various allowances, dormitory rooms, and company cars). When houses, cars, and other means of transportation or exclusive personal expenses are provided, the nature and costs of the assets provided and the actual cost or fair market value of rents, fuels, and other payments shall be disclosed. In addition, when a chauffeur is provided, please indicate the relevant payments made by the Company to the chauffeur, but such payments are not included in the remuneration.
- Note 5: Refers to the salary, executive differential pay, severance pay, various bonuses, incentives, honoraria, special allowance, various allowances, dormitory rooms, and company cars received by directors who serve as employees concurrently (including the President, Vice Presidents, other managers, and employees). When houses, cars, and other means of transportation or exclusive personal expenses are provided, the nature and costs of the assets provided and the actual cost or fair market value of rents, fuels, and other payments shall be disclosed. In addition, when a chauffeur is provided, please indicate the relevant payments made by the Company to the chauffeur, but such payments are not included in the remuneration. Salary and wages recognized in accordance with IFRS 2 Share-based Payments, including employee stock warrants and restricted stock awards acquired and shares for capital increased subscribed for, shall also be included in the remuneration.
- Note 6: Refers to directors who have received employee remuneration (including stock and cash) in the most recent year for serving as employees concurrently (including the President, Vice Presidents, other managers, and employees). The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is impossible to estimate the amount, the percentage adopted for the amount paid out last year shall be adopted to calculate the proposed amount for this year, while Table 1-3 shall be filled out additionally.
- Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.
- Note 8: The names of the directors shall be disclosed in the applicable ranges based on the total amount of remuneration paid by the Company to each director.
- Note 9: The total amount of remuneration paid to each of the Company's directors by all companies (including the Company) in the consolidated financial statements shall be disclosed, with the name of each director disclosed in their applicable range.
- Note 10: Net income after tax refers to the net income after tax of the standalone or individual financial statement for the most recent year.
- Note 11: a. This column shall clearly indicate the amount of remuneration received by the directors of the Company from investees other than subsidiaries or from the parent company (if there is none, please fill in "None").  
b. If a director of the Company receives remuneration from investees other than subsidiaries or from the parent company, the remuneration received by the director from investees other than subsidiaries or from the parent company shall be included in column I of the remuneration range table with said column renamed "Parent company and all investees".  
c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and professional service fees received by the directors of the Company for serving as directors, supervisors, or managers of investees other than subsidiaries or the parent company.
- Note 12: The director is a former director.
- \*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Act, so this table is for disclosure purposes rather than for taxation purposes.
- (II) Remuneration to supervisors: Not applicable.
- (III) Remuneration paid to the President and Vice Presidents in the most recent year (names are disclosed in the corresponding ranges)

Unit: NTD thousand; %; December 31, 2024

Unit: NTD thousand, %, December 31, 2024

Title	Name	Salary (A) (Note 2)		Severance pay (B)		Bonus and special allowance (C) (Note 3)		Remuneration to employees (D) (Note 4)				Sum of A, B, C, and D as a % of the net income after tax (Note 8)		Remuneration from investees other than subsidiaries <u>or</u> <u>from the parent company</u> (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements	
								Amount of cash	Amount of stock	Cash	Amount of stock			
CEO	Liao Pen-Lin	2,001	2,001	0	0	1,626	1,626	146	0	146	0	9.95	9.95	None
President of the First Business Division	Hsu Min-Cheng	1,620	1,620	103	103	984	984	98	0	98	0	7.40	7.40	None
President of the Second Business Division	Liao Pen-Tien	1,533	1,533	0	0	1,042	1,042	98	0	98	0	7.05	7.05	2,598
Vice President of the First Business Division	Tsai Huai-Jen	1,151	1,151	89	89	708	708	73	0	73	0	5.33	5.33	None

Note 1: The names of the President and Vice Presidents shall be listed separately, with the amounts of various payments disclosed in an aggregate manner. A director concurrently serving as the President or a Vice President shall be entered in this table and table (1-1) above or tables (1-2-1) and (1-2-2).

Note 2: Refers to the President's and Vice Presidents' salary, executive differential pay, and severance pay.



- Note 3: Refers to the President's and Vice Presidents' various bonuses, incentives, honoraria, special allowance, various allowances, dormitory rooms, company cars, and other remuneration in the most recent year. When houses, cars, and other means of transportation or exclusive personal expenses are provided, the nature and costs of the assets provided and the actual cost or fair market value of rents, fuels, and other payments shall be disclosed. In addition, when a chauffeur is provided, please indicate the relevant payments made by the Company to the chauffeur, but such payments are not included in the remuneration. Salary and wages recognized in accordance with IFRS 2 Share-based Payments, including employee stock warrants and restricted stock awards acquired and shares for capital increased subscribed for, shall also be included in the remuneration.
- Note 4: Refers to the amount of employee remuneration (including stock and cash) paid out by the Board of Directors to the President and Vice Presidents in the most recent year. If it is impossible to estimate the amount, the percentage adopted for the amount paid out last year shall be adopted to calculate the proposed amount for this year, while table 1-3 shall be filled out additionally.
- Note 5: The total amount of remuneration paid to the President and Vice Presidents of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.
- Note 6: The names of the President and Vice Presidents shall be disclosed in the applicable ranges based on the total amount of remuneration paid by the Company to each President and Vice President.
- Note 7: The total amount of remuneration paid to each President and Vice President of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed, with the name of each President and Vice President disclosed in their applicable range.
- Note 8: Net income after tax refers to the net income after tax of the standalone or individual financial statement for the most recent year.
- Note 9: a. This column shall clearly indicate the amount of remuneration received by the President and Vice Presidents of the Company from investees other than subsidiaries or from the parent company (if there is none, please fill in "None").  
b. If the President or a Vice President of the Company receives remuneration from investees other than subsidiaries or from the parent company, the remuneration received by the President or the Vice President from investees other than subsidiaries or from the parent company shall be included in column E of the remuneration range table with said column renamed "Parent company and all investees".  
c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and professional service fees received by the President or a Vice President of the Company for serving as directors, supervisors, or managers of investees other than subsidiaries or the parent company.
- \*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Act, so this table is for disclosure purposes rather than for taxation purposes.

(IV) Name of the manager who receives employee remuneration and distribution:

Unit: NT\$ thousand; %; December 31, 2024

	Title (Note 1)	Name (Note 1)	Share	Cash	Total	Total amount as a % of the net income after tax
Manager	CEO	Liao Pen-Lin	0	457	457	1.21
	President of the First Business Division	Hsu Min-Cheng				
	President of the Second Business Division	Liao Pen-Tien				
	Vice President of the First Business Division	Tsai Huai-Jen				
	Corporate Governance / Chief Financial Officer (CFO)	Tsai Ti-Yi				
	Chief Accounting Officer	Chiang Yu Chang				

- Note 1: Their individual names and titles shall be disclosed, but the profit paid out may be disclosed in an aggregate manner.
- Note 2: Refers to the amount of employee remuneration (including stock and cash) paid out by the Board of Directors to the President and Vice Presidents in the most recent year. If it is impossible to estimate the amount, the percentage adopted for the amount paid out last year shall be adopted to calculate the proposed amount for this year. Net income after tax refers to the net income after tax for the most recent year; if the International Financial Reporting Standards have been adopted, the net income after tax refers to the net income after tax in the parent company-only or individual financial statements for the most recent year.
- Note 3: The scope of managers, subject to the definition under Letter Tai-Cai-Zeng-III No. 11220384295 dated April 10, 2023, as follows:  
(1) President or an equivalent position  
(2) Vice president or an equivalent position  
(3) Assistant vice president or an equivalent position  
(4) Head of the Finance Department

(5) Head of the Accounting Department

(6) Other persons who have the right to manage affairs and sign on behalf of the Company

Note 4: If directors, the President, or Vice Presidents receive employee remuneration (including shares and cash), this form shall be filled out in addition to Table 1-2.

(V) An analysis of the total remuneration paid to the Company's directors, supervisors, the President, and Vice Presidents as a percentage of the net income after tax in the parent company-only or individual financial report for the most recent two years, and a description of the remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks.

1. An analysis of the total remuneration paid to the Company's directors, supervisors, the President, and Vice Presidents as a percentage of the net income after tax in the parent company-only or individual financial report for the most recent two years:

Unit: NT\$ thousand; %

Item	The Company				The Group			
	Total remuneration	Total remuneration as a percentage of net income after tax	Total remuneration	Total remuneration as a percentage of net income after tax	Total remuneration	Total remuneration as a percentage of net income after tax	Total remuneration	Total remuneration as a percentage of net income after tax
Title	2024		2023		2024		2023	
Director	1,203	3.17%	368	1.04%	1,203	3.17%	368	1.04%
President and Vice Presidents	11,272	29.73%	11,333	32.12%	11,272	29.73%	11,333	32.12%
Net income after tax	37,910		35,280		37,910		35,280	

Details: The increase in director's remuneration is due to an increase in pre-tax net profit, resulting in an increase in director's remuneration as provided for in the Company's articles of association.

For the year 2024, the Company's board of directors received compensation in accordance with Article 29 of the Company's Articles of Association. This compensation is based on the Company's annual profits, with the Board of Directors resolving to allocate no more than 2% of the annual profit for director remuneration. The total amount was NT\$1,014 thousand, along with transportation allowances for attending board meetings amounting to NT\$189 thousand, bringing the total compensation to NT\$1,203 thousand.

2. Remuneration policy, standard, and package, the procedure for determining the remuneration, and the relevance thereof to future risks:

- (1) As per Article 29 of the Articles of Incorporation, the Company shall allocate 2% of the profit for directors' remuneration, and both directors and independent directors are entitled to receive directors' remuneration. The Company regularly evaluates the remuneration to directors in accordance with the Rules for Performance Evaluation of Board of Directors. The performance evaluation and the reasonableness of the remuneration to be paid are reviewed by the Remuneration Committee and the Board of Directors.
- (2) Regarding the managers' remuneration, as per 12002 - Salary Regulations, various work allowances and bonuses shall be provided to reward employees for their endeavors at work; relevant bonuses also depend on the Company's annual operating performance, financial position, operating status, and individuals' work performance evaluation results; also, if the Company makes a profit for a year, it, as per Article 29 of the Articles of Incorporation, shall provide 4% or more as employee remuneration. The Company adopts the performance evaluation results as per

12011 - Year-end Bonus Payment Regulations, 12030 - Employee Remuneration Calculation and Payment Regulations, and 12066 - Performance Bonus Payment Regulations implements as the reference for the payment for manager bonuses; the manager performance evaluation indicators are divided into (A) financial indicators: as per the Company's income statement, the profit is distributed each business group based on their contribution and managers' achievement of goals; (B) non-financial indicators: the implementation of the Company's core values, business management capability, and participation in sustainable development, to calculate the remuneration for their management performance. We review the remuneration mechanism at any time as per the operating status and applicable laws and regulations.

- (3) The combination of the remuneration paid by the Company is determined in accordance with the Remuneration Committee Charter, including cash remuneration, various allowances, and other measures with substantive rewards; the scope of the remuneration is the same as that specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

#### 4. Procedures for determining remuneration:

- (1) To regularly evaluate the director and manager remuneration, we adopt the evaluation results as per the Company's Rules for Performance Evaluation of Board of Directors and the Performance Bonus Payment Regulations that apply to managers and employees as the basis.
- (2) The relevant performance evaluation and the reasonableness of the Company's director and manager remuneration are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors per year. In addition to reviewing individuals' performance achievement and contribution to the Company, we consider the Company's overall operating performance and the future risks and development trends of the industry, review the remuneration mechanism at any time depending on the operating status and applicable laws and regulations, as well as take into account the overall corporate governance trend before paying reasonable remuneration to strike a balance between the Company's sustainable development and risk control. The amount of remuneration paid to directors and managers during 2024 was reviewed by the Remuneration Committee and then approved by the Board of Directors.

#### 5. Relevance between business performance and future risks

- (1) We review the Company's remuneration policy payment standards and systems mainly based on the Company's overall operating status and determine the payment standards based on individuals' performance achievement and contribution to improve the effectiveness of the operations of the Board of Directors and management departments. We also refer to the general salary standards in the industry to ensure that the remuneration to our management team is competitive in the industry, thereby retaining excellent management talents.
- (2) Our managers' performance targets are combined with risk control measures to ensure that potential risks within the scope of their duties can be managed and prevented, and their performance is graded based on their actual performance in connection with all relevant human resources and salary policies. The important decisions made by the Company's management team after it takes into account various risks. The performance of relevant decisions made is linked with the Company's profitability, and the management team's remuneration associated with the risk control performance.

### III. Implementation of corporate governance

(I) Information on the operations of the Board of Directors:

The Board of Directors held 7 meetings in the current year, , and directors' and supervisors' attendance is as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A) (Note 2)	Remark
Chairman	Liao Pen-Lin	7	-	100	
Director	Hsiao Teng-Tang	7	-	100	
Director	Liao Pen-Tien	7	-	100	
Director	Liao Yueh-Shiang	7	-	100	
Director	Hsu Min-Cheng	7	-	100	
Independent director	Hsu Ching-Tao	7	-	100	
Independent director	Chen Hsiang-Ning	7	-	100	
Independent director	Terry Chiang	7	-	100	
Independent director	Chiu Chuan Tzu	7	-	100	

Other matters that are required to be disclosed:

I. If the operations of the Board of Directors is under any of the circumstances below, the date of the board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

(I) Matters under Article 14-3 of the Securities and Exchange Act:

Date of meeting (session/term)	Proposal	All independent directors' opinions and the Company's response to said opinions
2024/03/06 (1 <sup>st</sup> meeting in 2024)	Financial statements for 2023	Approved by all independent directors
	Discussion on the Revision of the "13908 Endorsement and Guarantee Regulations."	
	Internal Control System Declaration for 2023	
	Discussion on the Change of Certified Public Accountant for the First Quarter Financial Statements of 2024	
2024/05/03 (2 <sup>nd</sup> meeting in 2024)	Financial Statements for the First Quarter of 2024	
	Proposal to Amend the "Employee Compensation Calculation and Distribution Regulations." (Document No.12030)	
	Proposal to Amend the "Retirement Management Regulations." (Document No.12037)	
	NEOCENE TECHNOLOGY (Anhui) CO., LTD.'s Loan to EXCEL CELL ELECTRONIC (ANHUI) CO., LTD.	
2024/08/02 (3 <sup>rd</sup> meeting in 2024)	Financial Statements for the Second Quarter of 2024	
	Financial Statements for the Third Quarter of 2024	
2024/11/06 (4 <sup>th</sup> meeting in 2024)	Proposal to Amend the "Corporate Governance Best Practice Principles" (Document No. 13944).	
	Proposal to Add the "Organizational Charter and Administrative Guidelines for the Sustainability Development Committee" (Document No. 12076).	
	Proposal to Add the "Regulations Governing the Preparation and Verification of Sustainability Reports" (Document No. 13946).	
	Proposal to Amend the "Corporate Governance Best Practice Principles" (Document No. 13944).	
2024/12/25 (5 <sup>th</sup> meeting in 2024)	Proposal to Amend the "Rules of Procedure for Board of Directors Meetings" (Document No. 13924).	
	Proposal to Amend the "Organizational Charter of the Audit Committee" (Document No. 13934).	

(II) In addition to above matters, the resolutions adopted by the board of directors to which independent directors have objections or reservations on record or in a written statement: None.

II. The implementation status of directors' recusal from agenda items involving conflicts of interest shall specify the director's name, the content of the agenda item, the reason for the required recusal, and the director's voting status:

Meeting Date (session/term)	Agenda Items	Resolution Result	
2024/05/03 (2 <sup>nd</sup> meeting)	Proposal for Distribution Details of Employee Compensation to Managers for 2024.	During the discussion and resolution of this proposal, Chairman Liao Ben-Lin, Director Hsu Min-Cheng, and Director Liao Pen-Tien recused themselves. Director Hsu Ching-Tao acted as chair. The remaining attending directors raised no objections, and the proposal was approved as presented.	
	Proposal for Distribution Details of Performance Bonuses to Managers for January to April 2024	During the discussion and resolution of this proposal, Chairman Liao Ben-Lin, Director Hsu Min-Cheng, and Director Liao Pen-Tien recused themselves. Director Hsu Ching-Tao acted as chair. The remaining attending directors raised no objections, and the proposal was approved as presented.	
2024/09/23 (2 <sup>nd</sup> extraordinary board meeting)	Proposal for Distribution Details of Performance Bonuses to Managers for May to August 2024	During the discussion and resolution of this proposal, Chairman Liao Ben-Lin, Director Hsu Min-Cheng, and Director Liao Pen-Tien recused themselves. Director Hsu Ching-Tao acted as chair. The remaining attending directors raised no objections, and the proposal was approved as presented.	
2024/11/06 (4 <sup>th</sup> meeting )	Proposal for Distribution Details of Year-End Bonuses to Managers for 2024	During the discussion and resolution of this proposal, Chairman Liao Ben-Lin, Director Hsu Min-Cheng, and Director Liao Pen-Tien recused themselves. Director Hsu Ching-Tao acted as chair. The remaining attending directors raised no objections, and the proposal was approved as presented.	
	Proposal for Distribution Details of Performance Bonuses to Managers for September to December 2024	During the discussion and resolution of this proposal, Chairman Liao Ben-Lin, Director Hsu Min-Cheng, and Director Liao Pen-Tien recused themselves. Director Hsu Ching-Tao acted as chair. The remaining attending directors raised no objections, and the proposal was approved as presented.	
<p>III. Listed and OTC companies shall disclose information regarding the board of directors' self-evaluation (or peer evaluation), including the evaluation cycle and period, scope, methodology, and content. Please refer to Table 2(2): Implementation Status of Board Performance Evaluations as shown below.</p> <p>IV. Objectives and implementation status of measures taken to enhance the board's functions during the current and most recent fiscal years (e.g., establishment of an audit committee, improvement of information transparency, etc.)</p> <ol style="list-style-type: none"> <li>Among the nine directors of the company, four are independent directors, accounting for four-ninths of the total board seats.</li> <li>The Board of Directors of the company has authorized the establishment of the Audit Committee and the Compensation Committee to assist the Board in fulfilling its supervisory responsibilities. Both committees are composed entirely of independent directors.</li> </ol>			

Note 1: Where the director or supervisor is a juridical person, please specify the institutional shareholder's and its representative's names.

Note 2: (1) If a director or supervisor resigned before the end of the year, the date of resignation shall be indicated in the Remarks column, and the attendance (%) shall be calculated with the number of board meetings attended by the director or supervisor divided by the number of board meetings held during their term of office.

(2) Before the end of the year, if there is an election of directors or supervisors, the new and old directors and supervisors shall be entered, and the old, new, or re-elected status and the election date of each director or supervisor shall be indicated in the Remarks column. The attendance (%) shall be calculated with the number of board meetings attended by a director or supervisor divided by the number of board meetings held during their term of office.

The implementation of the board performance evaluation

<u>Evaluation cycle</u> (Note 1)	<u>Evaluation period</u> (Note 2)	<u>Scope of evaluation</u> (Note 3)	<u>Evaluation method</u> (Note 4)	<u>Contents of evaluation</u> (Note 5)
Once per year	January 1, 2024 through December 31, 2024	The board as a whole, individual board members, and functional committees were included in the evaluation.	Internal board self-evaluation and board members' self-evaluation	The evaluation content is detailed on page 21 and was reported to the Board of Directors on February 26, 2025.

Note 1: Fill in the cycle of the board evaluation, e.g., once per year.

Note 2: Fill in the period covered for the board evaluation, e.g. the board performance from January 1, 2019 to December 31, 2019 was evaluated.

Note 3: The evaluation covers the Board of Directors, individual board members', and functional committees' performance.

Note 4: Evaluation methods include internal board self-evaluation, board members' self-evaluation, peer evaluation, evaluation by external professional organizations or experts, or other appropriate methods.

Note 5: The evaluation content includes at least the indicators below within the evaluation scope:

- (1) The Board of Directors performance evaluation covers at least the degree of involvement in the Company's operations, the quality of the Board of Directors' decision-making, the composition and structure of the Board of Directors, the election of directors and their continuing education, and internal control.
- (2) Individual directors' performance evaluation covers at least the alignment with the Company's goals and mission, awareness of responsibilities as a director, directors' awareness of responsibilities, degree of involvement in the Company's operations, internal relationship management and communication, management and communication of internal relations, and internal control.
- (3) Functional committees' performance evaluation covers the degree of involvement in the Company's operations, awareness of responsibilities as a functional committee member, the quality of the functional committee's decision-making, the composition and selection of members of the functional committees, and internal control.

## Excel Cell Electronic Co., Ltd.

### 2024 Board Performance Evaluation Results

(I) Evaluation results:

1. The board performance self-evaluation:

The board performance evaluation indicators covered a total of 42 indicators in the five major aspects; 42 evaluation indicators were rated "Strongly agree (5)". This indicated that the Board of Directors has duly fulfilled its responsibilities to guide and oversee the Company's strategies, major business activities and risk management, while having established a proper internal control system. The overall operations were up to standard in alignment with the requirements of corporate governance.

The five aspects of self-evaluation	Evaluation indicator	Rating result
A. The degree of participation in the Company's operations	11 indicators	4.99 points
B. Improvement to the decision-making quality of the Board	12 indicators	4.99 points
C. Board composition and structure	7 indicators	5.00 points
D. Directors' election of and continuing education	5 indicators	5.00 points
E. Internal control	7 indicators	5.00 points

2. Individual board member performance self-evaluation:

The board member performance evaluation indicators covered a total of 23 indicators in the six major aspects; 21 evaluation indicators were rated "Strongly agree (5)" and two evaluation indicators were rated "Agree (4)". This indicated that the directors have positive reviews for the efficiency and effectiveness of various indicators.

The six aspects of self-evaluation	Evaluation indicator	Rating result
A. Alignment with the Company's goals and missions	3 indicators	5.00 points
B. Awareness of directors' responsibilities	3 indicators	4.96 points
C. The degree of participation in the Company's operations	8 indicators	4.99 points
D. Internal relations management and communication	3 indicators	5.00 points
E. Directors' professionalism and continuing education	3 indicators	5.00 points
F. Internal control	3 indicators	5.00 points

3. Audit Committee performance self-evaluation:

The Audit Committee performance evaluation indicators covered a total of 22 indicators in the five major aspects; 22 evaluation indicators were rated "Strongly agree (5)". This indicated that the overall operations of the Audit Committee were up to standard in alignment with the requirements of corporate governance and effectively improved the board functions.

The five aspects of self-evaluation	Evaluation indicator	Rating result
A. The degree of participation in the Company's operations	4 indicators	5.00 points
B. Understanding of functional committees' responsibilities	5 indicators	5.00 points
C. Improvement to the decision-making quality of functional committees	7 indicators	5.00 points
D. Composition of functional committees and appointment of members	3 indicators	5.00 points
E. Internal control	3 indicators	5.00 points

4. Remuneration Committee performance self-evaluation:

The Remuneration Committee performance evaluation indicators covered a total of 19 indicators in the four major aspects; 19 evaluation indicators were rated "Strongly agree (5)". This indicated that the overall operations of the Remuneration Committee were up to standard in alignment with the requirements of corporate governance and effectively improved the board functions.

The four aspects of self-evaluation	Evaluation indicator	Rating result
A. The degree of participation in the Company's operations	4 indicators	5.00 points
B. Understanding of functional committees' responsibilities	5 indicators	5.00 points
C. Improvement to the decision-making quality of functional committees	7 indicators	5.00 points
D. Composition of functional committees and appointment of members	3 indicators	5.00 points

(II) The operations of the Audit Committee: The Audit Committee held five meetings during the most recent year, and the members' attendance is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A) (Note)	Remark
Independent director	Hsu Ching-Tao	5	-	100	
Independent director	Terry Chiang	5	-	100	
Independent director	Chen Hsiang-Ning	5	-	100	
Independent director	Chiu Chuan Tzu	5	-	100	

Other matters that are required to be disclosed:

I. If the operations of the Audit Committee is under any of the circumstances below, the date of the committee meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

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

Type of meeting	Date	Major resolutions	The Audit Committee's resolution results and the Company's response to the Audit Committee's opinions
10 <sup>th</sup> meeting of 3 <sup>rd</sup> term	2024/03/06	Business Report, financial statements, and consolidated financial statements in 2023.	Approved by all Audit Committee members
		Proposal for the 2023 Statement on Internal Control System.	
		Proposal to Amend the "Procedures for Endorsements and Guarantees" (Document No. 13908).	
		Proposal for the Change of Certified Public Accountant for the Review of the Q1 2024 Financial Statements.	
11 <sup>th</sup> meeting of 3 <sup>rd</sup> term	2024/05/03	Financial statement for 1 <sup>st</sup> Quarter of 2024.	
12 <sup>th</sup> meeting of 3 <sup>rd</sup> term	2024/08/02	Financial statement for 2 <sup>nd</sup> Quarter for 2024.	
13 <sup>th</sup> meeting of 3 <sup>rd</sup> term	2024/11/06	Financial statement for 3 <sup>rd</sup> Quarter for 2024.	
		Proposal to Amend the "Corporate Governance Best Practice Principles" (Document No. 13944).	
		Proposal to Add the "Organizational Charter and Administrative Guidelines for the Sustainability Development Committee" (Document No. 12076).	
		Proposal to Add the "Regulations Governing the Preparation and Verification of Sustainability Reports" (Document No. 13946).	
14 <sup>th</sup> meeting of 3 <sup>rd</sup> term	2024/12/25	Internal Audit program for 2025.	
		Proposal for Pre-approval of Potential Non-assurance Services to Be Provided by Deloitte & Touche for the Company and Its Subsidiaries in 2025	
		Proposal to Amend the "Procedures for Acquisition or Disposal of Assets" (Document No. 13903).	
		Proposal to Amend the "Rules of Procedure for Board of Directors Meetings" (Document No. 13924).	
		Proposal to Amend the "Organizational Charter of the Audit Committee" (Document No. 13934).	

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

II. In the event of independent directors' recusal from any proposals, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified: None.

III. Communication between Independent Directors, Internal Audit Officer, and the Auditor (including major issues, methods, and results of communications regarding the company's financial and business conditions):

On August 2, 2024, and February 26, 2025, the auditor communicated with the independent directors and the internal audit officer regarding relevant issues during the audit process of the financial statements for the first half of 2024 and the full year 2024.



(III) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation indicator	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	Yes		Already disclosed on the Company's website	No major difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
II. The Company's shareholding structure and shareholders' equity (I) Has the company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures? (II) Does the company have a list of the major shareholders with ultimate control over the company and a list of the ultimate controllers of the major shareholders? (III) Has the company established and implemented a risk control and a firewall mechanism between itself and affiliates? (IV) Has the company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	Yes     Yes		(I) We have personnel in place dedicated to handling issues, such as shareholder suggestions or disputes with them.  (II) We keep abreast of a list of major shareholders with ultimate control over the Company.  (III) The management rights and responsibilities for personnel, assets, and finance between the Company and our affiliates are clearly defined. In addition to the subsidiary supervision operations in place, our auditors regularly supervise the implementation. (IV) The Company has established the Procedures for Handling Material Inside Information and the Insider Trading Prevention Management Procedures, which prohibit the insiders from using undisclosed information on the market to trade securities.	(I) No major difference from Article 13 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies (II) No major difference from Article 19 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies (III) No major difference from Article 14 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies (IV) No major difference from Article 14 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
III. Composition and responsibilities of the Board of Directors (I) Has the board formulated a diversity policy for the board structure and specific management objectives and duly implemented them? (II) Has the company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law? (III) Has the company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors? (IV) Does the company regularly assess the independence of the CPAs?	Yes  Yes  Yes  Yes		(I) The Company's board members are from various professional fields, and we have therefore put the board diversity policy into practice. Refer to pages 10-13 for details. (II) The Company has voluntarily established an Audit Committee.  (III) Refer to page 23 for details.  (IV) Refer to page 49-50 for details. The assessment of the independence of CPAs.	(I) No major difference from Article 20 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies (II) The Company has voluntarily established an Audit Committee. (III) No major difference from Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies (IV) No major difference from Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation indicator	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
IV. Has the company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	Yes		On May 3, 2023, the Board of Directors of our company passed a resolution to appoint Ms. Tsai Ti-Yi, Assistant Vice President of General Administration Division. Ms. Tsai will be responsible for corporate governance-related matters, with supervision provided by the Chairman of the Board of Directors.	No major difference
V. Has the company has established communication channels with stakeholders and set up a section dedicated to stakeholders on the company's website to properly respond to stakeholders' major CSR issues of concern?	Yes		We have set up the Stakeholders section on the Company's website as a communication channel with them (including clients, suppliers, investors, and employees).	No major difference from Article 51 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VI. Does the company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	Yes		The Company's shareholder service is handled by SinoPac Securities Corporation.	No major difference
VII. Information disclosures (I) Has the company set up a website to disclose information on financial business and corporate governance?	Yes		(I) We have set up a website to disclose relevant information.	(I) No major difference from Article 55 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the company website)?	Yes		(II) We have appointed personnel dedicated to collecting and disclosing the information on the Company, the spokesperson system, and the investor conferences in accordance with regulations.	(II) No major difference from Article 56 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Does the company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?		No	(III) The Company filed the 2024 annual financial statements on February 26, 2025 and completed the filing of the financial statements for 2024 Q1, Q2, and Q3 7 days prior to the expiry of the reporting period.	(III) The feasibility of announcing and reporting the annual financial statement within two months after the end of the fiscal year will be carefully assessed
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the company's purchase of directors and supervisors liability insurance)?	Yes		(I) Please refer to page 27 for the details of directors' continuing education. (II) We have purchased directors liability insurance. (III) We have set up the Stakeholders section on the Company's website as a communication channel with them (including clients, suppliers, investors, and employees).	No major difference
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved: (1) Have the Rules for Performance Evaluation of Board of Directors been formulated by the company and approved by the board of directors?: We will conduct a self-evaluation at least once per year and disclose the evaluation results on the official website or annual report: Refer to page 25 and the Company's website at <a href="https://www.ece.com.tw/zh-tw">https://www.ece.com.tw/zh-tw</a> . (2) Does the company's annual report disclose the president's and vice presidents' individual remuneration?: Refer to page 19 for details. (3) Has the company set up a dedicated (concurrent) unit for integrity management to formulate and supervise an integrity management policy and a prevention plan, disclose its operations and the implementation on the Company's website and in the annual report, and regularly report to the board of directors: Refer to page 44 for details. (4) Did the company disclose the annual emissions of carbon dioxide or other greenhouse gases over the past two years: Refer to page 36 for details.				

**Directors' and supervisors' professional and continuing education**

Title	Name	Date of course		Organizer	Course title	Hours of course	Total hours of continuing education for this year
		From	To				
Director	Liao Pen-Lin	2024/07/20	2024/07/20	Commerce Development Research Institute	Corporate Governance and Corporate Sustainability Workshop	3	6.0
		2024/09/06	2024/09/06	Commerce Development Research Institute	Corporate Governance and Corporate Sustainability Workshop	3	
Director	Hsiao Teng-Tang	2024/09/06	2024/09/06	Securities and Futures Institute, SFI	2024 Insider Trading Prevention Seminar	3	6.0
		2024/11/15	2024/11/15	Taiwan Corporate Governance Association	Comprehensive Intellectual Property Protection Strategy: New Perspectives on IP Compliance Management with AI	3	
Director	Liao Pen-Tien	2024/08/09	2024/08/09	Taiwan Corporate Governance Association	Green Energy, Renewable Certificates, and Sustainable Development: The Path to Corporate Net Zero	3	6.0
		2024/12/04	2024/12/04	Securities and Futures Institute, SFI	Sustainability Committee and Chief Sustainability Officer Roundtable	3	
Director	Liao Yueh-Shiang	2024/12/06	2024/12/06	Securities and Futures Institute, SFI	The Development and Governance of Global AI: Observations on the U.S., EU, and China	3	6.0
		2024/12/18	2024/12/18	National Federation Of Certified Public Accountant Associations	Establishing Internal Control Systems for Sustainability Information Management	3	
Director	Hsu Min-Cheng	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	6.0
Independent director	Hsu Ching-Tao	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	6.0
Independent director	Hung-Yu Chiang	2024/09/27	2024/09/27	Securities and Futures Institute, SFI	Sustainability Strategies and Planning for Listed Companies	3	6.0
		2024/11/22	2024/11/22	Taiwan Corporate Governance Association	An Overview of Carbon and Energy Management from a Corporate Sustainability Perspective	3	
Independent director	Hsiang-Ning Chen	2024/06/03	2024/06/03	Securities and Futures Institute, SFI	Institutional Investor Perspectives Forum	3	9.0
		2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	
Independent director	Chuan-Tzu Chiu	2024/05/13	2024/05/13	The Institute of Internal Auditors	Practical Workshop: Enhancing Audit and Financial Efficiency Using Excel Functions	6	6.0

(IV) If the company has established a remuneration committee, the composition, responsibilities, and operations of the committee shall be disclosed

**1. Information on the members of the Remuneration Committee**

As for December 31<sup>st</sup>, 2024

Criteria Name Title		Professional qualifications and experience		Independence criteria	Number of other public companies where the individual serves as an independent director concurrently
Independent director	Hsu Ching-Tao	Master's from Management, National Chung Hsing University	Senior Manager of President Securities Corporation	Aligned with Note 1	Independent director of Cayman Engley Industrial Co., Ltd.
Independent director	Terry Chiang	Master's from Electrical Engineering, University of Southern California	President of Securitag Assembly Group Co., Ltd. Director of Securitag Assembly Group Co., Ltd. Director of Siward Crystal Technology Co., Ltd.	Aligned with Note 1	None
Independent director	Chen Hsiang-Ning	Executive Master's from Business Administration, Guanghua School of Management, Peking University Peking University	President of the International Procurement and Development Department, Nokia Solutions And Networks Taiwan Co., Ltd. Director of the Procurement and Development Department, Asia Pacific, Nokia (China) Investment Co., Ltd.	Aligned with Note 1	None
Independent director	Chiu Chuan-Tzu	Doctor 's from Business Administration from Princeton University	Vice president of China Development Financial Holding Corporation, KGI Securities Co. Ltd.	Aligned with Note 1	None

Note 1: In compliance with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

- (I) Has work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company
- (II) Not been a person of any conditions defined in Article 30 of the Company Act.
- (III) Not a government or juridical person or representative thereof as specified in Article 27 of the Company Act.
- (IV) Shall maintain the independence within the scope of the performance of duties; shall not have any direct or indirect interest involved with the Company; shall not be involved in any of the following circumstances during the two years before being elected and during the term of office:
1. An employee of the Company or any of its affiliates.
  2. A director or supervisor of the company or any of its affiliates.
  3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
  4. A manager under subparagraph 1 or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the personnel in the preceding two subparagraphs.
  5. A director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with Article 27, paragraph 1 or 2 of the Company Act.
  6. A director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person.

7. A director (managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position at the Company and a person in an equivalent position at another company or institution are the same person or are spouses.
8. A director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution with financial or business relations with the Company.
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Security and Exchanges Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations.

The provisions of subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to an independent director engaged concurrently by the Company, its parent company, and its subsidiary, or a subsidiary under the same parent company in accordance with the Act or local laws and regulations.

Where an independent director of a publicly issued company used to serve as an independent director of a company listed in subparagraph 2 or 8 of paragraph 1, its affiliate(s), or a specific company or institution with financial or business relations with the Company and has been dismissed, the requirement two years before being elected under paragraph 1 does not apply.

The specific company or institution referred to in subparagraph 8 of paragraph 1 refers to a company under any of the following circumstances:

- I. Holding 20% or more and not more than 50% in the Company's total issued shares.
- II. Another company and its directors, supervisors, or all shareholders each holding 10% or more of its total issued shares hold 30% or more of the Company's total issued shares, and both parties have records of financial or business transactions. The shares held by the aforementioned personnel, including their spouses, minor children, and those held by nominee arrangement.
- III. A total of 30% or more of the Company's operating revenue comes from another company and companies within its group.
- IV. The quantity or total purchase amount of the raw materials for the Company's main products (those that account for 30% or more of the total purchase amount and are indispensable for product manufacturing) or major commodities (referring to those that account for 30% or more of the total operating revenue) from another company and companies within its group reached 50 % or more of the Company's total purchase amount.

The parent company, subsidiary, and group referred to in paragraphs 1 and 2 and the preceding paragraph shall be determined in accordance with IFRS 10.

Affiliates referred to in paragraphs 1 and 3 refer to affiliates in Chapter 6-1 of the Company Act, or those who should prepare consolidated financial statements in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and the IFRS 10.

## **2. Information on the operations of the Remuneration Committee**

(1) The Company has four Remuneration Committee members.

(2) The term of office of the existing committee members: From June 30, 2022 through May 30, 2025. The Remuneration Committee held 4 meetings (A) in 2024. The members' qualifications and attendance are as follows:

Title	Name	Attendance in person (B)	No. of Meetings Attended by Proxy	Attendance (%) (B/A) (Note)	Remark
Convener	Hsu Ching-Tao	4	-	100	
Member	Terry Chiang	4	-	100	
Member	Chen Hsiang-Ning	4	-	100	
Member	Chiu Chuan-Tzu	4	-	100	

Other matters that are required to be disclosed:

I. Where the Board of Directors rejects or modifies the suggestions from the Remuneration Committee, please disclose the date and session of the meeting, contents of the motions, resolution made by Board of Directors' meeting, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that is more favorable than the one proposed by the Remuneration Committee): None.

II. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

(I) Matters under Article 14-6 of the Securities and Exchange Act:

Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
The 7 <sup>th</sup> Meeting of the 5 <sup>th</sup> term	2024/05/03	1. Proposal to Amend the "Regulations for Calculation and Distribution of Employee Remuneration" (Document No. 12030).	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		2. Proposal for the 2023 Distribution Details of Directors' Remuneration.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		3. Proposal for the 2023 Distribution Details of Employee Remuneration for Managerial Officers.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		4. Proposal for the Distribution Details of Performance Bonuses for Managerial Officers from January to April 2024.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		5. Proposal to Amend the "Retirement Management Regulations" (Document No. 12037).	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
The 8 <sup>th</sup> Meeting of the 5 <sup>th</sup> term	2024/08/02	Proposal for the Company's Personnel Adjustment.	Ms. Ti-Yi Tsai, Finance Manager, has been promoted to Assistant Vice President of the General Administration Division. She will be responsible for overseeing both the Finance Department and the Procurement Department under the General Administration Division. Upon the Chairman's inquiry, the proposal was approved without objection by all attending committee members.	Executed as per the resolution result
The 1 <sup>st</sup> Extraordinary Meeting of the Remuneration Committee in 2024	2024/09/23	Proposal for the Distribution Details of Performance Bonuses for Managerial Officers from May to August 2024.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result

The 9 <sup>th</sup> Meeting of the 5 <sup>th</sup> term	2024/12/25	1. Proposal for the Distribution Details of Year-End Bonuses for Managerial Officers in 2024.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		2. Proposal for the Distribution Details of Performance Bonuses for Managerial Officers from September to December 2024.	Passed by all present members as proposed without objection after the chair consulted them.	Executed as per the resolution result
		3. Proposal for the Allocation Ratios of Employee and Director Remuneration for 2025.	In accordance with Article 29 of the Company's Articles of Incorporation, it is proposed that 3% of the profit be allocated as employee remuneration and 1.5% as director remuneration for the year 2025. Upon the Chairman's inquiry, the proposal was approved without objection by all attending committee members.	Executed as per the resolution result
		4. Proposal for Salary Adjustment of Mr. Yu-Chang Chiang, Deputy Manager of the Finance Department and Accounting Supervisor.	Regarding the Company's salary adjustment, it is proposed that the remuneration of Yu-Chang Chiang, Deputy Manager of the Finance Department and Accounting Supervisor, be adjusted effective from January 1, 2025. Upon the Chairman's inquiry, the proposal was approved without objection by all attending committee members.	Executed as per the resolution result

(V) The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies and the reasons therefor

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company established a governance structure to promote sustainable development, set up a dedicated (concurrent) unit to promote sustainable development, and authorized the senior management by the board of directors to handle and supervise the situation on behalf of the board of directors?	Yes		1. The ESG Committee is the top sustainable development decision-making center chaired by the CEO and supported by a secretariat. It is divided into five working groups: corporate governance / council engagement and employee development / sustainable products / environmental sustainability / supply chain management, which jointly review the company's core operating capabilities and formulate medium- and long-term sustainability plans.	No difference from Article 9 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		2. Specify the implementation by each organization within the Company, including but not limited to: (1) The ESG Committee is the top sustainable development decision-making center chaired by the CEO and supported by a secretariat. It is divided into five working groups: corporate governance / council engagement and employee development / sustainable products / environmental sustainability / supply chain management, which jointly review the company's core operating capabilities and formulate medium- and long-term sustainability plans. (2) The ESG Committee serves as an interdepartmental communication platform that features vertical integration and horizontal connection. Through regular meetings and the five major task forces set up for the topics of corporate governance; social participation and employee development; sustainable products; environmental sustainability; and supply chain management, respectively, we identified sustainability issues relevant to the Company's operations and stakeholders' concerns, formulated corresponding strategies and work guidelines, prepared budgets related to various organizations and sustainable development, and planned and executed annual plans, while following up on the implementation results to ensure that our sustainable development strategies are thoroughly implemented in the Company's daily operations. The unit in charge of the ESG Committee reports to the Board of Directors on the sustainable development project implementation results and future work plans per year. It also reports on the implementation throughout the year and the annual work plan to the Board of Directors in the first quarter per year. The content of its proposal includes (A) identified critical ESG issues and corresponding action plans; (B) goals and policy revisions for ESG-related issues; (C) supervision of the implementation of the sustainable management business and the implementation evaluated. The Company's Board of Directors listens to the reports by the management team on a regular basis per year. The management team must put forth business strategies to the Board of Directors, which should then assess the possibility of success of such strategies and regularly review the progress of the strategies, all the while urging the management team to make adjustments when necessary. (3) The Company - "Organizational Chart of the ESG Committee" was presented to the Board of Directors on December 25, 2024.	No difference from Article 9 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		3. Specify the board's supervision of sustainable development: The Company's 2024 sustainable development report was discussed by the Board of Directors on December 25, 2024. The report includes specific policies for greenhouse gas reduction targets, identification of short-, medium-, and long-term climate-related risks, corresponding financial impacts, opportunities associated with the listed risks, as well as proposed solutions and management indicators.	No difference from Article 7 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		1. Specify the risk assessment boundaries:	



The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
II. Does the company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the company formulated relevant risk management policies or strategies?			(1) The disclosure covers the Company's sustainable development performance at its main locations from January to December 2024. The risk assessment boundaries are mainly formed within the Company, including all existing sites in Taiwan. (2) The ESG Committee conducts analysis based on the principle of materiality, communicates with internal and external stakeholders, and reviews domestic and foreign research reports and literature and consolidates the evaluation data of various segments to evaluate the materiality of ESG issues, formulate risk management policies for effective identification, measurement, monitoring and control, and take specific action plans to reduce the impact of related risks.	No difference from Article 3 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		2. We formulated relevant risk management policies or strategies based on the identified risks; the details are as follows: (Company website: <a href="https://www.ece.com.tw/zh-tw/other-projects">https://www.ece.com.tw/zh-tw/other-projects</a> )	
III. Environmental issues (I) Has the company set up an appropriate environmental management system as per its industrial characteristics?	Yes		1. To achieve environmental performance targets and make continuous improvements, we have established a comprehensive environmental management system in accordance with the characteristics of the electronic components industry and our operational needs. We have obtained ISO 14001 environmental certification. Procedures for managing wastewater, emissions, and waste in the production process have been established, and relevant treatment equipment has been installed in compliance with regulations.	No difference from Articles 11–17 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
(II) Is the company committed to improving energy efficiency and adopting recycled materials with low environmental impact?	Yes		2.Specify the Company's policy on improving energy efficiency and using recycled materials: We actively adopt various energy efficiency measures and select equipment with high energy efficiency and energy-saving designs to reduce energy consumption from operations and products, while increasing the use of renewable energy to optimize energy efficiency. A solar photovoltaic (PV) system with a total installed capacity of 310.53 kW was implemented, generating 380,966 kW of electricity in 2024. This resulted in a reduction of approximately 188.58 metric tons of CO <sub>2</sub> emissions. The raw materials we use are in compliance with the European Union's RoHS, REACH, and halogen-free regulations. We established the GPDATA database as per the GP manual, including material recycling for reuse and pollution reduction during the product manufacturing process, to alleviate the impact on the environment. In terms of green manufacturing, we strive to reduce unnecessary waste of resources, reduce waste, and develop reuse technologies. We join hands with businesses in the upstream and downstream value chain to recycle and share packaging materials. Also, in respect of products, we strive to test recycled materials with low impact on the environment to maximize the effect of circular economy. We work to create values of circular economy by recycling raw materials from processes, researching and developing waste reduction technology, and designing and selling circular products.	
(III) Does the Company assess the potential risks and possibilities of climate change to the company now and in the future and take relevant countermeasures?	Yes		3. We have assessed the impact of climate change on the enterprise, which includes rising costs and risks to employee health and safety, ultimately affecting company operations. In addition to actively promoting energy conservation and carbon reduction measures, such as installing solar energy generation equipment and implementing energy management to reduce energy consumption, we are also actively reducing material waste, improving product yield, and caring for employee health. We are proactively preventing infectious diseases to ensure the normal operation of the company.	

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies and the reasons therefor																								
	Yes	No	Brief description																									
(IV) Has the company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	Yes		<div>1. Specify the statistical data, intensity (per unit of product, service, or revenue), and data coverage (such as all factories and subsidiaries) of the items below over the past two years:</div> <table><tr><td>Year</td><td>2023</td><td>2024</td><td>Units</td></tr><tr><td>Greenhouse gas emissions CO2 equivalent</td><td>3,617</td><td>3,928</td><td>metric ton</td></tr><tr><td>Water consumption</td><td>45,646</td><td>44,181</td><td>1000 L</td></tr><tr><td>Non-hazardous waste</td><td>90</td><td>90</td><td>metric ton</td></tr><tr><td>Hazardous waste - Sludge</td><td>11.25</td><td>6.84</td><td>metric ton</td></tr><tr><td>Hazardous waste - Waste oil</td><td>2.71</td><td>2.98</td><td>metric ton</td></tr></table>	Year	2023	2024	Units	Greenhouse gas emissions CO2 equivalent	3,617	3,928	metric ton	Water consumption	45,646	44,181	1000 L	Non-hazardous waste	90	90	metric ton	Hazardous waste - Sludge	11.25	6.84	metric ton	Hazardous waste - Waste oil	2.71	2.98	metric ton	No difference from Articles 11–17 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
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Yes		<div>2. Specify the policy on greenhouse gas reduction, water consumption reduction, or other waste management: We put into practice the concept of environment, safety, and health, maintain environmental quality, and ensure</div> <div>(1) According to the 2024 organizational greenhouse gas (GHG) inventory, the total carbon emissions from the Taiwan region (Business Unit I and Business Unit II) amounted to 3,928.3121 metric tons. Of this total, Scope 1 emissions accounted for 156.9511 metric tons (3.995%), while Scope 2 emissions amounted to 3,771.361 metric tons (96.004%). This indicates that Scope 2 emissions constitute the majority of the organization's current GHG emissions.</div> <div>(2) As Scope 2 includes items such as electricity, steam, and heat, and since our company does not utilize steam or heat, electricity remains the primary source within Scope 2. Therefore, our company sets energy conservation and carbon reduction as environmental goals, aiming to reduce unnecessary electricity wastage.</div>																										
Yes		<div>3. Specify the information on each verification:</div> <div>(1) The factory's air conditioning system is ice storage type, resulting in electricity savings.</div> <div>(2) The air conditioning temperature is maintained at no lower than 25 degrees Celsius (except for specific processes).</div> <div>(3) Air conditioning vents and return air grilles are cleaned regularly.</div> <div>(4) Lights and air conditioning are turned off when not in use, with stickers indicating this practice.</div> <div>(5) Regular cleaning of the air conditioning cooling tower to prevent high-pressure trips in the main unit.</div> <div>(6) Periodic inspection of the water level in the air conditioning cooling tower to prevent water overflow.</div> <div>(7) Each unit is responsible for its area to conserve energy and prevent wastage.</div> <div>(8) Computer screens are set to activate screen saver mode.</div>																										

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			(9) Photocopiers are equipped with automatic power-saving devices. (10) Use of energy-efficient light tubes/bulbs. (11) Differentiation of air volume/ice water temperature management between summer and winter to improve air conditioning ice storage rates and switch labeling. (12) Encouragement of creative proposals for improvement. (13) Advocacy or discussion through weekly meetings, executive meetings, and unit meetings. (14) Environmental protection through green electricity, including the establishment of solar power generation systems.	
IV. Social issues (I) Does the company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	Yes		1. Specify policies and specific management plans to safeguard human rights: We have formulated work rules and human resources regulations in accordance with labor laws and regulations as the basis for company management. We have established the four major guidelines for a worker physical and psychological health protection program: maternal health protection rules; violence during the performance of duties; anthropogenic hazard prevention regulations, and heavy workload-induced disease prevention regulations. To ensure gender equality in the workplace, we have formulated the Workplace Sexual Harassment Prevention Measures and Punishment Regulations. With reference to the International Bill of Human Rights, we implement an unpaid parental leave system. Menstrual leave and family care leave are also defined in the Leave of Absence Rules. To facilitate labor-management collaboration, improve the communication mechanism, and enhance work efficiency, we hold labor-management coordination meetings on a regular basis per quarter.	No difference from Articles 18–22 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect the results of operating performance in employee compensation?	Yes		2. Specify employee benefit measures: (1) The Company has also formulated the work rules and personnel management regulations, covering minimum wages, working hours, leave, pension contribution, labor and health insurance, as well as occupational accident compensation, which are all in compliance with the Labor Standards Act. (2) In 2023, female executives accounted for 11% of the total senior management staff, while female employees constituted 59% of the entire workforce. (3) We pay year-end bonuses and dividends depending on the business performance and purchase group insurance based on each employee's type of work, to provide them with more adequate benefits. To enable employees to enjoy adequate benefits, we have established an Employee Welfare Committee and allocated a fixed proportion of the Company's founding capital, net sales, personal salaries, and proceeds from sales of materials for resource recycling as the source of the benefit funds. The use of the funds is limited to the benefit business and facilities, to provide employees with various benefit measures. (4) We allocate no lower than 1% of the Company's profit for the year as employee remuneration in accordance with the Articles of Incorporation.	
(III) Does the company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	Yes		3..We have formulated policies in accordance with the Occupational Safety and Health Act and clients' and relevant groups' regulations, while honoring the relevant stakeholder groups' requirements for occupational safety and health, to build a healthy and happy workplace. (1).We adopt disaster prevention as the core concept and use appropriate management tools, well-developed technology, and available resources to integrate occupational safety and health issues in the plants, while	No difference from Articles 18–22 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>putting forth effective countermeasures to continue to improve and promote occupational safety culture, enhancing management of the protection of operators, and investing resources to reinforce the occupational illness prevention, to create a zero-accident environment. Also, we have set quantitative indicators to expand the occupational safety and health activities to products and relevant services, improve the overall occupational safety and health performance, and effectively controls risks.</p> <p>Work environment monitoring: To protect workers from hazardous substances in the workplace and provide workers with a healthy and comfortable work environment, we monitor the work environment twice a year to gradually keep abreast of workers' exposure.</p>	
	Yes		(2). The Company has been certified by LRQA for ISO 14001:2015 and ISO 45001:2018 standards, valid from June 23, 2024 to June 22, 2027.	
	Yes		(3). In 2024, the Company recorded 20 cases of occupational injuries, representing 3.2% of the total workforce of 625 employees. We carried out investigations into the accidents as per the ISO 45001 occupational safety and health management system in the aspects of inside the plant and outside the plant. The unit where an accident takes place notifies the head of the unit and the safety and health office for on-site emergency response. In addition to the first aid and the sending of injured persons to hospital, qualified occupational accident investigation and response personnel who have received internal training and labor representatives conduct should report on the accident or false alarm investigation. In addition to the overall assessment of the investigation results and accountability (such as loss, working hours, cost, and degree of damage), including corrective and preventive measures; the safety and health office reviews the effectiveness of the corrective and preventive measures and other subsequent improvement measures.	
(IV) Does the company establish effective career development training programs for its employees?	Yes		In the Company's Education and Training Management Regulations, there are five training types: new employee training, on-the-job training, in-plant training, off-plant training, and digital learning. We have formulated the annual education and training program on the basis of the annual business target plan, each department's talent training plan, and the competency gap. Furthermore, we have established industry-academia collaboration and internship programs with a number of senior high schools, vocational schools, and universities of technology to help students quickly adapt to the Company's environment and culture during the internship.	No difference from Articles 18–22 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(V) Does the company comply with the relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services and develop relevant policies and complaint procedures to protect consumers' or clients rights and interests?	Yes		<p>Specify the laws and international standards adopted for each matter; the title and content of the consumer or customer rights protection policy; and the complaint procedures:</p> <p>Customer Health and Safety</p> <ol style="list-style-type: none"> <li>1. Complying with the requirements of IECQ 080000, we have established a GP management system to coordinate the business of various departments and have documented it clearly to enhance effectiveness and align with customer needs.</li> <li>2. We conduct quarterly checks to ascertain whether standards such as RoHS/REACH/SONY SS-00259 have been updated or if we have received any related customer-specific specifications. In such cases, we initiate investigations, including communication with raw material suppliers, provide relevant testing reports, and ensure compliance with regulatory requirements and customer needs.</li> </ol>	No difference from Articles 22-1 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			Customer privacy  All agreements related to customers, which regulate or involve data including but not limited to correspondence documents, contracts, drawings, or information related to production, development design, quotations, customer lists, etc., and where customers expressly require the company to handle such documents as confidential, shall be managed and protected according to the Company's Customer Data Protection Management System to ensure the management and protection of customer privacy.	No difference from Articles 22-1 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
			Product marketing and labeling We strictly comply with the government's and the product certification units' applicable laws and regulations; at the same time, in accordance with customer requirements, internal product packaging standards and labeling are established, and during the process of product sales or exhibitions, consumer and customer rights policies and complaint procedures are implemented in accordance with local government or platform regulations.	
			Consumer and Customer Rights Policy and Complaint Procedures  The company conducts regular customer satisfaction surveys annually, reaching out to all customers through questionnaire surveys. The surveys cover various aspects including quality, delivery time, pricing, technology, and overall impression, inviting valuable feedback. The collected and analyzed results serve as internal improvement projects, with effective strategies proposed and included as topics for annual management reviews. This ensures a concrete understanding of business strategies and the establishment of a comprehensive management model. Regarding consumer relations, the company has dedicated personnel for customer service, and the website features an investor relations section, providing channels for communication between consumers and investors.	
(VI) Does the company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor rights and their implementation?	Yes		1. Specify the supplier management policy and relevant compliance regulations, with active and specific requirements for suppliers in terms of environmental protection, occupational safety and health, and labor rights: We have formulated the Excel Cell Supplier Management Regulations, which specify the need to coexist and share prosperity with suppliers, guide them to enhance quality and environmental management stability, occupational safety and health, and development capabilities. Supplier evaluation (1) All suppliers have passed our supplier evaluation. (2) Suppliers should pass the ISO 9001, ISO 14001, or IATF 16949 standard depending on the nature of delivery. (3) The entry of machines or engineering construction in the plants should participate in the safety and health office's awareness-raising sessions first and be managed by the office.	No difference from Articles 18-21 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		2. Specify the implementation of supplier management policies and relevant regulations: Supplier audits: (1) We have set up an audit and counseling team for new suppliers to follow up on the improvement to audit defects and progress, to enable their improved quality, skills, and safety and health performance to meet the Company's requirements.	
			Supplier training: (1) We hold technical exchanges with suppliers from time to time. (2) Applicable regulations on adoption of new products strongly require suppliers to comply with applicable environmental, safety, and health policies and professional ethics.	

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>Supplier evaluation: (1) We conduct a supplier evaluation every six months to allow them to be informed of the Company's performance and policies. (2) Based on the evaluation results, we grow together with suppliers to achieve the quality, technology, service, and business stability targets.”</p> <p>Supplier evaluation (1) All suppliers have passed our supplier evaluation. (2) Suppliers should pass the ISO 9001, ISO 14001, or IATF 16949 standard depending on the nature of delivery, etc. (3) The entry of machines or engineering construction in the plants should participate in the safety and health office’s awareness-raising sessions first and be managed by the office.”</p> <p>Supplier audits: (1) We have set up an audit and counseling team for new suppliers to follow up on the improvement to audit defects and progress, to enable their improved quality, skills, and safety and health performance to meet the Company's requirements.”</p> <p>Supplier training: (1) We hold technical exchanges with suppliers from time to time. (2) Applicable regulations on adoption of new products strongly require suppliers to comply with applicable environmental, safety, and health policies and professional ethics ”</p> <p>Supplier evaluation: (1) We conduct a supplier evaluation every six months to allow them to be informed of the Company's performance and policies. (2) Based on the evaluation results, we grow together with suppliers to achieve the quality, technology, service, and business stability targets.”</p> <p>It is also clearly stipulated in the regulations that new suppliers need to go through the selection, evaluation, audit, and coaching process based on the premise of sustainable development and shall comply with the environmental protection and occupational safety and health management regulations. (Such as the implementation of supplier self-evaluation, coaching or education, and performance evaluation).</p>	
V. Has the company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the company’s non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	Yes		1. Specify the international compilation standards or guidelines adopted and the reports prepared to disclose non-financial information: We plan to prepare the 2024 ESG Report in 2025 in accordance with the internationally accepted reporting guidelines (GRI Standards)	No difference from Article 29 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for TWSE/TPEX Listed Companies
	Yes		2. Specify the name of the verification entity, items verified, scope of verification, and the standards adopted if assurance or guarantee is obtained.	
VI. Where the company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please specified the differences between the implementation and the principles: None.				
VII. Other important information that facilitates the understanding of the promotion of sustainable development: (1) The Company has obtained the LRQA certification, including the ISO 14001 environmental protection and the ISO 45001 occupational safety and health systems, please refer to the Company’s website ( <a href="https://www.ece.com.tw/zh-tw/">https://www.ece.com.tw/zh-tw/</a> ). (2) We have established a volunteer club based on the concept of "it is more blessed to give than to receive", to fulfill our corporate social responsibility, engage in volunteer services, and extend this concept and spirit to employees’ families and even the society. (3) The company has long been committed to the "Love Library" reading promotion project of the Taiwan Reading Culture Foundation, supporting campus and community reading initiatives. Since its establishment in 2006, the company has contributed to the foundation's registration with the Ministry of Culture. Through continuous involvement, as of 2024, we have supported the establishment				

The promotion of Item	The promotion of Implementation (Note 1)			Discrepancy between the implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>and renovation of 16 "Love Libraries" across various counties and cities, purchasing 466 boxes of communal reading materials, totaling nearly 17,000 books. These books are available for teachers promoting reading on the foundation's platform for public borrowing, fostering classroom reading with nearly 290,190 readers. We supported Nan Tun Elementary School in establishing a "Digital Love Library" and sponsored the "Love Library Charity Concert," providing tickets to support campus reading and concerts in rural areas, totaling 7 events from 2014 to 2020. Additionally, since 2013, employees have responded with small donations, accumulating nearly NT\$49,000 through coin boxes. From 2006 to 2024, these projects have received funding totaling NT\$7,856,948.</p> <p>(4) Actively engaging in industry-academia collaboration with vocational and technical schools, we provide internship positions for students and pass on practical experience, fulfilling our educational mission to cultivate students into technically skilled professionals with both theoretical knowledge and practical abilities. We also provide comfortable dormitories for students from remote areas. High School Collaboration: We have collaborated with Taichung Industrial High School, Dajia High School, Qingnian High School, Hwa Der Vocational High School, and Tzu Ming High School, with a total of 89 students interning at the factory from first to third year. University Collaboration: We have partnered with National Formosa University, National Chin-Yi University of Technology, Hsiuping University of Science and Technology for joint industry-academia projects and internship cooperation with fourth-year students, with a total of 35 students interning at the factory from first to fourth year.</p> <p>(5) Industry-Academia Collaboration Student Education and Training Program: The Bai Rong Academy curriculum includes 13 courses on manufacturing capabilities, quality assurance capabilities, research and development capabilities, and information capabilities. We emphasize diversified development for students, providing opportunities for them to accumulate professional knowledge, apply what they have learned, and facilitate adaptation to the workplace and student exchanges.</p> <p>(6) Jointly with the Taichung Outstanding Persons Association, we have organized blood donation activities and participated in blood donation activities organized by the Taichung Blood Donation Center.</p> <p>(7) Participating in the "Good Air Nurtures Farmland" campaign initiated by the Chinese International Native Restoration Association and jointly sponsoring the "National Innovation and Entrepreneurship Association" to support farmers in the recycling and utilization of agricultural waste on-site, replacing the burning of straw. Burning one ton of straw emits 9 tons of CO<sub>2</sub>, reducing carbon emissions caused by straw burning and air pollution.</p> <p>(8) The Company participated in a corporate volunteer event titled "Hand in Hand – Exploring Hakka Villages," during which employees accompanied underprivileged children on a visit to Shengxing Railway Station in Miaoli. Volunteers paired with children and shared the experience together, enjoying activities such as electric bike riding, Hakka traditional lei cha and indigo dyeing workshops, a theatrical performance, and a beach cleanup event titled "Embrace the Ocean with Love – Coastal Cleanup Mobilization" at Wunliao Fishing Port in Daan. (9) A total of 32 bags of blood were donated by employees during a blood donation drive organized in cooperation with the Taichung Blood Donation Center.</p> <p>(9) A total of 32 bags of blood were donated by employees during a blood donation drive organized in cooperation with the Taichung Blood Donation Center.</p> <p>(10) To promote employee health, the Company organized a series of wellness activities, including a "10,000 Steps a Day" walking challenge, a healthy meal campaign, participation in the Taichung "Super Supau Cup" road race, as well as educational seminars on metabolic syndrome, the three highs (hypertension, hyperglycemia, and hyperlipidemia), and tobacco, betel nut, and alcohol prevention. For employees identified with higher health risk indicators through physical checkups, one-on-one consultations with specialists and health education sessions were arranged. Those advised to seek medical treatment were followed up by occupational health nurses to ensure continued care and regular re-examinations.</p> <p>(11) To prevent seasonal influenza, the Company fully subsidizes annual flu vaccinations for employees, achieving a vaccination rate of 61%.</p> <p>(12) The Company has obtained the Healthy Workplace Certification.</p>	

(VI) The Company's implementation of integrity management and any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons therefor:

Evaluation indicator	Enforcement Status (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Formulation of integrity management policies and plans				
(I) Has the company formulated an integrity management policy approved by the board of directors and disclosed the policy and practice of integrity management in its regulations and public documents? Are the board of directors and the senior management committed to actively implementing the policy?	Yes		(I) We have formulated the Ethical Corporate Management Best Practice Principles and the Procedures for integrity management and Guidelines for Conduct to specify the Company's integrity management policy. The Board of Directors and the management team have issued a statement of compliance with the integrity management policy.	(I) No major difference from Article 1 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(II) Has the company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with high risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	Yes		(II) The Company has formulated Article 7 of the Ethical Corporate Management Best Practice Principles.	(II) No major difference from Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Has the company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the company regularly review and revise said plan?	Yes		(III) The Company has formulated Article 7 of the Ethical Corporate Management Best Practice Principles and the Procedures for integrity management and Guidelines for Conduct. The Company has complaint hotlines and reporting mailboxes in place as complaint channels, and each plant also has a suggestion box. For violations of ethics, employees and suppliers file complaints to the auditing unit by email, phone, or email.	(III) No major difference from Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
II. Implementation of integrity management	Yes			



Evaluation indicator	Enforcement Status (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor
	Yes	No	Summary	
(I) Does the company evaluate each counterparty's records for ethics? Has the company specified the terms of ethical conduct in each contract signed with each counterparty?			(I) The Company's suppliers sign the Supplier Commitment to the Compliance with the Principle of integrity management . To establish a corporate culture of integrity management and implement the policy of integrity management , we engage in relevant business activities with suppliers, including but not limited to transactions, services, contracting, technical cooperation, logistics, and performance of other transaction contracts, and suppliers agree with and signed the Supplier Commitment to the Compliance with the Principle of integrity management .	(I) No major difference from Article 18 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(II) Has the company established a dedicated (concurrent) unit under the board of directors to conduct ethical corporate management, regularly (at least once a year) report to the board of directors on its integrity management policies and prevention plans for unethical conduct, and supervise the implementation?	Yes		(II) We designated the Management Department as the unit in charge of integrity management , which is directly governed by the Board of Directors, and is responsible for implementing the corporate governance business, such as integrity management , anti-corruption, anti-bribery, and compliance with laws and regulations. Moreover, to enhance integrity management , policy and prevention plan formulation, and implementation supervision, the Management Department will report on the implementation status to the Board of Directors on December 25, 2024.	(II) No major difference from Article 18 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Has the company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?	Yes		(III) The Company has complaint hotlines and reporting mailboxes in place as complaint channels, and each plant also has a suggestion box. For violations of ethics, employees and suppliers file complaints to the auditing unit by email, phone, or email.	(III) No major difference from Article 18 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
	Yes		(IV) Our internal auditors regularly audit the compliance with the effective accounting system and the internal control system established by the Company and	(IV) No major difference from Article 18 of the Ethical Corporate Management Best Practice

Evaluation indicator	Enforcement Status (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor
	Yes	No	Summary	
<p>(IV) Has the company has established an effective accounting system and an internal control system for the implementation of integrity management and assigned the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commissioned a CPA to perform such audits?</p> <p>(V) Does the company regularly hold internal and external education and training on integrity management ?</p>	Yes		<p>prepare an audit report and submit it to the Board of Directors.</p> <p>(V) Our directors and independent directors took a series of courses on corporate governance, laws and regulations, finance, and risk management during 2024 for a total of 57 hours. A total of 188 hours of internal training courses were provided to general employees, while 119 supervisors attended external training sessions. On July 30, 2024, an internal training course was held for 3 hours titled "Patent Specification Reading and Brief Discussion on Infringement," aimed at helping employees better understand the essence of the Company's "Code of Integrity and Business Ethics," while upholding respect for intellectual property rights and integrating into the business community.</p> <p>We offered about eight hours of training to new employees, including about two hours for the Ethical Corporate Management Best Practice Principles and required them to sign the Employment Commitment. A total of 161 new employees received education and training on integrity management during 2024.</p>	<p>Principles for TWSE/GTSM Listed Companies.</p> <p>(V) No major difference from Article 22 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>III. Implementation of the Company's whistleblowing system</p> <p>(I) Has the company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?</p> <p>(II) Has the company formulated standard operating procedures for investigation of reported cases, the follow-up measures to be taken after the</p>	Yes	Yes	<p>(I) The Company has complaint hotlines and reporting mailboxes in place as complaint channels, and each plant also has a suggestion box. For violations of ethics, employees and suppliers file complaints to the auditing unit by email, phone, or email.</p> <p>(II) We have formulated the investigation standard operating procedures and relevant confidentiality mechanisms for accepting reports.</p>	No major difference from Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation indicator	Enforcement Status (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor
	Yes	No	Summary	
investigation is completed, and a confidentiality mechanism? (III) Does the company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?	Yes		(III) We adopt keep whistleblowers' identity completely confidential with appropriate protection.	
IV. Enhanced information disclosures Has the company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	Yes		We have disclosed the Ethical Corporate Management Best Practice Principles on the Company's website.	No major difference from Article 25 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
V. If the company has formulated its own Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please specify the difference between its operation and the principles: As per the Company's Ethical Corporate Management Best Practice Principles, the Company shall not, directly or indirectly, provide, promise, request, or accept any improper benefits during the process of engaging in commercial activities, which is also the Company's business philosophy. Since the Company was established, we have never accepted suppliers' year-end gifts or sponsorships as the most basic principle of non-acceptance of any form of gift.				
VI. Other important information that facilitates the understanding of the company's integrity management (e.g., reviewing and amending the company's corporate governance best practice principles): We have disclosed our Ethical Corporate Management Best Practice Principles and the Procedures for integrity management and Guidelines for Conduct on the Company's website: <a href="https://www.ece.com.tw/zh-tw/corporate-governance/rules">https://www.ece.com.tw/zh-tw/corporate-governance/rules</a>				

(VII) Other important information that may facilitate the understanding of the operation of corporate governance:

1. Managers participate in training on corporate governance: The details are shown below.

Title	Name	Date of course		Organizer	Course title	Hours of course	Total hours of continuing education for this year
		From	To				
CEO	Liao Pen-Lin	2024/07/20	2024/07/20	Commerce Development Research Institute	Corporate Governance and Corporate Sustainability Workshop	3	6
		2024/09/06	2024/09/06	Commerce Development Research Institute	Corporate Governance and Corporate Sustainability Workshop	3	
President of the First Business Division	Hsu Min-Cheng	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	6
President of the Second Business Division	Liao Pen-Tien	2024/08/09	2024/08/09	Taiwan Corporate Governance Association	Green Energy, Renewable Certificates, and Sustainable Development – The Path to Corporate Net Zero	3	6
		2024/12/04	2024/12/04	Securities and Futures Institute (SFI)	Sustainability Committee and Chief Sustainability Officer (CSO) Roundtable	3	

2. We have established the Procedures for Handling Material Inside Information, and we offer education and training on operating procedures and applicable laws and regulations to directors, managers, and employees at least once per year.

(VIII) Implementation of the internal control system:

1. Statement of the Internal Control System: See page 45.
2. For those who appointed a CPA to review the internal control system, the CPA's review report shall be disclosed: None.

Excel Cell Electronic Co., Ltd.  
Statement of Internal Control System

Date: February 26, 2025

The Company's internal control system for **2024** as per the results of our self-assessment is hereby declared as follows:

- I. The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. It aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of financial reporting, and compliance with applicable laws and regulations.
- II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.
- III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria for judging the effectiveness of the internal control system set out in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). Said criteria under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.
- IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.
- VI. This statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false or there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Company's Board of Directors on February 26, 2025. Among the nine directors present, none of them expressed objections. All the others agreed with the content of this statement. Therefore, this statement is hereby declared.

Excel Cell Electronic Co., Ltd.

Chairman and President: Liao Pen-Lin (signature/seal)

(X) Any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or up to the publication date of this annual report, the main defects, and the improvements made: None.

(XI) Important resolutions by the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

1. Shareholders' meeting:

Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
Shareholders' Meeting	2024.05.31	1. Ratification of the Business Report, financial statements, and consolidated financial statements in 2023. (Proposed by the Board of Directors)	Voting Results: 60,038,705 votes in favor (including 57,182,570 electronic votes), 20,879 votes against (including 20,879 electronic votes), 34,120 abstentions (including 34,120 electronic votes). As the number of votes in favor exceeded the statutory threshold, the proposal was approved as submitted.	Executed as per the resolution result
		2. Ratification of the the Surplus Distribution case in 2023. (Proposed by the Board of Directors)	Voting Results: 60,026,705 votes in favor (including 57,170,570 electronic votes), 32,879 votes against (including 32,879 electronic votes), 34,120 abstentions (including 34,120 electronic votes). As the number of votes in favor exceeded the statutory threshold, the proposal was approved as submitted.	As per the resolution result, cash dividends were paid out on May 2, 2024 (cash dividend of NT\$0.3 per share).
		3. Proposal to Amend the "Procedures for Endorsements and Guarantees" (Document No. 13908). (Proposed by the Board of Directors)	Voting Results: 60,025,705 votes in favor (including 57,169,570 electronic votes), 36,879 votes against (including 36,879 electronic votes), 31,120 abstentions (including 31,120 electronic votes). As the number of votes in favor exceeded the statutory threshold, the proposal was approved as submitted.	Executed as per the resolution result

2. Board of Directors:

Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
1 <sup>st</sup> meeting in 2024	2024/03/06	1. Discussion on the proposal for the distribution of employee remuneration and the directors and supervisors' remuneration in 2023.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result and reported to the 2024 general shareholders' meeting.
		2. Discussion on the Business Report, financial statements, and consolidated financial statements in 2023.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result and submitted to the 2024 general shareholders' meeting for ratification.
		3. Discussion on the Surplus Distribution case in 2023.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result, and the proposal for the cash dividend distribution will be reported to the Annual General Shareholders' Meeting for approval. The earnings distribution table will be submitted to the Annual General Shareholders' Meeting for acknowledgment and approval. Submitted to the 2024 Annual General Shareholders' Meeting for approval.
		4. Discussion on investment plan for undistributed earnings for 2023.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		5. Discussion on Setting the Ex-Dividend Date.	Passed by all present directors as proposed without objection after the chair consulted them.	The decision will be implemented, and April 6, 2024 will be set as the ex-dividend date.
		6. Discussion on Bank Financing Limits.	It was resolved to authorize the Chairman to fully represent the Company in handling all matters related to credit facilities. Upon the Chairman's inquiry, the proposal was approved without objection by all attending directors.	Executed as per the resolution result.

Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
		7. Discussion on the Amendment to the “Procedures for Endorsements and Guarantees” (Document No. 13908).	Passed by all present directors as proposed without objection after the chair consulted them.	The decision will be implemented and submitted to the 2024 Annual General Shareholders' Meeting for approval.
		8. Discussion on the 2023 Statement on Internal Control System.	Passed by all present directors as proposed without objection after the chair consulted them	Executed as per the resolution result.
		9. Discussion on the Change of CPA for the Review of the Q1 2024 Financial Statements.	The Company's financial report auditors were changed from Certified Public Accountants (CPAs) Ding-Jian Su and Xin-Wei Dai to CPAs Shu-Jing Jiang and Ding-Jian Su. Upon the Chairman's inquiry, the proposal was approved without objection by all attending directors.	Executed as per the resolution result.
		10. Discussion on the Agenda, Date, and Venue for the 2024 Annual General Shareholders' Meeting.	Passed by all present directors as proposed without objection after the chair consulted them.	The decision will be implemented, and the meeting is scheduled to be held on May 31, 2024 at 9:00 AM.
		11. Discussion on Matters Related to the Acceptance of Proposals from Shareholders Holding 1% or More of the Company's Shares.	The Company will accept shareholder proposals for the 2024 Annual General Shareholders' Meeting from March 22, 2024 to April 2, 2024, between 9:00 AM and 4:00 PM. Upon the Chairman's inquiry, the proposal was approved without objection by all attending directors.	Executed as per the resolution result.
2 <sup>nd</sup> meeting in 2024	2024/05/03	1. The Company's important subsidiary, EXCEL Cell Electronic (SUZHOU) Co., Ltd., has signed a contract with the Housing Repurchase Office of Chengyang Street, Xiangcheng District, Suzhou City, regarding the recovery of land use rights and the buildings on the land.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		2. The financial statements for the first quarter of 2024	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		3. Amendment to the “12030 Employee Compensation Calculation and Distribution Guidelines.”	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		4. The details of director compensation for 2023.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		5. Proposal regarding the details of employee compensation distributed to managerial personnel for 2023.	When discussing and voting on this proposal, director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		6. Proposal regarding the details of performance bonuses distributed to managerial personnel from January to April 2024.	When discussing and voting on this proposal, director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		7. Proposal to amend the “12037 Retirement Management Guidelines.”	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		8. Proposal for a fund lending transaction from NEOCENE TECHNOLOGY CO., LTD. to EXCEL Cell Electronic (Anhui) Co., Ltd.	In accordance with the procedures governing the lending of funds to others, the Company resolved to lend RMB 20 million to its subsidiary, EXCEL Cell Electronic (Anhui) Co., Ltd. to meet the subsidiary's operational needs. The proposal was unanimously approved by all directors present after the Chairman solicited their opinions.	Executed as per the resolution result.
		9. Proposal for the merger between EXCEL Cell	As approved by the local competent authorities, the proposal was	Executed as per the resolution result.

Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
		Electronic (Anhui) Co., Ltd. And NEOCENE TECHNOLOGY CO., LTD.	unanimously approved by all directors present after the Chairman solicited their opinions.	
The First Extraordinary Meeting of the Board of Directors in 2024	2024/05/31	1. Construction project for Phase II of Plant 3, located at No. 133, Gongye 1st Road, Xitun District, Taichung City.	A construction contract was signed with Chen Chen Construction Co., Ltd. for a total contract amount of NT\$360 million. The proposal was unanimously approved by all directors present after the Chairman solicited their opinions.	Executed as per the resolution result.
		2. Proposal for the subsidiary, Fulltron Investments Limited, and the sub-subsidiary, EXCEL Cell Electronic (SUZHOU) Co., Ltd to conduct a capital reduction in cash amounting to USD 6 million and remit the funds back to the parent Company.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
3 <sup>rd</sup> meeting in 2024	2024/08/02	1. Approval of the Company's Q2 FY2024 Financial Statements	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		2. Personnel Adjustment of the Company	Ms. Ti-Yi Tsai, Finance Manager, was promoted to Assistant Vice President of the General Administration Division, overseeing both the Finance Department and the Procurement Department under the division. Ms. Tsai recused herself from the discussion. Upon inquiry by the Chairperson, the motion was unanimously approved by all attending directors without objection.	Executed as per the resolution result.
The Second Extraordinary Board Meeting of 2024	2024/09/23	1. Proposal for the Performance Bonus Distribution Details for Managerial Officers from May to August, 2024.	When discussing and voting on this proposal, stakeholders recused themselves from the meeting; director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		2. Proposal for the Merger of the Company's Business Division I and Business Division III.	Passed by all present directors as proposed without objection after the chair consulted them	Executed as per the resolution result.
4 <sup>th</sup> meeting in 2024	2024/11/06	1. Proposal for the Company's Q3 FY2024 Financial Statements.	Passed by all present directors as proposed without objection after the chair consulted them	Executed as per the resolution result.
		2. Proposal to Amend the Company's "13944 Corporate Governance Best Practice Principles."	When discussing and voting on this proposal, stakeholders recused themselves from the meeting; director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		3. Proposal to Establish the Company's "12076 Sustainable Development Committee Organizational Regulations."	When discussing and voting on this proposal, stakeholders recused themselves from the meeting; director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		4. Proposal to Establish the Company's "13946 Sustainability Report Preparation and Verification Guidelines."	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
5 <sup>th</sup> meeting in 2024	2024/12/25	1. Proposal for the FY2025 Business Operations Plan.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		2. Proposal for the Distribution Details of FY2024 Managerial Year-End Bonuses.	When discussing and voting on this proposal, stakeholders recused themselves from the meeting; director Hsu Ching-Tao as the chair consulted the remaining directors present, who	Executed as per the resolution result.



Type of meeting	Date	Major resolutions	Resolution results	Status of implementation
			passed this proposal without objection as proposed.	
		3.Proposal for the Distribution Details of Managerial Performance Bonuses from September to December, 2024	When discussing and voting on this proposal, stakeholders recused themselves from the meeting; director Hsu Ching-Tao as the chair consulted the remaining directors present, who passed this proposal without objection as proposed.	Executed as per the resolution result.
		4.Proposal for the Employee Compensation and Director Remuneration Allocation Ratios for FY2025	The proposed allocation for employee compensation is 3%, and for director remuneration, it is 1.5% for the year 2025. Upon inquiry by the Chairperson, the motion was unanimously approved by all attending directors without objection.	Executed as per the resolution result.
		5.Proposal for the FY2025 Internal Audit Plan.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		6.Proposal to Amend the Company's "13903 Procedures for Acquiring or Disposing of Assets."	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result. To be submitted for discussion at the 2025 Annual General Meeting of Shareholders.
		7.Proposal to Amend the Company's "13924 Board of Directors Meeting Rules."	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		8.Proposal to Amend the Company's "13934 Audit Committee Organizational Regulations."	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.
		9.Proposal for the Salary Adjustment of the Finance Department Deputy Manager, Yu-Chang Chiang.	Passed by all present directors as proposed without objection after the chair consulted them.	Executed as per the resolution result.

(XII) During the most recent year and up to the date publication of this annual report, if the directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIII) A summary of the resignation and dismissal of the Company's Chairman, President, chief accounting officer, chief financial officer, chief internal auditor, or R&D officer during the most recent year: None.

#### IV. Information on CPA's audit fees

Name of accounting firm	Name of CPA		Audit period	Remark
Deloitte & Touche	Shu-Ching Chiang	Ting-Chien Su	2024.01.01-12.31	

Information on CPA's audit fees

Unit: NT\$ thousand

Name of accounting firm	Name of CPA		Audit period	Audit fees	Non-audit fees	Total	Remark
Deloitte & Touche	Shu-Ching Chiang	Ting-Chien Su	2024.01.01-12.31	3,340	493	3,833	Note 1

Note 1: Non-audit fees are the expenses for the audit of the investment offset of unappropriated earnings and transfer of pricing.

#### IV~I. The assessment of the independence of the CPAs

(I) We assess the independence and suitability of CPAs at least once per year by evaluating the indicators: scale and reputation of the accounting firm; the number of consecutive years of provision of the audit services; the nature and extent of non-audit services provided; audit fees; peer-to-peer evaluation results; the fact that whether it is involved in any legal proceedings; corrections by the competent authorities, or investigation cases, audit service quality; regular

training; interaction with the management team or and the chief internal auditor, while requesting it to provide relevant materials and statements. The Board of Directors assesses such indicators and materials accordingly. The assessment results for the most recent one years were completed on February 26, 2025, respectively.

(II) The criteria for the assessment of the independence of the CPAs:

	Evaluation indicator	Results		
1	Did the CPA serve as the Company during the two years before working as a CPA?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
2	Does the CPA hold shares in the Company?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
3	Is the CPA involved in the lending of funds to or from the Company?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
4	Does the CPA do a day-to-day job at the Company concurrently and receive a fixed salary?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
5	Is the CPA involved in joint investment or profit sharing with the Company?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
6	Is the CPA involved in the management of the Company's decision-making process?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
7	Is the CPA a spouse, lineal relative by blood, direct relative by marriage, or relative within the fourth degree of kinship of any of the Company's directors and management personnel?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
8	Did the CPA borrow another party's license audit the Company's documents?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
9	Does the CPA keep strictly confidential the Company's secrets obtained when carrying out the tasks assigned by the Company?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
10	Is the CPA's remuneration lower than their predecessor?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
11	Are the CPA's professional services aligned with the Company's current needs?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Conclusion	<input checked="" type="checkbox"/> The CPAs Su Ting-Chien and Tai Hsin-Wei currently appointed are not involved in the circumstances affecting their independence, so we decided to appoint them.			
	<input type="checkbox"/> The CPAs currently appointed are involved in the circumstances affecting their independence, so we decided to replace them.			

## V. Replacement of CPAs

### (I) Former CPAs

Date of replacement	2024.03.06		
Reason for replacement	Due to Deloitte & Touche's internal adjustment, starting from the first quarter of 2024, the Company's financial statement CPAs Su Ting-Chien and Tai Hsin-Wei were replaced with Su Ting-Chien and Jiang Shu-Ching.		
Client's termination of or CPA's refusal to the appointment	Party concerned		CPA
	Situation		Client
	Termination of the appointment	N/A	N/A
	Refusal to the (continuous) appointment	N/A	N/A
The opinion of the audit report other than the unqualified opinion issued within the latest two years and the reasons	N/A		
Different opinions from the issuer's opinions	Yes		Accounting principles or practices
	Yes		Disclosures in financial statements
	Yes		Auditing scope or steps
	Yes		Others
	None		
	N/A		
Other matters to be disclosed (matters that should be disclosed under Article 10, subparagraph 6, items 1-4-1-7 of the Regulations)	None		

(II) Successors

Name of accounting firm	Deloitte & Touche
Name of CPA	Su Ting-Chien and Jiang Shu-Ching
Date of appointment	2024.03.06
Consultation regarding accounting treatment methods or accounting principles for specific transactions and possible opinions issued for financial statements and results before appointment	N/A
Successors' different written opinions from the predecessors'	N/A

(III) Reply from the former CPAs to the matters under Article 10, subparagraph 6, items 1 and 2-3 of the Regulations. N/A

**VI. The Chairman, the President, chief financial officer, or chief accounting officer, who has been employed by the accounting firm or its affiliates during the most recent year:**  
None.

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

Unit: share

Title (Note 1)	Name	2024		Current year up to March 31, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (Decrease) in Shares Held	Increase (decrease) in the number of shares pledged
Chairman	Liao Pen-Lin	(1,000,000)	-	-	-
Director	Hsiao Teng-Tang	-	-	-	-
Director	Liao Pen-Tien	-	-	-	-
Director	Liao Yueh-Shiang	-	-	-	-
Director	Hsu Min-Cheng	-	-	-	-
Independent director	Hsu Ching-Tao	-	-	-	-
Independent director	Chen Hsiang-Ning	-	-	-	-
Independent director	Terry Chiang	-	-	-	-
Independent director	Chiu Chuan -Tzu				

Note 1: Shareholders each holding more than 10% of the Company's total issued shares shall be marked as major shareholders and listed separately.

Note 2: If the counterparty of a transfer of equity interests or pledge is a related party: None.

**VIII. Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another as specified in IFRS 6.**

March 31, 2025

Name	Shareholding of the individual		Shares Held by Spouse or Minors		Total shareholding by nominee arrangement		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another as specified in IFRS 6 names.		Remark
	Number	Shareholding (%)	Number	Shareholding (%)	Number	Shareholding (%)	Title (or name)	Relationship	
Guangna Investment Co., Ltd.	8,995,682	8.25%	-	-	-	-	-	-	
Person in charge: Liao Yi-Kuan	2,168,515	1.99%	-	-	-	-	Liao Pen-Lin Chen Kuei-Hsiang	Father Mother	
Liao Pen-Lin	6,339,548	5.81%	3,642,450	3.34%	-	-	Chen Kuei-Hsiang Liao Yi-Kuan	Couple Child	
Hsiao Teng-Tang	6,745,729	6.18%	4,206,001	3.86%	-	-	Pai Chin-Yi	Couple	
Guangda Investment Co., Ltd.	5,800,403	5.32%	-	-	-	-	-	-	
Person in charge: Chen Meng-Chu	354,513	0.32%	-	-	-	-	-	-	
Pai Ho Investment Co., Ltd.	4,343,014	3.89%	-	-	-	-	-	-	
Person in charge: Liao Yi-Mien	658,129	0.60%	-	-	-	-	-	-	
Pai Chin-Yi	4,206,001	3.86%	6,745,729	6.18%	-	-	Hsiao Teng-Tang	Couple	
Chen Kuei-Hsiang	3,642,450	3.34%	6,339,548	5.81%	-	-	Liao Pen-Lin Liao Yi-Kuan	Couple Child	
Fen-Chih Wang	2,653,000	2.43%	-	-	-	-	-	-	
Yi-Kuan Liao	2,168,515	1.99%	-	-	-	-	Liao Pen-Lin Chen Kuei-Hsiang	Father Mother	
Hung-Hao Chang	1,676,244	1.54%	-	-	-	-	-	-	

**IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company: None**

Unit: Share; %; December 31, 2024

Investee (Note)	Investment by the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Combined investment	
	Number	Shareholding	Number	Shareholding	Number	Shareholding
Pacer Technology Co., Ltd.	959,800	80%	37,000	3%	996,800	83%
E.C.E. (USA)	2,500	100%	-	-	2,500	100%
Fuzetec Technology Co., Ltd.	9,044,406	24%	234,767	1%	9,279,173	25%
Fengchuang Investment Co., Ltd. (Samoa)	2,650,000	100%	-	-	2,650,000	100%

**Note: It is an investment made by the Company using the equity method.**

# Three. Capital and Shares

## I. Capital and shares

### (I) Source of share capital

#### 1. The formation of share capital

March 31, 2025

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remark		
		Number	Amount (NTD)	Number of shares	Amount (NTD)	Source of share capital	Capital increased by assets other than cash	Others
1991/05	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase	---	---
1994/11	10	15,000,000	150,000,000	15,000,000	150,000,000	Cash capital increase by NT\$50 million	---	---
1997/10	10	24,500,000	245,000,000	24,500,000	245,000,000	Cash capital increase by NT\$50 million Capitalization of earnings to increase the capital by NT\$30 million Capitalization of capital surplus to increase the capital by NT\$15 million	---	Per Letter (1997)-Tai-Cai-Zeng No. 75514 dated 1997.10.17
1998/06	10	31,850,000	318,500,000	31,850,000	318,500,000	Capitalization of earnings to increase the capital by NT\$61.25 million Capitalization of capital surplus to increase the capital by NT\$12.25 million	---	Per Letter (1998)-Tai-Cai-Zeng No. 47492 dated 1998.6.1
1999/06	10	60,000,000	600,000,000	41,405,000	414,050,000	Capitalization of earnings to increase the capital by NT\$79.625 million Capitalization of capital surplus to increase the capital by NT\$15.925 million	---	Per Letter (1999)-Tai-Cai-Zeng-(I) No. 49702 dated 1999.6.1
2000/06	10	60,000,000	600,000,000	58,967,500	589,675,000	Cash capital increase by NT\$50 million Capitalization of earnings to increase the capital by NT\$92.501 million Capitalization of capital surplus to increase the capital by NT\$33.124 million	---	Per Letter (2000)-Tai-Cai-Zeng-(I) No. 43095 dated 2000.5.25 Per Letter (2000)-Tai-Cai-Zeng-(I) No. 43093 dated 2000.5.18
2001/08	10	134,000,000	1,340,000,000	78,953,875	789,538,750	Cash capital increase by NT\$50 million Capitalization of earnings to increase the capital by NT\$126.277 million Capitalization of capital surplus to increase the capital by NT\$23.587 million	---	Per Letter (2001)-Tai-Cai-Zeng-(I) No. 120015 dated 2001.04.25 Per Letter (2001)-Tai-Cai-Zeng-(I) No. 126712 dated 2001.05.17
2002/10	10	134,000,000	1,340,000,000	84,034,407	840,344,070	Capitalization of earnings to increase the capital by NT\$50.805 million	---	Per Letter Tai-Cai-Zeng-(I) No. 0910136308 dated 2002.07.03
2004/06	10	134,000,000	1,340,000,000	107,297,766	1,072,977,660	Consolidated capital increase by NT\$232.63 million	---	Per Letter Tai-Cai-Zeng-(I) No. 0930116546 dated 2004.05.25
2004/09	10	134,000,000	1,340,000,000	117,941,807	1,179,418,070	Capitalization of earnings to increase the capital by NT\$106.44 million	---	Per Letter Tai-Zeng-Shang No. 0930021708 dated 2004.08.20
2004/11	10	134,000,000	1,340,000,000	115,440,807	1,154,408,070	Cancellation of treasury shares to reduce the capital by NT\$25.01 million	---	Per Letter Jin-Guan-Zeng-III No. 0930150456 dated 2004.11.03
2007/3	10	134,000,000	1,340,000,000	116,344,807	1,163,448,070	Capitalization of employee stock warrants to increase the capital by NT\$9.04 million	---	Per Letter Tai-Zeng-Shang No. 09600072691 dated 2004.03.29
2007/6	10	134,000,000	1,340,000,000	116,660,807	1,166,608,070	Capitalization of employee stock warrants to increase the capital by NT\$3.16 million	---	Per Letter Tai-Zeng-Shang No. 09600160141 dated 2007.06.25
2007/9	10	134,000,000	1,340,000,000	116,752,807	1,167,528,070	Capitalization of employee stock warrants to increase the capital by NT\$0.92 million	---	Per Letter Tai-Zeng-Shang No. 09600324271 dated 2007.11.1
2007/12	10	134,000,000	1,340,000,000	116,804,807	1,168,048,070	Capitalization of employee stock warrants to increase the capital by NT\$0.52 million	---	Per Letter Tai-Zeng-Shang No. 09600379721 dated 2007.12.27
2008/2	10	134,000,000	1,340,000,000	116,908,807	1,169,088,070	Capitalization of employee stock warrants to increase the capital by NT\$1.04 million	---	Per Letter Tai-Zeng-Shang No. 09700039951 dated 2008.2.19
2008/7	10	134,000,000	1,340,000,000	116,965,807	1,169,658,070	Capitalization of employee stock warrants to increase the capital by NT\$0.57 million	---	Per Letter Tai-Zeng-Shang No. 09700175511 dated 2008.7.4
2010/03	10	134,000,000	1,340,000,000	117,137,807	1,171,378,070	Capitalization of employee stock warrants to increase the capital by NT\$1.72 million	---	Per Letter Tai-Zeng-Shang No. 09900083491 dated 2010.4.6
2010/05	10	134,000,000	1,340,000,000	117,224,807	1,172,248,070	Capitalization of employee stock warrants to increase	---	Per Letter Tai-Zeng-Shang No. 09900116601 dated 2010.5.5

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remark		
		Number	Amount (NTD)	Number of shares	Amount (NTD)	Source of share capital	Capital increased by assets other than cash	Others
						the capital by NT\$0.87 million		
2010/08	10	134,000,000	1,340,000,000	117,299,807	1,172,998,070	Capitalization of employee stock warrants to increase the capital by NT\$0.75 million	---	Per Letter Tai-Zeng-Shang No. 09900255291 dated 2010.8.27
2010/12	10	134,000,000	1,340,000,000	117,629,807	1,176,298,070	Capitalization of employee stock warrants to increase the capital by NT\$0.37 million	---	Per Letter Tai-Zeng-Shang No. 09900394961 dated 2010.12.31
2011/03	10	134,000,000	1,340,000,000	117,884,807	1,178,848,070	Capitalization of employee stock warrants to increase the capital by NT\$0.255 million	---	Per Letter Tai-Zeng-Shang-I No. 10000098481 dated 2011.04.01
2011/07	10	134,000,000	1,340,000,000	117,964,807	1,179,648,070	Capitalization of employee stock warrants to increase the capital by NT\$0.8 million	---	Per Letter Tai-Zeng-Shang-I No. 10000213341 dated 2011.07.01
2011/07	10	134,000,000	1,340,000,000	117,586,807	1,175,868,070	Cancellation of treasury shares to reduce the capital by NT\$37.80 million	---	Per Letter Tai-Zeng-Shang-I No. 10000213351 dated 2011.07.01
2011/09	10	134,000,000	1,340,000,000	117,649,807	1,176,498,070	Capitalization of employee stock warrants to increase the capital by NT\$0.63 million	---	Per Letter Tai-Zeng-Shang-I No. 10000307631 dated 2011.09.01
2011/09	10	134,000,000	1,340,000,000	116,411,807	1,164,118,070	Cancellation of treasury shares to reduce the capital by NT\$123.8 million	---	Per Letter Tai-Zeng-Shang-I No. 10000307621 dated 2011.09.01
2012/01	10	134,000,000	1,340,000,000	113,333,807	1,133,338,070	Cancellation of treasury shares to reduce the capital by NT\$307.80 million	---	Per Letter Tai-Zeng-Shang-I No. 10100012131 dated 2012.01.18
2015/11	10	134,000,000	1,340,000,000	111,706,807	1,117,068,070	Cancellation of treasury shares to reduce the capital by NT\$16.27 million	---	Jing-Shou-Shang No. 10401250120 dated 2015.11.25
2016/04	10	134,000,000	1,340,000,000	110,618,807	1,106,188,070	Cancellation of treasury shares to reduce the capital by NT\$1 0.88 million (cancellation was completed on 2016.04.14)	---	Jing-Shou-Shang No. 10501063820 dated 2016.04.06
2020/07	10	134,000,000	1,340,000,000	109,093,807	1,090,938,070	Cancellation of treasury shares to reduce the capital by NT\$15.25 million		Jing-Shou-Shang No. 10901117260 dated 2020.07.03

## 2. Types of shares:

March 31, 2025

Types of shares	Authorized Capital			Remark
	Number of shares issued (Note)	Number of shares unissued	Total	
Registered ordinary shares	109,093,807 (issued)	24,906,193	134,000,000	A total of 5,100,000 shares in the authorized share capital are shares converted from the employee stock warrants.

Note: Please indicate if the stock is a TWSE or TPEx listed stock (if it is prohibited from listing on TWSE or TPEx, it shall be indicated).



## (II) List of major shareholders

March 31, 2025

Major Shareholders' Names	Number of Shares Held	Shareholding Percentage (%)
Guangna Investment Co., Ltd.	8,995,682	8.25%
Ben-Lin Liao	6,339,548	5.81%
Deng-Tang Hsiao	6,745,729	6.18%
Guangda Investment Co., Ltd.	5,800,403	5.32%
Pai Ho Investment Co., Ltd.	4,343,014	3.89%
Chin-Yi Pai	4,206,001	3.89%
Kuei-Hsiang Chen	3,642,450	3.34%
Fen-Chih Wang	2,653,000	2.43%
Yi-Guan Liao	2,168,515	1.99%
Hung-Hao Chang	1,676,244	1.54%

## (III) Dividend policy and implementation status

## 1. Details of major changes in the dividend policy, implementation, and expectations:

## (1) As per the Articles of Incorporation:

Where the Company makes a profit for a fiscal year, it shall appropriate no lower than 1% of the balance for employee remuneration, which shall be distributed in the form of stock or cash by the resolution of the Board of Directors, and the recipients include employees at subsidiaries who meet certain criteria; and appropriate no higher than 2% for directors' and supervisors' remuneration. The employee remuneration and directors' and supervisors' remuneration proposal shall be reported to the shareholders' meeting. However, if the Company still has a cumulative deficit, it shall reserve an amount for offsetting the deficit in advance and then appropriate employee remuneration and directors' and supervisors' remuneration at the percentages in the preceding paragraph.

The industry to which the Company belongs is highly competitive and ever-changing, and the Company is in a stage of steady growth. To be aligned with the Company's future capital needs, long-term financial plan, and shareholders' needs for cash inflows, if the Company has a profit for a fiscal year as per the annual financial statements, the profit shall be first used for paying the profit-seeking enterprise income tax, offsetting a cumulative deficit, appropriating 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, and then appropriating an amount for or reversing a special reserve in accordance with laws and regulations, and then any remaining profit, together with any undistributed retained earnings from the prior years, as distributable earnings shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution. Among them, cash dividends shall not be lower than 10% of the total shareholder dividends to be paid out, and the percentage may be determined by the Board of Directors depending on the year's profit and capital based on the capital expenditure and business expansion needs.

All or part of the shareholder dividends mentioned in the preceding paragraph, the legal reserve appropriated, or capital surplus provided to pay out cash shall be carried out by the resolution adopted by more than half of all directors present at a board meeting attended by two-thirds or more of all directors as delegated, while being reported to the shareholders' meeting.

(2) The Company has distributed cash dividends every year since 2004. We will maintain a stable and sustainable dividend policy and consider increasing the cash dividend per share when the discretionary funds are sufficient to pay out dividends in the same amount as the prior year. The Company's 2024 cash dividends were approved by the supermajority resolution of the Board of Directors on February 26, 2025. It was proposed to pay out cash dividends at NT\$0.3 per share, and the ex-dividend record date was April 4, 2025 and the payout was completed on May 2, 2025 and reported to the general shareholders' meeting on May 29, 2025.

- (3) The Company's dividend policy: We allocate 70% or more of the annual earnings as dividends, of which cash dividends to be paid out will not be lower than 10%.
2. The distribution of dividends proposed at the shareholders' meeting: N/A.
3. Details of any expected major changes in the dividend policy: None.
- (IV) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance, earnings per share, and return on shareholders' investment: None.
- (V) Employee bonuses and directors' remuneration:
  1. The percentage of the profit for or scope of employee remuneration and directors' and supervisors' remuneration as stated in the Company's Articles of Incorporation: We proceeded as per the dividend policy under Article 29 of the Articles of Incorporation. See (VI) for details.
  2. The basis for the estimation of employee remuneration and directors' and supervisors' remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount. As per the Company's Articles of Incorporation, we distributed no lower than 1% and no higher than 2% of this year's pre-tax income (before employee remuneration and directors' remuneration are deducted) as employee remuneration and directors' remuneration, respectively. The estimated 2024 employee remuneration amounted NT\$ 2,028 thousand and the directors' and supervisors' remuneration amounted to NT\$1,014 thousand, which were estimated at 4% and 2% of said pre-tax income, respectively, and the amounts were paid out in cash by the resolution of the Board of Directors on February 26, 2025.
  3. The distribution of remuneration approved by the Board of Directors: We proposed to pay out NT\$2,028 thousand for employee remuneration and NT\$ 1,014 thousand for directors' and supervisors' remuneration, which were the same as the estimated amounts in the financial statements. The imputed earnings per share after the proposed amounts of employee remuneration and directors' and supervisors' remuneration were considered: NT\$0.35. The amount of employee remuneration in stock as a percentage of the sum of the net income after tax as in the parent company-only or individual financial statements for this period and the total employee dividends for this period: None.
  4. The distribution of the prior year's employee remuneration and directors' and supervisors' remuneration: We proposed to pay out NT\$465 thousand in cash for employee remuneration and NT\$233 thousand for directors' and supervisors' remuneration for 2023, which were the same as the amounts approved by the Board of Directors.
- (VI) The repurchase of the Company's shares: None.

## **II. Issuance of corporate bonds**

None.

## **III. preference shares**

None.

## **IV. Issuance of depository receipts**

None.

## **V. Issuance of employee stock warrants**

None.

## **VI. Issuance of new restricted employee shares**

None

## **VII. Issuance of new shares due to M&A or transfer of shares of another company**

None.

- (I) Where the issuance of new shares due to M&A or transfer of shares of another company was completed in the most recent year and up to the publication date of this annual report, the following information shall be disclosed: None.
- (II) Where the issuance of new shares due to M&A or transfer of shares of another company was approved by the Board of Directors in the most recent year and up to the publication date of this annual report, the implementation situation and the basic information on the merged or transferred shall be disclosed: None.

## **VIII. Fund application plan execution**

None.

- (I) The content of the plan: None.
- (II) Implementation of the plan: None.

## Four. Overview of Operations

### I. Business scope

#### (I) Business scope

##### 1. Details of the Company's main business scope:

- (1) CC01080 Electronics Components Manufacturing.
- (2) Manufacture of Batteries and Accumulators.
- (3) Watches and Clocks Manufacturing.
- (4) CC01110 Computer and Peripheral Equipment Manufacturing.
- (5) Other Machinery Manufacturing.
- (6) Metal Forging.
- (7) Other Metal Products Manufacturing.
- (8) Industrial Plastic Products Manufacturing.
- (9) International Trade.
- (10) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Proportion of business:

Unit: NT\$ thousand

Product \ Year	2023		2024	
	Amount (in NTD thousands)	Percentage	Amount (in NTD thousands)	Percentage
Semiconductor	697,240	39%	850,513	47%
Electronic components	610,900	34%	488,010	27%
Relays	217,702	12%	198,866	11%
Stepping motors	270,610	15%	268,977	15%
Total	1,796,452	100%	1,806,366	100%

##### 3. The Company's existing products (services):

- (1) Semiconductor
- (2) Electronic components: (a) DIP switches; (b) terminal blocks; (c) connectors
- (3) Relays
- (4) Stepping motors

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

###### (1) Lead Frame for Semiconductor Industry

- A. In response to the high power demand for electric vehicle (EV) charging station power modules, we plan to advance the currently developed wireframe products to the mass production stage, further expanding into the new energy market to meet the infrastructure needs of EV charging.
- B. Continuously developing automotive high-power component wireframes, focusing on enhancing heat dissipation performance and mechanical strength to meet the high-power component application requirements of electric vehicles, ADAS, and other systems, thereby strengthening market competitiveness.
- C. Developing temperature balancing plates specifically for AI computing modules, providing thermal management solutions for end products to address the heat dissipation needs of high-performance computing platforms.
- D. Ongoing investment in the development and upgrading of production line automation equipment to ensure high quality and efficiency during mass production, achieving the long-term goals of cost reduction and enhanced market competitiveness.
- E. In response to global carbon reduction targets, we have completed the evaluation of low-carbon emission cleaning processes and plan to implement these processes into the production line to reduce carbon emissions during manufacturing, while optimizing process efficiency to achieve sustainable development goals.

## (2) Electronic components and stepper motors

- A. Research and develop terminal blocks (screwless type) series, pushbutton switches, rotary switches, and micro switches suitable for future smart industry/automotive/lighting/industrial electronic/electric tool applications, and promote their development.
- B. Develop high-current specification multi-pitch terminal blocks (screwless type) for use in industrial electromechanical equipment.
- C. Develop compact, high shock-resistant trigger switches (integrated Hall element sensing type) series for precision high-vibration hand tools.
- D. Develop industrial control switch miniature (Miniature type) switch series.
- E. Continuously improving the current specifications of mechanical relays for high current applications.
- F. Developing mechanical relays with large GAP specifications to meet the demands of the green energy industry.
- G. Continuously develop silicon carbide (SiC) photonic relay to meet the high voltage specifications required by energy storage devices.
- H. Design and implementation verification of the expansion valve body structure.
- I. Mold development and sample production for DC brushless motors used in exhaust fans, with sample submission.
- J. Market research on DC brushless motors (EC motors) and related applications.

## (II) Industry overview

### 1. The situation and development trends of the industry:

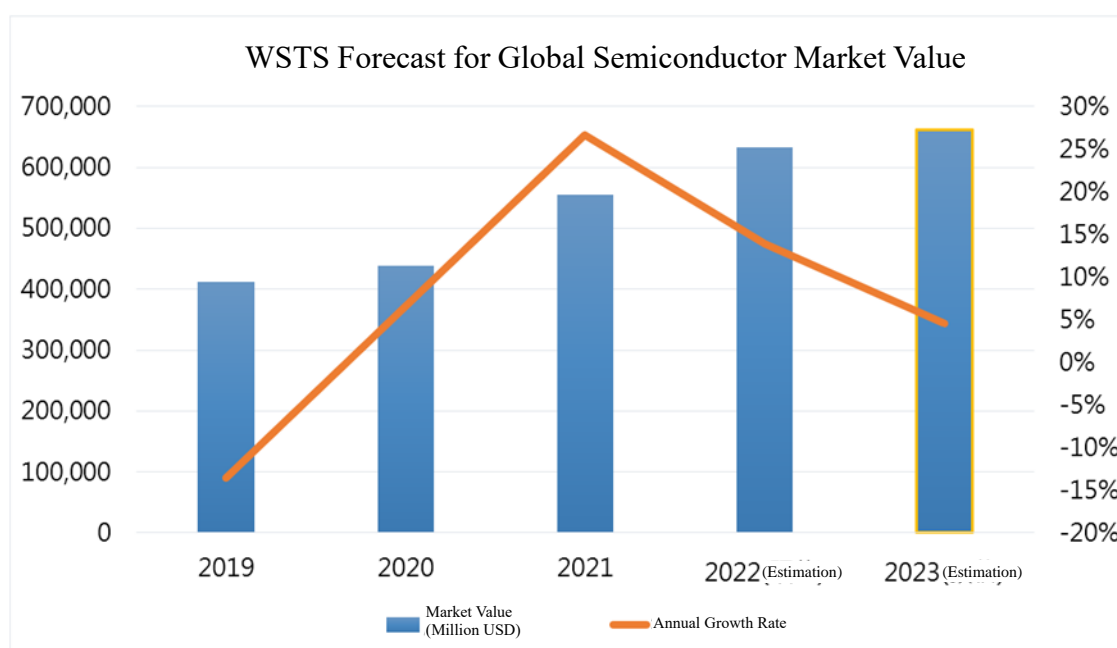
- (1) DIP switches, relays, and terminal blocks: They are mechanical components in electronic components and mainly used in the electronic and the communications industries and information products. In the early 1980s, the electronics industry grew rapidly, and DIP switches, relays, and terminal blocks mostly relied on imports from the United States and Japan due to the under-developed technologies in the domestic industry. However, due to continuous investment in R&D and quality improvements by domestic companies in recent years, the DIP switches, relays, and terminal blocks produced domestically not only meet the domestic companies' requirement but are increasingly exported due to their competitive quality and prices. They are mainly used in electronic components in the industries of computers and peripheral products, wireless communications products, wired communications products, network products and peripherals, and security system products. The reliability requirements for such products is very high. As the electronic industry has made tremendous progress in the application of equipment and the surface mount technology (SMT), the new generation of electronic products is not only stronger and stable but also becoming more lightweight, thinner, shorter, and smaller in size. Therefore, relevant components should also be developed toward this direction. Therefore, miniaturization and SMT will be the development trend in the future.
- (2) Connectors: Electronic connectors refer to all connectors and accessories used in connecting electronic signals and power. In terms of electronic packaging, connectors are components to interconnect electronic equipment as bridges between all electronic signals. The quality of connectors affects not only the reliability of current and signal output but the operations of electronic equipment. In terms of end products, the connectors can be roughly used in the computer and peripheral industry (mainly applied to information products, such as personal computers and notebooks), the communications industry (mainly used in mobile phones and optical fiber communications), the automobile and transportation industry (mainly used in various automobiles and scooters), the aerospace industry (used in various aircrafts), and other industries (used in consumer electronics products, instruments and equipment, OA equipment, and industrial equipment). Thus, its importance cannot be underestimated. As terminal end products are developed to be short, thin, and lightweight with high-frequency and high-speed transmission, connectors are developed to be fine pitch, SMT, composite, low profile, lightweight, with standard specifications adopted.
- (3) Lead Frame for Semiconductor Devices: Semiconductor lead frame, also known as lead frame, flower frame, bracket, etc., is mainly used to support wafers and connect electronic components to external circuits, and is one of the indispensable raw materials for the three major materials in the semiconductor packaging industry (lead frame, gold wire and package resin). The end products are widely used in the fields such as new energy vehicles, fuel cars, energy-saving home appliances, 3C products, PCs, industrial computers, medical equipment and consumer electronics. Heat spreaders, also known as Vapor chamber, heat sinks, etc., mainly serve to transfer the high heat energy from the IC chip to the outside by means of surface contact, which can solve the problem of shortened life time due to overheating in the future development of 3C electronic

products with smaller size and greater efficiency. The end products are used in the fields of high-speed computing servers, base stations, automotive electronics, 3C products, PCs and industrial computers.

According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is projected to reach USD 627 billion in 2024, representing a 19% increase compared to 2023. By region, the Americas market is expected to grow by 38.9%, the Asia-Pacific region by 17.5%, and Japan by 1.4%, while only the European market is projected to decline by 6.7%.

Looking ahead to 2025, the global semiconductor market is expected to continue expanding, with total output value estimated to reach USD 697 billion, an increase of 11.2% over 2024. Logic devices and memory are anticipated to be the main growth drivers, with projected growth rates of 17% and 13%, respectively. Other semiconductor categories are expected to see moderate single-digit growth, indicating a trend of steady overall industry expansion.

Overall, the global semiconductor market is expected to maintain growth momentum in both 2024 and 2025, with memory, logic devices, and the Americas and Asia-Pacific markets standing out as the top performers.



Data source: SWTS(World Semiconductor Trade Statistics); summarized by Excel Cell Electronic Co., Ltd.

- (4) **Stepper motor:** It is a typical motion control motor as an executive component in an information and automated control system. Stepping motors feature many advantages, such as a brushless structure; higher reliability than traditional motors; easiness to start, stop, and reverse; fast real-time response; self-locking upon stopping; torque maintenance.

At present, stepping motors are applied in a wide range of fields, such as office automation, factory automation, medical devices, measuring instruments, bank ATMs, automobiles, entertainment equipment, and communications equipment. The emerging industries, such as 3D printing, solar power generation systems, and automotive motor applications, have created new markets.

#### **Development trends and prospect**

The future development of stepping motors is from open loop to closed loop. In addition to the combination with a gearbox to provide deceleration and increase torque, it can be integrated with a driver and an integrated servo system. The development of the integration and the combination with the brushless DC motor (BIDCM) are two important trends. At present, closed-loop control have been adopted for all stepping motors gradually with the functions of servo motors. In the future, stepping motors will be smaller in size, better in performance, and more cost-effective, and will be widely used in home robots and household smart equipment.

With the increased industrial automation level, the demand for stepping motors in emerging economies is rising day by day. Stepping motors have increasingly penetrated into many fields, such as computers, communications equipment, office automation, industrial automation, banking equipment, and automobiles. In the future, many manufacturing and application fields involving

people's daily life will continue to upgrade, while new industries will continue to emerge, which will lead to new demand for stepping motors.

## 2. Global semiconductor development status and trends:

### (1) Overall industry overview:

In 2024, the global macroeconomic landscape was influenced by multiple factors, including persistent inflationary pressures, U.S. political and policy uncertainties, geopolitical conflicts, and a sluggish Chinese economy. While the rise of AI applications continued to drive growth across related industries, the overall international economic environment remained fraught with uncertainties. As a result, demand in industrial and automotive end-markets remained relatively weak. This led to a polarized performance in global manufacturing: while demand for advanced semiconductor processes and servers remained strong, traditional manufacturing sectors experienced only limited recovery in production and sales. (

### (2) Future outlook:

Looking ahead, the ongoing development and impact of AI are expected to further expand demand across associated industries and applications. Emerging growth opportunities in AI-enabled computers, smartphones, and servers are likely to drive increased production capacity needs for semiconductor manufacturers, which in turn will boost demand for lead frames. Signs of easing geopolitical tensions and the beginning of interest rate cuts by many countries offer hope for resolving some global economic uncertainties. These developments are expected to support a steady recovery in global trade volumes. As a result, industries such as consumer electronics, 5G, automotive, green energy, and industrial applications may gradually recover, with the manufacturing sector projected to continue improving steadily throughout 2025.

## 3. The relations between the up-, mid-, and downstream industries:

Regarding raw materials for DIP switches and relays in the upstream industry, the main raw materials are from the plastics and metal processing industries. Among them, plastic parts and copper material parts are mainly manufactured by outsourced manufacturers, but the main part of the relay: the magnetic and reed switches are imported from abroad; the downstream industries to which products are sold include the home appliances, precision instrument, security and anti-theft system, communications, and computer peripheral industries.

As for the raw materials for terminal blocks, the upstream industry is the same as that of the DIP switches and reed relays, and the downstream industries include the home appliances, security and anti-theft system, precision instrument, and consumer electronics industries, as well as switching power supply, motor controller, and other electrical industries.

As for the raw materials for connectors, the upstream industries are mainly the plastic and the metal processing industries. Downstream industries mainly include the computer and peripherals, communications, automobile and transportation, aerospace, and consumer electronics industries.

As for the raw materials for stamped parts for lead frames, the upstream industries are mainly the metal and the metal processing industries. Its downstream industry is mainly the IC industry consisting of packaging, design, and manufacturing.

### Semiconductor Components

Upstream: IC design such as wafer circuit layout, winding, photomask stacking, etc.

Midstream: IC manufacturing such as epitaxy, wafer fabrication (photomask, diffusion, etching, ion implantation), wafer testing.

Downstream: IC packaging such as packaging (lead frame, heat sink, gold or aluminum wire, packaging resin), wafer testing.

## 4. Competition:

(1) Switches: The main competitors are Japanese manufacturers. With a flexible and automated production model, the Company has a better cost advantage over Japanese manufacturers.

(2) Relays: The Company strives to occupy a niche market to avoid direct competition in price and takes quality as a priority.

(3) Relays: The Company strives to occupy a niche market to avoid direct competition in price and takes quality as a priority.

(4) Connectors: We continue to develop products with the latest specifications and maintain positive partnerships with clients, and jointly design and develop products with new specifications with them.

(5) Lead frames: The rapid development of the semiconductor industry in China in recent years has directly impacted existing lead frame suppliers, and lead frames for semiconductors for consumer electronics products are subject to local price competition, China's goal is encouraging local production and supply, the Company is also actively investing in the expansion of its China base to meet the growth of local supply needs of customers; For the development of lead frames, the

Company is expanding the market of lead frame for semiconductor for automotive electronic components with high-quality requirements by the capability of self-development of high precision molds. In 2025, global economic growth is expected to slightly outpace that of 2024. The rapid development of emerging technologies and products—such as smartphones, consumer electronics, and AI-driven servers—is anticipated to further drive demand for advanced semiconductor manufacturing. Although challenges persist, including geopolitical tensions, the ongoing U.S.-China tech rivalry, and continued softness in end-market demand for industrial and automotive sectors, the overall outlook for the semiconductor industry remains positive, with continued growth momentum expected.

(6) Stepping motors: We focus on customized products.

### (III) Overview of technology and R&D

#### 1. R&D expenses for the most recent two years.

Unit: NT\$ thousand

Item \ Year	2023	2024
R&D expense	88,129	86,242
Consolidated net operating revenue	1,796,452	1,806,366
R&D expense as a % of revenue	5%	5%

#### 2. R&D achievements in the most recent year:

##### (1) Lead Frame for Semiconductor Industry

- A. In response to the high-power demands of electric vehicle (EV) charging station power modules, the Company collaborated with a new customer to complete the development and sampling of a new lead frame product, expanding its presence in the new energy application market.
- B. For automotive-grade TVS components requiring new chip designs, a dedicated lead frame was developed and successfully validated by the customer, and has since been introduced into mass production.
- C. Developed a Reel Clip solution for Power ICs, successfully replacing traditional wire bonding processes. This innovation enhances electrical conductivity, assembly stability, and production efficiency for customers, while optimizing the process and reducing costs.
- D. In response to the high-power demands of electric vehicles and smart in-vehicle applications, the Company developed new lead frame design solutions to strengthen its positioning in the high-power electronics market.

##### (2) Electronic components and stepper motors

- A. Research and development, as well as promotion, of screwless-type terminal blocks, pushbutton switches, rotary coded switches, and micro switches tailored for future applications in the smart industry, automotive, lighting, industrial electronics, and electric hand tool sectors.
- B. Initiated the development of high-current, multi-pitch screwless terminal blocks for industrial electromechanical equipment applications.
- C. Developed a compact, high-vibration-resistant trigger switch for hand tools, featuring an integrated Hall-effect sensor.
- D. Developed a miniature series of industrial control switches.
- E. Developed a miniature series of quick-release safety lock switches for industrial control applications.
- F. In-house developed relay testing equipment has been launched and is in use. Based on the existing platform, AC relay testing capabilities have been added, achieving the goal of independent R&D.
- H. Completed development of a silicon carbide (SiC) opto-isolated relay rated for 1700V.
- I. Clock module motor and mechanical structure samples have been delivered and mass production has commenced.
- J. Samples of actuator motors and mechanisms for automotive cooling systems have been delivered and are currently under customer validation.

- K. Conducted research and verification on expansion valve body structure design and heterogeneous material bonding methods.
  - L. Design and cost estimation for brushless DC motors for ventilation fans have been completed and are currently under customer evaluation.
  - M. Completed the design of a planetary gear system.
3. Future R&D plans and estimated annual R&D expenditure:
- 3-1. Future R&D plans
- (1) Lead Frame for Semiconductor Industry
- A. In response to the high-power demands of EV charging station power modules, the Company plans to advance the currently developed lead frame products into mass production, further expanding into the new energy market to meet the growing needs of electric vehicle charging infrastructure.
  - B. The Company continues to develop lead frames for high-power automotive components, with a focus on enhancing thermal dissipation performance and mechanical strength to support applications such as electric vehicles and ADAS, thereby strengthening market competitiveness.
  - C. Development of vapor chambers specifically designed for AI computing modules is underway, aiming to provide thermal solutions for high-performance computing platforms at the end-product level.
  - D. Ongoing investment in the development and upgrading of automation equipment on production lines ensures high quality and efficiency in mass production, supporting long-term goals of cost reduction and increased competitiveness.
  - E. In line with global carbon reduction goals, the Company has completed an evaluation of a low-carbon emission cleaning process and plans to implement it on production lines. This initiative aims to reduce carbon emissions during manufacturing while optimizing process efficiency to achieve sustainable development objectives.
- (2) Electronic components and stepper motors
- A. Research and development, as well as promotion, of terminal blocks (screwless type), push-button switches, rotary encoder switches, and microswitches tailored for future applications in smart industries, automotive, lighting, industrial electronics, and power tools.
  - B. Development of high-current, multi-pitch terminal blocks (screwless type) for use in industrial electromechanical equipment.
  - C. Development of compact, high-impact-resistant trigger switches for precision hand tools (integrated with Hall effect sensing technology).
  - D. Development of a miniature emergency stop switch series for industrial control applications.
  - E. Ongoing enhancement of mechanical relays to support higher current specifications.
  - F. Development of mechanical relays with large-gap specifications to meet the needs of the green energy industry.
  - G. Ongoing development of silicon carbide opto-isolated relays to address high-voltage requirements in energy storage systems.
  - H. Design and implementation verification of the expansion valve body structure.
  - I. Mold development and sample production of brushless DC motors for ventilation fans, with samples submitted for customer evaluation.
  - J. Market research on brushless DC motors (EC motors) and their related applications.



### 3-2. Estimated R&D expenditure for new product planned to be developed for 2025

Unit: NT\$ thousand

R&D items	Estimated annual R&D expenditure	Estimated time required for going into mass production	Main factors influencing the success of future R&D
Lead Frame for Semiconductor Industry			
1.MOSFET component lead frame development. 2.Power Discrete component lead frame development. 3.Diodes component lead frame development. 4.CPU/GPU heat spreader product development.	12,000	2025.12.31	We will strive to increase the added value of our products, accelerate the adoption of automated production equipment and systems, and provide clients with high-value services to reinforce our product competitiveness.
1. Development of automatic material collection equipment for the stamping production line. 2.Purchase automatic material-receiving equipment which used in our stamping production lines. 3. Purchase of vacuum cleaning equipment.	16,000	2025.12.31	
Electronic components and stepper motors			
11.Development of DIP switches, microswitches, and industrial control switches targeted towards smart industries, automotive, lighting, industrial applications, with enhanced composite performance and automation specifications. 2. Development of a series of lightweight and compact emergency stop switches for industrial control.	7,350	2025.12.31	The Company will pursue the invention of patented products and respond to the environmental protection cause to provide clients with high value-added applications and improve our business performance. We will strive to upgrade our products and technologies to provide clients with high value-added services, accelerate the adoption of automated production equipment, and enhance production capacity and performance.
1.Development of ETB terminal blocks for applications in smart industries, automotive, lighting, industrial electronics, and industrial electromechanical equipment. 2.Research and development of high-current, multi-pitch terminal blocks (screwless type) for use in specifications of industrial electromechanical equipment. 3.Development of a series of compact, high-shock-resistant trigger switches for hand tools (diversified Hall effect sensor type).	7,900	2025.12.31	
Developing ETR and EPR relays and purchasing automated production equipment.	5,000	2025.12.31	
Stepping motors			
1. Development of expansion valve module. 2. Development of DC brushless motor and mold development.	4,500	2025.12.31	The R&D team has experience in the development of PM-type stepper motors and brushless motors, which can be applied to the development of this product.

(IV) Long-term and short-term business development plans:

1. Long-term business development plan:

(1) Lead Frame for Semiconductor Industry:

- A. Develop new customers in the European and Southeast Asia markets.
- B. Expand the lead frame business for automotive electronic components.
- C. Develop markets for high-end applications and smart/green energy products.

(2) Electronic components and stepper motors:

- A. In response to changes in international circumstances, actively expanding emerging markets in ASEAN countries through exhibitions and promotional activities, as well as strengthening online marketing to expand the online market. Utilizing e-commerce platforms such as DigiKey to increase brand exposure, while continuously introducing sales distributors within various countries' e-commerce systems to expand the sales network and execute the promotion of the full product line. Additionally, deepening the focus on markets with sustainable growth potential such as Eastern Europe, Japan, and South Korea, concentrating on the development and cooperation with direct customers to increase market penetration.
- B. Key focus on the development of power supplies for AI servers, new energy, and charging stations, while continuing to deepen the core industries such as industrial automation equipment, security monitoring systems, HVAC refrigeration and air conditioning, and smart home appliances.
- C. Promoting product differentiation technologies such as explosion-proof and THR (through-hole reflow) products, while continuously enhancing product specifications such as high-load current, DC high voltage, and high insulation resistance.
- D. Continue to promote lean production and SPC quality management systems to enhance production efficiency and product quality, reduce costs, and maintain global competitiveness. Assist customers in maintaining their leading positions by providing complete and comprehensive solutions, becoming a long-term strategic partner for customers.
- E. Expand motor product types: linear motors, robotic arm motors, screw motors, HB-type stepper motors, and DC brushless motors.
- F. Expand the application of motor manufacturing technologies in products: automotive expansion valve coils, solenoid valves, damper actuators, and valve linear stepper motor actuators.
- G. New market development for various motor products: expand business in regions such as Europe, the United States, Russia, and Japan.
- H. Develop expansion valve body products: expand into industries related to automotive, air conditioning, and other valve body demand.

2. Short-term business development plan:

(1) Lead Frame for Semiconductor Industry:

- A. The global trends of carbon reduction and energy-saving policy have accelerated the development of the new energy vehicle market, and the demand for related automotive electronic components has also increased. Our Semiconductor Division is actively expanding the development of lead frames for semiconductors and capacity expansion to meet the growing market demand.
- B. The development trend of smaller and more efficient electronic products has brought ~~about~~ the demand for heat dissipation of high-computing components. In the future, the Company will focus on the research and development of heat spreader products.
- C. In the future, labor cost will continue to increase. In order to reduce the manufacturing cost of our products, the plan to build an automated production line is also accelerating.
- D. Stay abreast of market trends and enhance production technologies to meet customer demands.

(2) Electronic components and stepper motors:

- A. Develop relay products for the PSU industry targeting AI server power supply demands, enhancing safety standards to 20A/250VAC and above, and developing products utilizing Immersion cooling technology.
- B. Introduce the new EVS series Hall effect switches as a key product for penetrating domestic and international power tool markets, serving as a technological benchmark. Aim to secure ECE as the preferred brand for the CAS (Cordless Alliance System) high-density lithium battery system and control module solutions.
- C. Continuously introduce ERD, EAM, ESD, and other switch products to commercial air conditioning customers, and expand niche market applications for GWT+HF, explosion-proof, THR relays, etc.
- D. Integrate marketing departments across the group's regions to collaboratively develop international-level direct customers.
- E. Optimize the company's website and online marketing channels to increase brand exposure and enhance sales regionally.

- F. Expanding the specifications of HB, DC and stepping motors: Continuing to expand the specifications of various motors in mass production to provide products that are more aligned with clients' needs.
- G. Gearboxes and mechanical components: Providing motors to clients as well as a more complete power system to clients by providing the gear reducers and gearboxes (used with motors) in the form of modules.
- H. Developing and expanding the industries of 3D printing, medical devices, air conditioners, and smart home appliances.
- I. Developing expansion valve body products to expand into industries related to automotive, air conditioning, and other valve body demand.

## II. Overview of the market and production and sales

### (I) Market analysis

#### 1. Regions where the Company's main products are sold:

- (1) DIP switches: DIP switches belong to the switch industry. The main producing countries and regions include North America, Europe, and the Far East, such as Japan, Taiwan, South Korea, Hong Kong, and mainland China; and our country is highly competitive in the international market in terms of DIP switches, so DIP switches are mainly exported. The regions where the Company's DIP switches are sold are Europe and Asia.
- (2) Relays: In the early days, most of the domestic products were imported from Japan. The relays made in Japan were reliable and adopted by the world's major manufacturers due to high quality. As the domestic companies have been committed to improving product quality for many years, we have gradually established a reputation for quality; thus, we are able to meet domestic needs and export products abroad as well. The region where the Company's relays are sold is Asia.
- (3) Terminal blocks: This industry is highly competitive in Europe, the United States, Italy, Taiwan, Hong Kong, and China. Among them, German products with advanced technologies are of high quality at high prices, while China relies on its low labor costs to occupy the low-price markets. The region where the Company's terminal blocks are sold is Asia.
- (4) Connectors: The region where the Company's connectors are sold is Asia.
- (5) Lead frames: The region where the Company's lead frames are sold is Asia.
- (6) Stepping motors: As most of our clients' manufacturing sites are in Asia, the region where the Company's stepping motors are sold is Asia.

### Distribution of clients and proportion of domestic sales and exports

Unit: NT\$ thousand

Year		2024	
Region		Sales volume	Percentage
Domestic sales		613,981	34
Exports	Europe	145,641	8
	The Americas	43,479	2
	Asia	1,001,033	56
	Others	2,233	-
	Subtotal	1,192,386	66
Total		1,806,367	100

#### 2. Market share:

The Company's main products are DIP switches, relays, terminal blocks, and connectors, which are mechanical components in electronic components. Lead frames are indispensable passive electronic components in the integrated circuit packaging industry. Due to the wide range of applications of our various products in various industries, except for the survey report obtained from the China Credit Information Service when we applied for listing on Taipei exchange in 1998, no professional research organization has published statistics reports on the Company's products in recent years. As per the Domestic Market Survey Report on DIP Switches and Magnetic and Reed Relays issued by the China Credit Information Service in 1998, the Company's DIP switches accounted for about 45.12% of the domestic market as largest domestic supplier.

#### 3. Future market supply/demand and growth potential:

The Company mainly produces DIP switches, relays, and terminal blocks, which are used in a wide range of applications and belong to the mechanical components in the electronic component industry. The mechanical components are auxiliary components, so the future growth of this industry is closely associated with that of its downstream industries.

Lead Frame for Semiconductor Industry are mainly used in the automotive electronics and the smart city industries.

Looking ahead, with the continuous development and growing impact of AI, the demand for related industries and applications will continue to expand. New growth opportunities in AI computers, mobile phones, and servers will stimulate an increase in production capacity requirements from semiconductor manufacturers, further driving up the demand for lead frames. As international geopolitical conflicts subside and many countries have entered a rate-cutting cycle, some global economic uncertainties are expected to gradually be resolved. This will encourage stable growth in global trade volumes and is also expected to support a gradual recovery in demand across industries such as consumer electronics, 5G, automotive, environmental green energy, and industrial markets. Therefore, it is anticipated that the manufacturing sector's economic outlook will continue to improve steadily in 2025.

4. Competitive advantages:

(1) Obtained the ISO 9000, ISO 14001, and IATF 16949 certification and a number of patents.

The Company passed ISO 9001 certification in 1995, ISO 14001 certification in 2000, ISO 9000:2000 certification in 2002, and IATF 16949 certification in 2005 and has obtained 93 domestic and overseas patents as of March 2024. Therefore, we occupy a position in the international well-known brand market.

(2) Automatic production equipment and effective quality control

The Company adopts automated production equipment to effectively cut production costs and purchases sophisticated production equipment to improve the production process, to have more efficient production processes, improve product quality, and reinforce our market competitiveness.

(3) Vertically integrated systems to develop economies of scale

To effectively ensure high quality of all manufacturing processes and parts, we work to integrate related production process vertically. Therefore, we have a professional and vertically integrated manufacturing division of precision molds building, precision injection, and precision stamping; thus, we have witnessed excellent performance in product development and cost reduction.

(4) Well-developed marketing channels to increase market share

The Company has a well-developed sales network all over the world, which has been operating for many years with excellent performance. We have set up a sales office in Taipei to be in charge of domestic sales. In 1996, we established E.C.E. (USA), a subsidiary in the United States, to sell products directly to the United States. To expand our operating sites, we have set up two production sites—Suzhou and Anhui, we are able to further enlarge our production capacity and expand our market share by using each factory in China as a base for domestic and foreign sales.

(5) A professional management team

The Company's management team consists of professionals who are all experienced in the electronic components industry, familiar with the product development history, and have business acumen. Therefore, it can keep abreast of the market changes and trends and can make timely decisions conducive to the Company's operations.

5. Favorable and unfavorable factors of development prospects:

(1) Favorable factors

A. A wide range of applications of our products and continuous expansion of the downstream market demand: DIP switches and relays can be used in the information, electronics, communications, and security systems industries, and these industries are also continuously growing, so the output value of the Company's products will also follow. As the Company's products are applied in a wide range of applications, our performance will not be significantly affected by the business cycle of a single industry.

B. Continuous increase in the demand in the Asian market with a rising market share: For domestic manufacturers of program switches, most of the export destinations are the Americas and Europe. Thus, the Company's exports to Asia account for 56% of the total, indicating that the Company's market share in Asia is higher than that of other domestic manufacturers, and the demand for program switches in the Asian market continues to rise. Thus, as our main export destinations are in Asia, our share in the Asian market is bound to increase, and the competitiveness will also be reinforced.

C. Clear target markets and stable profits: We mainly produce mid- and high-priced products, with target markets in Asia, Europe, and the Americas. Thus, our profits are also higher than other competitors with low-priced products. Also, due to the high quality and high standards of our products, we are more competitive compared with other competitors with high-priced products sold in Europe, the Americas, and Japan. Therefore, our target markets are clear and profitability is relatively stable.

D. Independent development of technology and equipment and high production efficiency: Since the Company was established in 1981, we have set up a R&D Department to continuously develop new products and design and assemble special production equipment. So far, we obtained a total of 93 domestic and overseas patents, meeting clients' needs, with our technological independence better than competitors, thereby forming an obstacle for them to catch up. Also, we have spared no effort in the design and assembly of production equipment. In recent years, we have successively launched automatic assembly, automatic heat-sealing, and testing machines for a number of products, greatly contributing to the improvement to the efficiency of key processes and the product quality assurance. At present, our production efficiency and cost reduction are far better than our competitors, which is also the main reason for the considerable growth in the Company's performance in recent years.

(2) Unfavorable factors

A. Competition arising from major producing countries moving factories abroad: Taiwan's businesses are actively seeking a more favorable production environment, while manufacturers in other important producing countries are investing overseas as well. For example, Japan relies on its skills and scale to enhance its product quality and technology, resulting in competitive pressure on the Company. Although Japan's products are mainly self-assembled at present, when the market is sluggish, excess production capacity will be released to facilitate competition.

Countermeasures:

- a. Recruit excellent R&D talents to improve product quality to compete against advanced products from other major producing countries.
  - b. Invest overseas to seek a favorable production environment to cut production costs.
- B. Increasingly fierce competition against competitors: As the funds needed for the production equipment of DIP switches and relays are not large and such products are applied widely, since the Company was incorporated in the 1981, there have been businesses, including Diptronics Manufacturing Inc., CTS Taiwan, Recentec Inc., Hampolt Corporation, and STEGO Enterprise Co., Ltd. going into production, and new competitors overseas are constantly joining this market, so the competition is becoming increasingly fierce.

Countermeasures:

- a. Dedicated to R&D to obtain patents: We have continuously engaged professional talents and purchased machinery and equipment to R&D new products. We have achieved outstanding results and obtained a number of registered patents at home and abroad to raise the barrier to entry for other competitors.
- b. Establishment of our self-owned brand: As the quality of DIP switches and relays will directly affect the quality of downstream communications, computer, and electronic products, brand image is very critical to sales. We produce products with our own technologies in our own brand and market them at home and abroad; we adopt a strict quality control system in the product process, from R&D, production to installation and ensure product quality through continuous testing and inspection. The Company passed LRQA ISO 9001 certification in 1995, ISO 14001 certification in 2000, ISO 9000: 2000 certification in 2002, and IATF 16949 certification in 2005. Our reputation is great in the industry and we have, thus, built excellent goodwill to widen the distance from other competitors.

(II) Important functions and production processes of main products

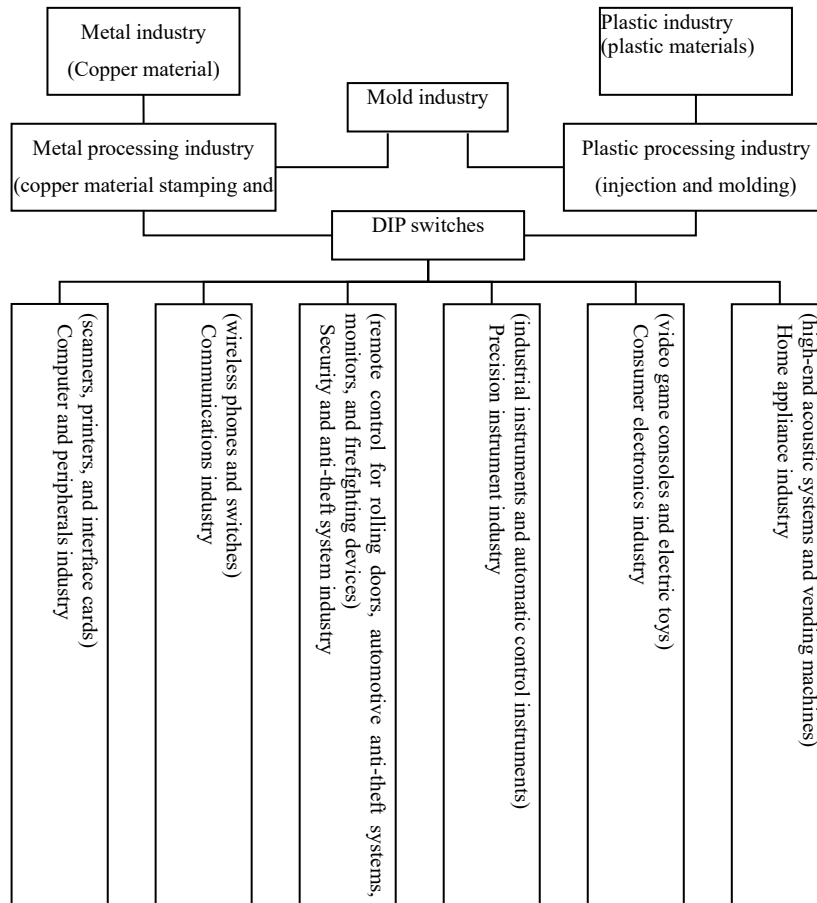
Regarding raw materials for DIP switches, relays, and connectors in the upstream industry, the main raw materials are from the plastics and metal processing industries. Among them, plastic parts and copper material parts are manufactured by the Company and partly by outsourced manufacturers, but the main part of the reed relays: Reed switches are imported from abroad; the downstream industries to which products are sold include the home appliances, precision instrument, security and anti-theft system, communications, and computer peripheral industries.

As for the raw materials for terminal blocks, the upstream industry is the same as that of the DIP switches and reed relays, and the downstream industries include the home appliances, security and anti-theft system, precision instrument, and consumer electronics industries, as well as switching power supply, motor controller, and other electrical industries.

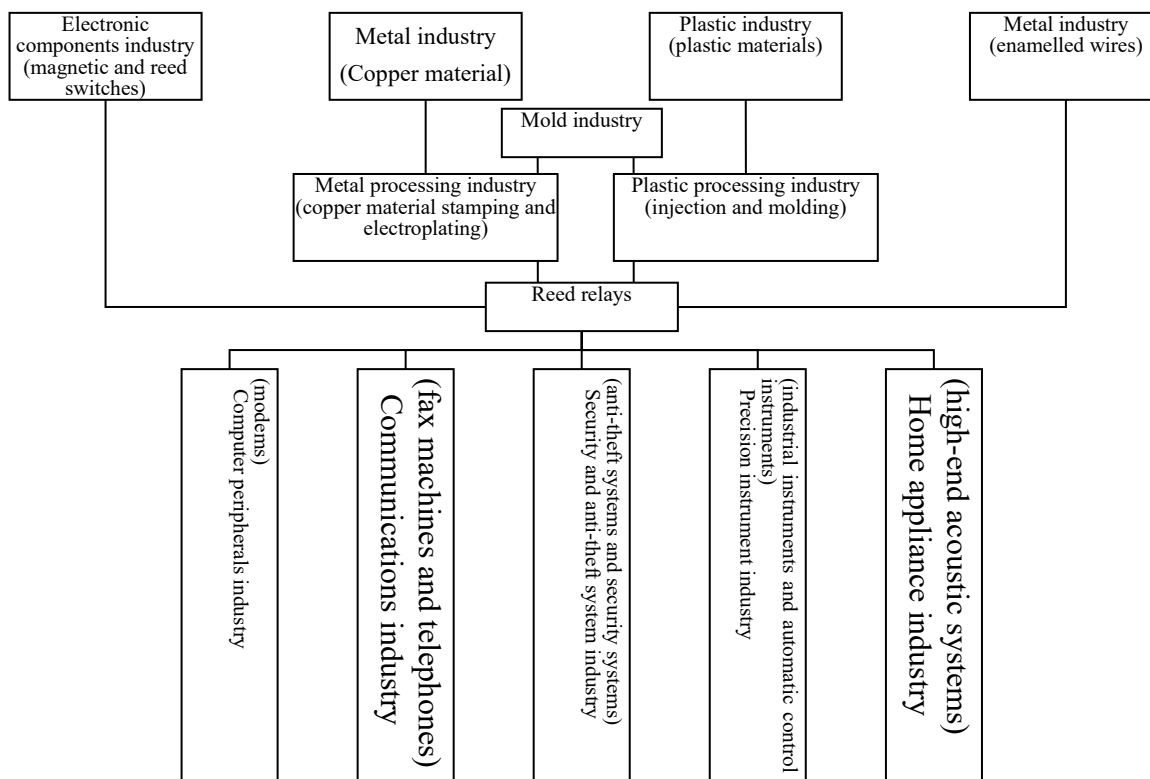
Lead frames: The main material is copper material, which is used in IC peripheral parts.

Stepping motors: The main materials are stamped metal parts, plastic parts, enameled copper material wires, and magnetic materials.

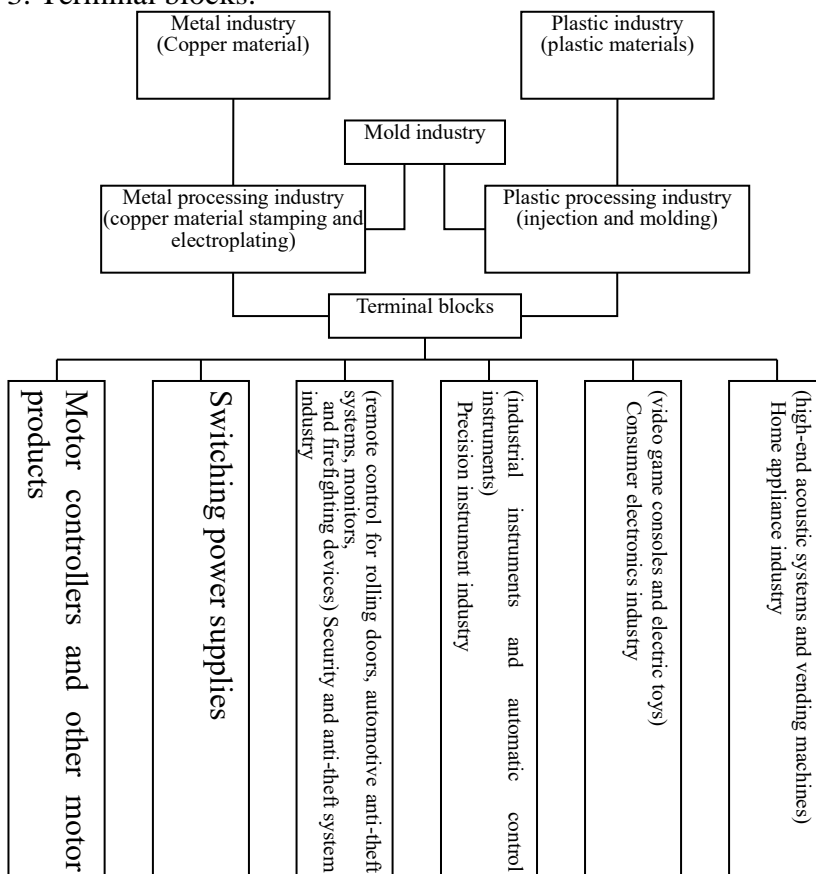
## 1. DIP switches:



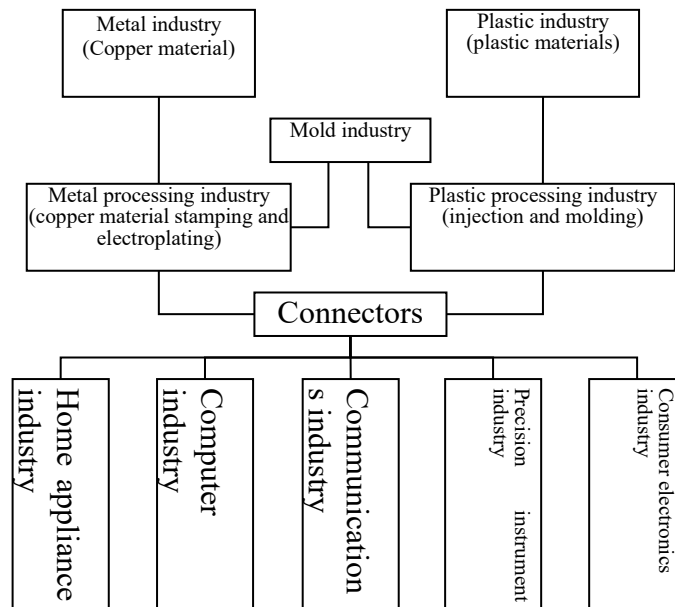
## 2. Relays:



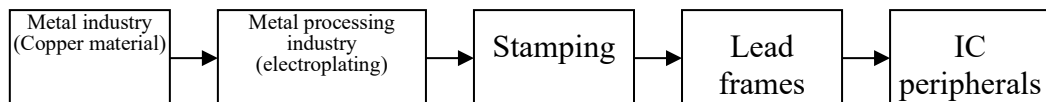
## 3. Terminal blocks:



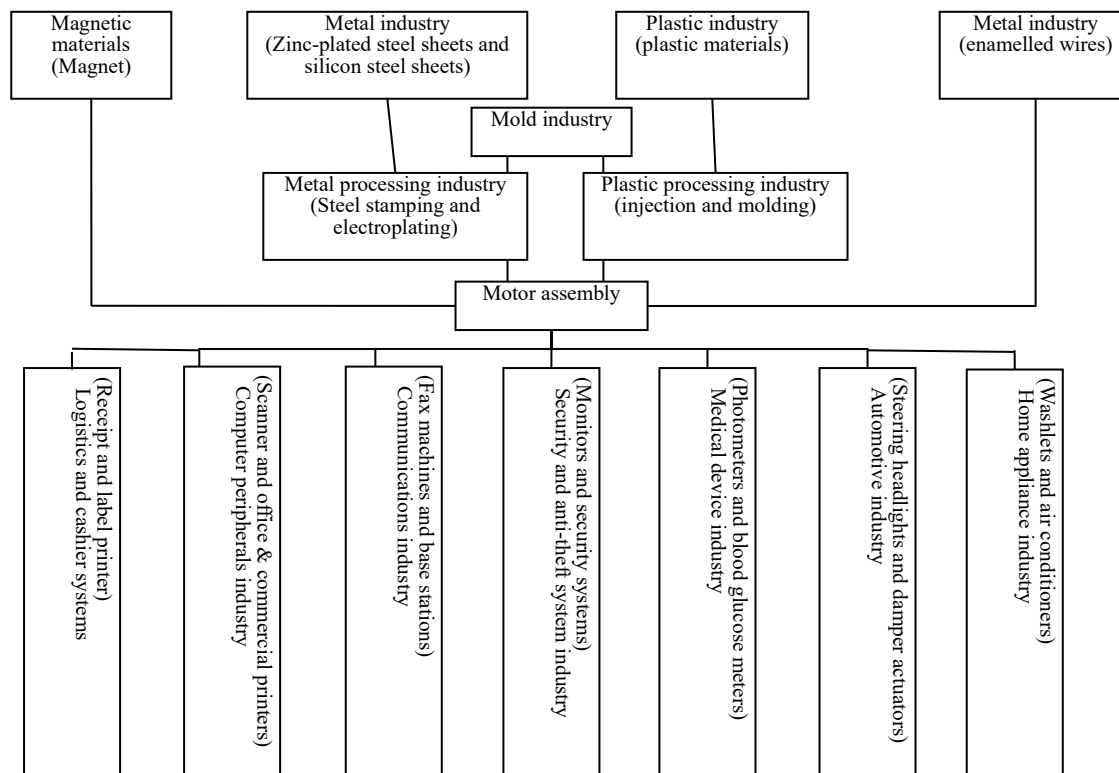
#### 4. Connectors:



#### 5. Lead frames:



#### 6. Stepping motors:





(III) Supply of the main raw materials

Main raw material	Supplier	Place of origin (place of manufacture)	Market conditions
Copper material	DE036 KA008 LC002	Taiwan Japan China	The supplier is a world-renowned manufacturer, and the materials supplied to the Company can be supplied by other suppliers, so they compete against each other.
EDG top covers and bases	BL001 HS071	Taiwan	The supplier has been outsourced by the Company to make products for many years and is familiar with the product characteristics and requirements.
Switches	SD061 SD060	Japan the U.K.	The supplier is a world-renowned manufacturer, and the materials supplied to the Company can be supplied by other suppliers, so they compete against each other.

(IV) List of major clients and suppliers during the most recent two years

1. List of suppliers each accounting for 10% or more of the total purchase in any of the most recent two years:

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of total procurement in that year	Relations with the issuer	Company name	Amount	As a percentage of total procurement in that year	Relations with the issuer
1	DE036	201,259	23%	N/A	DE036	217,098	23%	N/A
	Others	657,807	77%	-	Others	729,231	77%	-
	Total	859,066	100%		Total	946,329	100%	

2. List of clients each accounting for 10% or more of the total sales in any of the most recent two years:

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of total sales in that year	Relations with the issuer	Company name	Amount	As a percentage of total sales in that year	Relations with the issuer
1	TY030	195,971	11%	None	TY030	199,508	11%	None
	Others	1,600,481	89%		Others	1,606,858	89%	
	Total	1,796,452	100%		Total	1,806,366	100%	

### III. Employees

The number, average length of service, average age, and distribution of education attainment of in-service employees during the most recent two years and up to the publication date of this annual report:

Year		2023	2024
Number of employees	Manager	5	5
	Production line staff	622	645
	Non-managerial employees	373	343
	Total	1,000	993
Average age		33	33.9
Average length of service		5.4	5.7
Distribution of education attainment (%)	Doctoral degree	0	0
	Master's degree	18	18
	Bachelor's degree	320	349
	Senior high school	389	384
	Below senior high school	273	242

#### **IV. Information on environmental protection expenditures**

- (I) The Company mainly engages in the manufacturing of DIP switches and relays. No environmental pollution occurred to the production processes, and the Company has aimed to provide employees with a more comfortable and safe work environment. The Company has obtained the Water Pollution Prevention and Control Permit Zhong-Shi-Fu-Huan-Shui-Ke No. 11319-02 from the Environmental Protection Bureau, Taichung City Government for the wastewater discharged from the electroplating lines of the Company's Second Business Division.
- (II) The investment in pollution prevention equipment, functions, and potential benefits: None.
- (III) The process undertaken by the Company to improve environmental pollution during the most recent three years: No environmental pollution.
- (IV) Any losses suffered by the Company during the most recent three years due to environmental pollution incidents, total amount of the penalty, as well as the countermeasures and an estimate of potential expenses:
  - 1. Any losses suffered by the Company during the most recent three years due to environmental pollution incidents: None.
  - 2. Countermeasures and an estimate of potential expenses: N/A.
- (V) The impact of the current pollution, the influence of the improvement on the Company's earnings, competitiveness, and capital expenditures, and the major environmental capital expenditures in the following three years:
  - 1. Current pollution: None.
  - 2. Influence on the Company's earnings, competitiveness, and capital expenditures: None.
  - 3. Major environmental capital expenditures in the following three years: None.

#### **V. Labor-management relations**

- (I) Employee benefits:
  - 1. Year-end bonus and performance bonus: In addition to the year-end bonus given depending on the business performance, we will provide performance bonuses every four months depending on the production and sales performance.
  - 2. Labor insurance and national health insurance for all employees: Various labor insurance and health insurance reimbursements for childbirth, medical treatment, injuries, or death are handled in accordance with the Labor Insurance Act.
- (II) Pension system: In accordance with the Labor Standards Act, our company established a Labor Retirement Reserve Supervisory Committee since 1987. Pursuant to the regulations, a certain percentage of the total salary is allocated monthly to the retirement reserve fund, which is deposited into the retirement fund account at the Bank of Taiwan. Employees who choose to maintain the retirement provisions on July 1<sup>st</sup>, 2005 for the retirement pension system under the Labor Pension Act while retaining their seniority prior to the implementation of the latter are subject to this arrangement. The balance of the retirement fund account is reviewed annually, and any deficiencies are replenished before the end of March of the following year. As of the end of 2024, the accumulated balance in the fund is NT\$32,955,866.  
Under the Labor Pension Act, our company has adopted a defined contribution plan since July 2005. For employees covered by this act, the company contributes 6% of the employee's monthly salary as the retirement pension, which is deposited into the retirement fund account at the Bureau of Labor Insurance. The total contribution for the year 2024 amounted to NT\$12,344,469.
- (III) The labor-management agreement and employee rights: The company has established the "Employee Suggestions Rules and Regulations," providing a clear channel for employees to express their opinions on the company's management system or improvement methods. Communication channels include but are not limited to the following:
  - 1. Employees can express their opinions through the Welfare Committee, following the "Employee Welfare Committee Management Regulations."
  - 2. Employees can propose suggestions through the "Improvement Proposal Execution Regulations" and provide improvement methods.
  - 3. Employees can explain their opinions to their supervisors during unit meetings, which will be aggregated and reported upwards or discussed at executive meetings.
  - 4. Employees can submit their opinions into suggestion boxes for review and response during weekly meetings.
  - 5. In cases of harassment or misconduct in the workplace, employees can report the incidents through suggestion boxes. After verification, appropriate actions will be taken in accordance with the "Rewards and Penalties Regulations."
  - 6. Regular labor-management meetings are held to coordinate labor relations, promote cooperation, and enhance work efficiency

7. The company is certified with LRQA ISO 14001:2015 / ISO 45001:2018 standards (from June 23, 2024, to June 22, 2027).
- (IV) Any losses suffered due to labor disputes in the most recent year and up to the publication date of this annual report: The Company has labor-management relations and has never suffered any losses due to labor disputes. Our communication channels are obstacle-free, and we predict that it will not happen in the future.
- (V) Matters that still need to be coordinated between labor and management: None.
- (VI) Employee education and training: We attach great importance to employee on-the-job training and education and training. The current implementation is as follows:
1. Physical courses: Human Resources Division formulates an annual education and training plan according to the gap in competencies and the future annual training needs raised by various departments at the end of each year. We arrange for internal instructors to offer education and training courses, appoint external training institutions to the Company, or send personnel to receive training outside the Company.
  2. Adoption of business intelligence (BI) software systems: We adopt BI analysis software to quickly provide the business analysis information to managers at all levels, to quickly keep abreast of the operations and improve the decision-making quality and efficiency.
  3. Online learning: We have built an e-learning digital learning platform and project-link, a R&D project management system, to motivate employees to learn and communicate new information online.
  4. On-the-job training: In recent years, many top-level managers have received on-the-job training at well-known universities at home or abroad and obtained master's or doctoral degrees.
  5. The Company's financial data is transparent. Relevant certificates obtained by relevant personnel: None.

**The details of the implementation of external education and training during 2024 is as follows:**

Item	Course Category	Course Name	Hours	Amount (NTD)
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No.	Course	Course title	Number of hours (H)	Amount (NTD)
1	Leadership and management	Sustainability Report Preparation Workshop - GRI Standards Analysis and Practical Implementation	12	9,900
2	Leadership and management	Key Considerations and Impact of IFRS S1/S2 on Internal Control and Internal Auditing	6	3000
3	Leadership and management	New Challenges for Internal Auditors - Analysis of Sustainability Information Disclosure, Management Policies, and Relevant Audit Points	6	2,000
4	Leadership and management	Taichung Industrial Park Occupational Injury Prevention Seminar	28	20,000
5	Leadership and management	Subsidiary Audit Practices	6	2,000
6	Human Resources	Prevention of Workplace Sexual Harassment and Corporate Response Strategies	2	
7	Human Resources	Analysis of Key Amendments to the Labor Standards Act on Wage and Working Hour Regulations	2.5	
8	Human Resources	Starting from Salary Items and Cost Management: Discussing the Legality of Wages and Salary Policy Planning	3	
9	Quality Management	Problem Analysis and Resolution Using the 8D Methodology	6	2,520
10	Quality Management	Improving Quality Performance Using the Seven Basic Quality Control Tools	6	2,520
11	Quality Management	Measurement Equipment Calibration Practices and Training for Measurement System Analysis Personnel	12	6,800
12	Quality Management	IATF 16949 Automotive Quality Management System: Basic Training on the Five Major Tools	12	4,650
13	Quality Management	Control Plan	14	8,400
14	Quality	From Six Sigma to AI: Predicting the Future of	6	-

	Management	Quality Management		
15	Production and Manufacturing	From Zero to Automation: Transforming Your Machines from Zero to Industry 4.0	3.5	
16	Production and Manufacturing	Smart Factory Layout and ESG Optimization	6	
17	Production and Manufacturing	How the Manufacturing Industry Can Leverage Generative AI for Innovative Transformation	3.5	
18	Financial Accounting	CFO's Seminar on Understanding New Trends in Sustainability	3	
19	Financial Accounting	Ongoing Education for Corporate Governance Executives	12	8,000
20	Financial Accounting	Continuing Education Program for Accounting Executives of Issuers, Securities Firms, and Stock Exchanges	12	8000
21	Financial Accounting	Continuing Education Program for Accounting Executives of Issuers, Securities Firms, and Stock Exchanges	24	16000
22	Material Procurement	Stamping Die Design and Cost Estimation Analysis Practices	12	2,800
23	Material Procurement	Essential Knowledge of Plastic Materials for Procurement Personnel	6	3,780
24	Information Applications	T100 Technology Transfer Course	60	-
25	Others - Occupational Safety and Health	Occupational Safety and Health Certification Training (Initial Training)	54	16,500
26		Occupational Safety and Health Certification Continuing Education (Refresher Training)	121	24,300
27		Labor Health and Safety Information Session or Related Regulations Promotion Seminar	60.5	-
A total of 68 external training courses were conducted in the fiscal year 2024, with a total training duration of 499 hours (person-hours), and the total cost was NT\$ 141,170.				

(VII) Code of Ethics: The Company has formulated the work rules in accordance with the Labor Standards Act and other applicable laws and regulations and announced them on the intranet. It has clearly defined both employer and employees' rights and obligations to motivate both parties to work together to establish professional ethics, thereby furthering the Company's business.

## VI. Cyber Security Management

### 1. Description of Information Security Risk Management Framework, Policies, Specific Management Measures, and Resource Allocation

(1) The Company has set up a Cyber Security Organization, which is supervised by the General Administration Department, planned and managed by the Information Department, and implemented and audited by the Information Engineering Section, to coordinate the formulation, management, implementation, and audit of cyber security and data protection-89-policies. To implement the information security policy formulated by the cyber security organization and ensure internal compliance with information security standards, procedures, and laws and regulations, we have designated the Environment, Safety, and Health Committee to be responsible for awareness-raising, project implementation, education and training and hold quarterly meetings to review the implementation of cyber security and data protection measures by various departments, thereby ensuring the effectiveness of cyber security management.

#### (2) Cyber security policy

To effectively implement information security management, Environment, Safety, and Health Committee of each business division organizes quarterly meetings to review the suitability of

cyber security policies and data protection measures, while we adopt the Plan-Do-Check-Act (PDCA) cycle under the international standard framework to make continuous improvements:

- A. The Plan stage is focused on cyber security risk management and the establishment of a complete information security management system (ISMS)
- B. In the Do stage, we have constructed the multi-layer information security protection and zero trust architecture (ZTA) to continuously adopt information security defense technology and an information security control mechanism, while integrating such technology and mechanism to our daily operating processes, such as software and hardware maintenance, supplier information security management. We also systematically monitor cyber security and maintain the confidentiality, integrity, and availability of the Company's important assets.
- C. In the Check stage, we actively monitor the effectiveness of information security management and measure and quantitatively analyze the information security indicators as per the check results.
- D. In the Act stage, we focus on review and continuous improvement to ensure that information security measures continue to be effective, while reviewing various\ information security measures based on information security indicators. We make improvements, such as education, training, and awareness-raising, to ensure that the Company's critical and confidential information will not be leaked.

### (3) Specific management plan

#### Adoption of ZTA:

ZTA is designed based on the following seven zero-trust tenets, and each resource access should be approved after real-time evaluation and confirmation:

- A. All data sources and computing services are considered resources.
- B. All communication is secured regardless of network location.
- C. Access to individual enterprise resources is granted on a per-session basis.
- D. Access to resources is determined by dynamic policy—including the observable state of client identity, application/service, and the requesting asset—and may include other behavioral and environmental attributes.
- E. The enterprise monitors and measures the integrity and security posture of all owned and associated assets.
- F. All resource authentication and authorization are dynamic and strictly enforced before access is allowed.
- G. The enterprise collects as much information as possible about the current state of assets, network infrastructure, and communications and uses it to improve its security posture.

ZTA will be adopted step by step to achieve stricter resource access control.

#### Adoption of multi-layer information security protection:

- A. Network security covers computer scanning, software update, network firewall, network monitoring, to prevent the spread of computer viruses across machines and factories.
  - B. Device security is to build an anti-virus mechanism for machines entering a plant with endpoint anti-virus measures taken to detect malicious software.
  - C. Application program security includes an application program security self-inspection checklist, software development process, and a platform security control mechanism.
  - D. Cyber security in supply chains is to build a supplier information security self-inspection mechanism and communicate the latest information security rules and matters to be noted.
  - E. Data security protection technology is enhanced and data protection tools are adopted to reinforce file confidentiality classification and protection through data labels and data encryption control and follow-up.
2. Disclosure of Losses, Potential Impacts, and Mitigation Measures Due to Major Information Security Incidents in the Most Recent Year and Up to the Date of the Annual Report Publication.

### (1) Major Information Security Incidents

The Company was infected by a computer virus in June 2019, affecting dozens of personal computers, without spreading to other plants.

The reason for this virus infection was that an employee did not scan the downloaded files first according to the regulations when installing a driver program on a printer. Although the integrity of the database was not affected and confidential information was not leaked, nor did it cause delays in shipments, the Company immediately took improvement measures,

instructed the supervisors of various departments to supervise, require employees at all levels to scan the virus immediately after downloading software, and strengthen the network firewall and network control measures to prevent computer viruses from spreading across machines and plants.

### (2) Impact of Information Security Risks on Financial Operations and Mitigation Measures

The impact of cyber security risk on the Company's finance and countermeasures: We will continue to formulate network and computer information security protection measures but cannot guarantee that the computer system that controls or maintains the Company's manufacturing operations, finance, and other important business functions can completely avoid “paralyzing” cyber attacks from any third party. Such cyber attacks may invade the Company's intranet illegally and disrupt our operations and damage the Company's reputation. In the event of a serious cyber attack, the Company's system may lose important data, and the production lines may also be shut down.

Cyber attacks may also attempt to steal the Company's trade secrets and other confidential information, such as clients or other stakeholders' information or our employees' personal data. Malicious hackers may also try to put computer viruses, destructive software, or ransomware in the Company's network system to interfere with our operations, blackmail the Company, gain control over our computer system, or spy on our confidential information. Such attacks may cause the Company to compensate clients for their losses due to delays in shipments or interruptions of orders or may cause the Company to be involved in court cases or regulatory investigations due to leakages of employees, clients, or third-party data that the Company is obliged to keep confidential and assume great liabilities. We will continue to review and evaluate information security rules and regulations and procedures to ensure the appropriateness and effectiveness thereof. However, we may not guarantee that the Company will not be affected by new risks and attacks arising from the ever-changing information security threats.

## VII. Important contracts

Type of contract	Client	Start and end dates	Main content	Restrictive covenants
Sales contract	Pacer Technology Co., Ltd.	From 1997.3.12 till either party proposes to exchange or cancel the contract	This contract is an agreement between Pacer Technology and Excel Cell to purchase products	None
Work for Hire Agreement	Chen Zhen Construction Co., Ltd.	2020.05.17	This contract is about a plant construction project, with the total contract price of NT\$217 million	None
Work for Hire Agreement	Chen Zhen Construction Co., Ltd.	2024.08.23	Construction of Factory and Office Building Project Total contract price: NT\$ 343 million	None

## Five. The Review and Analysis of Financial Position and Financial Performance, and the Risk Matters

### I. Financial position analysis

Unit: NT\$ thousand; %

Item \ Year	Financial data for the most recent five years (Note 1)			
	2024	2023	Discrepancy	
			Amount	%
Current assets	1,358,305	1,528,996	(170,691)	(11)
Property, plant and equipment	2,270,607	2,139,798	130,809	6
Intangible assets	50,373	37,854	12,519	33
Other assets	470,980	510,793	(39,813)	(8)
Total assets	4,150,265	4,217,441	(67,176)	(2)
Current liability	984,740	1,077,783	(93,043)	(9)
Non-current liability	615,233	602,551	12,682	2
Total Liabilities	1,599,973	1,680,334	(80,361)	(5)
Share capital	1,090,938	1,090,938	0	0
Capital surplus	227,137	227,137	0	0
Retained Earning	1,112,571	1,099,659	12,912	1
Other equity	106,981	103,428	3,553	3
Total Equity of Parent Company's Shareholders	2,537,627	2,521,162	16,465	1
Non-controlling interests	12,665	15,945	(3,280)	(21)
Total Equity	2,550,292	2,537,107	13,185	1

Analysis of Changes in Increase/Decrease Ratio:

Current assets decreased by NT\$ 170,691 thousand, primarily due to continued investments in fixed asset capital expenditures and the repayment of bank loans to reduce financial cost expenditures.



## II. Financial performance analysis

### (I) Operating performance analysis

Unit: NT\$ thousand; %

Item	2024		2023		Increase/Decrease in amount	Increase/Decrease (%)
	Subtotal	Total	Subtotal	Total		
Net operating revenue		1,806,366		1,796,452	9,914	1
Operating cost		1,575,398		1,546,745	28,653	2
Operation gross profit		230,968		249,707	(18,739)	(8)
Operating expenses		295,100		281,228	13,872	5
Net operating income		(64,132)		(31,521)	(32,611)	103
Non-operating revenues and expenses		90,930		56,893	34,037	60
Other income	16,384		17,720		(1,336)	(8)
Interest income	11,740		17,138		(5,398)	(31)
Foreign currency exchange gain (loss), net	33,207		12,973		20,234	156
Other gains and losses	15,772		13,737		2,035	15
Financial costs	(18,507)		(21,083)		2,576	(12)
Share of profit or loss of affiliates and joint ventures recognized using the equity method	32,334		16,408		15,926	97
Earnings before tax		26,798		25,372	1,426	6
Income tax expense		(12,793)		(11,664)	(1,129)	10
Net income for this period		39,591		37,036	2,555	7
Net income attributable to						
Owners of parent		37,910		35,280	2,630	7
Non-controlling interests		1,681		1,756	(75)	(4)
Net income for this period		39,591		37,036	2,555	7
Analysis of variance in cash flows:						
1 Gross Profit/Operating Profit:						
In the consolidated financial statements for 2024, operating revenue totaled 1,806,366 NT\$ thousand an increase of NT\$ 9,914 thousand compared to the same period last year. The consolidated gross profit margin decreased by 1% to 13%, mainly due to capital expenditures made in the recent year, which led to higher fixed costs and a slight decline in gross profit. Consolidated gross profit decreased by NT\$ 18,739 thousand. Consolidated operating expenses increased by 13,872 thousand NTD. For the year 113, the consolidated operating net loss was NT\$ 64,132 thousand, a decrease of 32,611 NT\$ thousand compared to the previous year.						
2. Non-operating Income and Expenses:						
Foreign exchange gains increased by NT\$ 20,234 thousand. The share of profit or loss from associates and joint ventures accounted for under the equity method increased by NT\$ 15,926 thousand, resulting in an overall increase of NT\$34,037 thousand in non-operating income and expenses.						

(II) The reason for the change of the Company's main business scope: None.

(III) The estimated sales volume for the following year and the basis therefor, the potential impact on the Company's future finance, and a response plan:

See page 4 of this annual report for the 2025 Business Plan.

### III. Cash flow analysis

#### (I) Analysis of liquidity for the most recent two years

Item \ Year	December 31, 2024	December 31, 2023	Increase (decrease) (%)
Cash flow ratio	21.14%	17.17%	23%
Cash flow adequacy ratio	25.83%	32.90%	(21%)%
Cash re-investment ratio	4.33%	4.02%	8%
Analysis of Changes in Increase/Decrease Ratio: Net cash inflow from operating activities increased by NT\$ 21,901 thousand. However, this led to a decrease in the cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio.			

(II) Improvement plan for insufficient liquidity: No such situation.

(III) Liquidity analysis for the coming year

Unit: NT\$ thousand

Opening cash balance	Net cash flow from operating activities for the year	Cash outflow throughout the year	Cash flow surplus (deficit) amount	Remedial measures for cash flow deficit	
				Investment plans	Financial management plans
334,634	231,048	152,197	413,485	-	-

#### IV. Impact of major capital expenditures on financial business in the most recent year:

In 2024, the acquisition of property, plant, and equipment totaled NT\$ 259,111 thousand, primarily for the purchase of land adjacent to Industrial 1st Road near Taiwan Plant No. 3 and continued investment in automation equipment. These investments aim to enhance production technology and management performance, thereby improving overall profitability.

#### V. Investment policy for the most recent year, the main reasons for profit or loss, an improvement plan, and an investment plan for the coming year:

None.

#### VI. Risk management analysis

The risk management analysis for the most recent year and up to the publication date of this annual report is as follows:

##### (I) Impact of interest rate/foreign exchange rate fluctuations and inflation on the Company's profit or loss and future countermeasures:

1. Interest rates: If the interest rate increased by 0.125%, with all other variables held constant, the income before tax for 2024 would have decreased by NT\$30 thousand. Thus, it will not have a significant impact on our profit and loss.
2. Exchange rates: The Company is mainly susceptible to the fluctuations of the USD exchange rates. When the exchange rate of the NTD to USD appreciated by 1%, the income before tax for 2024 would have decreased by NT\$ 2,542 thousand. The Finance Department submits an exchange rate analysis report at least per quarter, and the percentage adopted in the sensitivity analysis when the exchange rate risk is reported to the management team is the reasonable and possible range of foreign currency exchange rates based on the management team's assessment.
3. Inflation: The prices of oil and precious metals fluctuate significantly. The Company refers to market prices to offer quotes on a floating basis.

##### (II) The policy on engagement in high-risk and highly leveraged investment, loans to others, Endorsement and Guarantee provided, and derivatives trading, the main reason for profit or

loss, and countermeasures: The Company did not engage in high-risk and highly leveraged investment, loans to others, and derivative trading during 2024.

- (III) Future R&D plans and estimated R&D expenses: See pages 66–67 of this annual report.
- (IV) The influence of the changes in important policies and regulatory environment at home or abroad on the Company's financial business, and countermeasures: We have taken appropriate countermeasures against important domestic and foreign policy and changes in laws in recent years, and it has not caused a major impact on the Company's finance.
- (V) The impact of changes in technology and the industry on the Company's finance and countermeasures: Future factories will be developed toward smaller, cleaner, more organized ones that are easier to manage with more flexible facilities, including advanced automation technology that enables rapid mass production, to meet clients' and the market's demand for quality and quantity. We will be committed to enhancing production automation, increasing production capacity, improving quality, and cutting costs.
- (VI) The impact of a change in corporate image on corporate crisis management and countermeasures: With the continuous expansion of the Company's business scale in recent years, our corporate image has featured good product quality to clients, mass production capabilities, product development capabilities, on-time delivery, and maximum profits to shareholders. We have formulated and improved a crisis management mechanism for corporate crisis management, so we are able to respond to major crises properly when they occur.
- (VII) Estimated benefits and potential risks of M&A and countermeasures: None.
- (VIII) In 2024, the Company's acquisition of property, plant, and equipment totaled NT\$259,111 thousand, primarily for the purchase of land adjacent to Industrial 1st Road near Taiwan Plant No. 3 and continued investment in automation equipment. These investments are intended to enhance production technology and management efficiency, thereby improving overall profitability.
- (IX) Risks of supplier or client concentration and countermeasures
  - 1. Purchase: We mainly purchase copper material and have worked with other copper material suppliers to diversify risks.
  - 2. Sales: We sell products to the semiconductor sector; as the increase in demand for end products in automotive electronics, the revenue has increased. We will continue to observe changes in the semiconductor market and respond early.
- (X) The impact of massive transfer or replacement of shares by the directors, supervisors, or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: N/A.
- (XI) The impact of change in the Company's management right, the risk thereof, and countermeasures: N/A.
- (XII) In the case of a court case or a non-contentious case, specify the names of the directors, supervisors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, or subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' rights or stock prices, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report: None.
- (XIII) Other important risks and countermeasures: Information disclosures of cyber security management

## **VII. Other important matters**

None.

## **Six. Special Matters**

### **I. Information on affiliates**

Information regarding the Company's related parties has been disclosed on the Market Observation Post System (MOPS) under the "Related Party Transactions Section." Investors are advised to refer to the relevant information.

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

### **II. Private placement of securities in the most recent year up to the publication date of this annual report**

None.

### **III. Other necessary supplementary information**

None.

### **VI. Any event specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act with a material impact on shareholders' equity or securities prices during the most recent year and up to the publication date of this annual report**

None.