

股票代號：3339



# **TEKCORE CO., LTD**

## **2024 Annual Report**

**Printed on May 26, 2025**

**Annual Report available at: <http://mops.twse.com.tw>**

**Company website: <http://tekcore.com.tw>**

## Basic information of the Company

I. Spokesperson of the Company

Name: Shu-Chun Huang

Title: Division Director

Tel: (049)226-1626

Email: michael @tekcore.com.tw

Acting Spokesperson of the Company

Name: Ning-Chieh Li

Title: Corporate Governance Officer

Tel: (049)226-1626

Email: michelle @tekcore.com.tw

II. Address and TEL of headquarter and plant:

Headquarters Address: No. 18, 20, 22, Ziqiang 3rd Rd., Nantou City, Nantou County

Tel: (049)226-1626

III. Stock Transfer Agency

Name: Stock Agency Department, Grand Fortune Securities Co., Ltd.

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City

Tel: (02)2371-1658

Website: [www.gfortune.com.tw](http://www.gfortune.com.tw)

IV. CPAs for the most recent year

Name of CPA firm: KPMG

Name of CPA: Shu-Ying Chang, Yao-Chun Chu

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Taipei City (Taipei 101)

Tel: (02)8101-6666

Website: [www.kpmg.com.tw](http://www.kpmg.com.tw)

V. The name of the exchanges where the Company's marketable securities are listed offshore, and the method by which to access information on the offshore securities: N/A.

VI. Website of the Company: [www.tekcore.com.tw](http://www.tekcore.com.tw)

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# One. Letter to Shareholders

I. Foreword

Thank you for your continued support of the Company. Despite the global impact of inflation and geopolitical instability in 2024, the Company's efforts from all employees have increased operating revenues, reduced operating costs, and improved the Company's competitiveness in the industry. The Company's full year revenue was NTD 625 million, operating gross margin was 14.0%, and net income after tax was NTD 15,475 thousand in 2024.

II. 2024 Business Report

(I) Business plan implementation results

1. Operating net revenue:

The net operating revenue in 2024 was NTD 624,855 thousand, and the net operating revenue in 2023 was NTD 505,327 thousand.

2. Net operating profit (loss):

The net operating loss in 2024 was NTD 9,521 thousand, and the net operating loss in 2023 was NTD 38,599 thousand.

3. Net income (loss) attributable to the parent company:

The net profit after tax in 2024 was NTD 15,475 thousand, and the net profit after tax in 2023 was NTD 17,667 thousand.

(II) Budget implementation status

The Company did not prepare financial forecasts for 2024, so it is not required to disclose the implementation status.

(III) Analysis of financial income and expenditure and profitability:

Unit: NTD thousand/%

Analysis item		Year	2024	2023	increase/ decrease
Financial income and expenditure	Operating income		624,855	505,327	119,528
	Operating gross profits		87,498	49,028	38,470
	Net profit (loss) for the period		15,475	17,667	42,033
Profitability	Return on assets (%)		1.41	1.60	-0.19
	Return on equity (%)		1.67	3.34	-1.67
	Ratio of net profit before tax to paid-in capital size (%)		2.37	3.42	-1.05
	Net profit margin (%)		2.48	3.50	-1.02
	Earnings (losses) per share (NTD)		0.25	0.34	-0.09

III. R&D in 2024

The Company upholds a commitment to independent research and development. Its core technologies are primarily developed in-house through long-term cultivation of R&D personnel and project-based research initiatives. The Company also maintains close relationships with downstream packaging partners. In recent years, it has actively recruited R&D talent and engaged in technical collaborations with the Industrial Technology Research Institute (ITRI), as well as partnerships with academic institutions and research institutes to nurture specialized professionals.

In 2024, the Company invested NTD 32,968 thousand in R&D, representing 5.28% of its annual operating revenue of NTD 624,855 thousand. The R&D results are as follows:

Year	R&D results
2024	Ultra-high brightness gallium nitride green light products
	ENERGY STAR 9.0 high-efficiency blue light eye-care products
	Ultra-high brightness high-power gallium arsenide horizontal dual-electrode products
	High-brightness infrared products (850nm, 940nm)
	Large-size ultra-high brightness automotive products

#### IV. 2025 Business plan overview

1. Actively advancing into the niche application field to launch high cost-performance ratio products for downstream customers' needs:

- (1) Focus on R&D of technology, work with downstream packaging companies:

In addition to continuing the focus of the development of automotive red/ yellow light series, the four-year plant light series and ultra-high luminance products, the Company also launched high-efficiency white light products that are energy-efficient. In the future, the Company will continue to improve product quality based on the long-term R&D results to achieve a competitive advantage in the market.

- (2) Invest in the optoelectronic communication and silicon photodiode fields:

Joint development of new products and creation of business opportunities by combining optical communication and silicon wafer customers and suppliers.

2. Inventory management, enhanced control:

Although the industry is facing the situation of continuous decline in the price of chips and the fluctuation in the market demand, the Company will continue to strengthen the implementation of inventory management and reduce inventory valuation losses. The Company is committed to control the inventory quantity and turnover days, in order to improve the overall competitiveness.

3. Reduce production cost and improve competitiveness in the industry:

- (1) Enhancement of gross profit - diversification of sales model and improvement of yield
  - (2) Saving operating costs - optimizing and strengthening management

#### V. Future development strategies and strengthening competitiveness

The Company upholds the concept of customer-oriented and independent research and development, and conducts project research planning and self-developed products. It also actively recruits research and development talent, and transform towards the semiconductor supply chain, focusing on the research and integration of related technologies of materials and consumables-related products, and actively cooperates with the ITRI and various universities to train the required professional talent.

Looking forward, the global production and sales will still be affected by the geopolitical situation. The time for upstream supply chain material preparation is longer, and the purchase cost is also affected by inflation. The pressure of cost increase continues. Therefore, in order to keep abreast of the raw materials and the delivery time of the outsourced manufacturers, improve the bargaining power of the Company, strengthen the internal cost control, accelerate the development schedule of new products, and improve the production yield rate, in order to provide customers with better products and services to meet their needs. We believe that only a customer-oriented, cost-competitive, and quality-competitive company can stand out in a fiercely competitive market.

Best wishes,

Chairman: Kuo-Shih Huang



# Two. Corporate Governance Report

## I. Information on directors, supervisors, General Manager, Deputy General Manager, senior managers and officer of each department and branch

(I) Information of New Directors

April 20, 2025 Unit: thousand shares

Job title (Note 1)	Nationality or place of registration	Name	Gender/age	Date of Election (Inaugurati on)	Term of office	Date first elected (Note 2)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remark
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
Chairman	R.O.C.	Kuo-Shih Huang	Male 51/60	2024 06.19	3 years	2024 06.19	0	0.00	0	0.00	0	0.00	0	0.00	Master of Accounting, National Taiwan University Partner, Cometru CPAs	Director, TEKCORE CO., LTD. Chairman, TEKCORE CO., LTD. Independent Director, G-TECH Optoelectronics Corporation Independent Director, Better Life Group Co., LTD. Independent Director, CARILEX MEDICAL, INC. Independent Director, Trust-Search Corp., Ltd. Supervisor, WS FAR IR MEDICAL TECHNOLOGY CO., LTD. Supervisor, JHEN JHUAN CO., LTD.	None	None	None	None
Representative of the institutional director and concurrently serves as the General Manager	R.O.C.	Shan Yi Investment Co., Ltd.	Not applicable	2024 06.19	3 years	2024 06.19	5,819	8.95	5,819	8.74	0	0.00	0	0.00	Master of Business Administration, Soochow University Better Life	Director, TEKCORE CO., LTD. General Manager, TEKCORE CO., LTD Special Assistant to Chairman, Better Life Group Co., LTD. Director, Bei Ke Star Venture Capital Co., Ltd.	None	None	None	None
		Tsao-Chuan Tsai (Note 3)	Male 51/60	2024 12.11	3 years	2024 12.11	0	0.00	0	0.00	0	0.00	0	0.00			None	None	None	
Corporate Director/	R.O.C.	Dingyi Group Investment	Not applicable	2024 06.19	3 years	2011 07.29	681	1.05	681	1.02	0	0.00	0	0.00	Director, Dingyi Group Investment	Director, JING FENG	None	None	None	None

Job title (Note 1)	Nationality or place of registration	Name	Gender/age	Date of Election (Inaugurati on)	Term of office	Date first elected (Note 2)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remark
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
Representative		Limited													Limited	TECHNOLOGY CO., LTD. Director, TEKCORE CO., LTD.				
		Mao-Song Lai	Male 61/70	2024 06.19	3 years	2024 06.19	0	0.00	0	0.00	0	0.00	0	0.00			None	None	None	
Director	R.O.C.	Wei-Min Li	Male 41/50	2024 06.19	3 years	2024 06.19	0	0	0	0	0	0.00	0	0.00	Ph.D., Institute of Electrical Engineering, National Cheng Kung University Director, Marketing Center, TEKCORE CO., LTD.	Director, TEKCORE CO., LTD. Deputy General Manager of the Optoelectronics Business Group, TEKCORE CO., LTD.	None	None	None	None
Director	R.O.C.	Ning-Chieh Li	Female 41/50	2024 06.19	3 years	2024 06.19	100	0.15	50	0.08	0	0.00	0	0.00	Master of Civil Engineering, National Cheng Kung University Aston Business School, UK Department of Law, National Taiwan University	Director, TEKCORE CO., LTD. Corporate Governance Officer, TEKCORE CO., LTD. Senior Manager, INITIATORS ASIA CAPITAL LIMITED	None	None	None	None
Director	R.O.C.	Chin-Hsing Peng	Male 61/70	2024 06.19	3 years	2024 06.19	0	0	0	0	0	0.00	0	0.00	MBA, National Chiao Tung University	Director, TEKCORE CO., LTD.	None	None	None	None
Independent director	R.O.C.	Ruei-Hsing Lin	Male 61/70	2024 06.19	3 years	2024 06.19	0	0	0	0	0	0.00	0	0.00	Department of Accounting, Tunghai University Partner, Cheng Yang & Co., CPAs Responsible Person, Cheng Yang Management Consulting Co., Ltd.	Independent Director, TEKCORE CO., LTD. Independent Director, ETREND Hightech Corp. Independent Director, Chia Chang Co., Ltd	None	None	None	None
Independent director	R.O.C.	Shih-Min Hsu	Male 51/60	2024 06.19	3 years	2024 06.19	0	0	0	0	0	0.00	0	0.00	Master of Finance, Fu Jen Catholic University Department of Economics, College of Law and Commerce, National Taiwan University CEO, Andrews Impact Investment	Independent Director, TEKCORE CO., LTD. Director, China University of Science and Technology Director, Space4car Co., Ltd. Supervisor, Excellent Water Appraisal Intelligence & Co.	None	None	None	None

Job title (Note 1)	Nationality or place of registration	Name	Gender/age	Date of Election (Inaugurati on)	Term of office	Date first elected (Note 2)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remark
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
															Co., Ltd.	Remuneration Committee Member, Ji-Haw Industrial Co., Ltd. Financial Consultant, KANG CHUANG ASSET DEVELOPMENT CO., LTD.				
Independent director	R.O.C.	Pei-Chang Li	Male 51/60	2024 06.19	3 years	2024 06.19	0	0	0	0	0	0.00	0	0.00	Master of Law, National Taipei University Director, Taiwan Trust Association	Partner, New Hope Law Firm Independent Director, Better Life Group Co., LTD.	None	None	None	None

Note 1: The names of corporate shareholders and their representatives should be listed separately (for corporate shareholders, the name of the corporate shareholder should be indicated) and should be listed in the below. Schedule 1:

Note 2: Please state the actual age, and the range can be expressed, such as 41–50 years old or 51–60 years old.

Note 3: Enter the time when the Company's directors or supervisors first took office. If there is an interruption in service, a note should be included. After the resignation of Kuo-Chieh Huang, the representative of Shan Yi Investment Co., Ltd., on December 10, 2024, Tsao-Chuan Tsai was appointed as the new representative on December 11, 2024.

Note 4: For experience related to the current position, if having worked for the attesting CPA firm or its affiliates during the above-mentioned period, the title of the position and the duties performed should be stated.

Note 5: If the chairperson and the General Manager, or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, corresponding measures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

(I) Information on the former directors

The following sources are the 2023 Annual Report; Unit: thousand shares

Job title (Note 1)	Nationality or place of registration	Name	Gender/ag e	Date of Election (Inaugurati on)	Term of office	Date first elected (Note 2)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remark
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
Corporate Director/ Representative/ Chairman	R.O.C.	Everlight Electronics Co., Ltd.	Not applicable	2023 06.28	3 years	110 07.29	9,291	9.66	117	0.18	0	0.00	0	0.00	Department of Accounting, Fu Jen Catholic University Senior Deputy General Manager, Finance and Accounting Center, Everlight Electronics Co., Ltd.	Consultant, Everlight Electronics Co., Ltd. Director, Everlight (Zhongshan) Co., Ltd. Supervisor, EVERLIGHT INTELLIGENCE TECHNOLOGY CO., LTD. Supervisor, EVERVISION ELECTRONICS CO., LTD. Director, Bai Yi Investment Co., Ltd. Supervisor, Zhongshan Everlight Lighting Co., Ltd. Director, Evlite Electronics Co.,Ltd. Director, Everlight Electronice India Private Limited Director and General Manager, VBEST ELECTRONICS(KU NSHAN) Co., Ltd. Director, Anhui Hongming Technology Co., Ltd.	None	None	None	None
		Hui-Cheng Fu (Note 1)	Female 51/60	2024 04.02	3 years	110 07.29	0	0.00	0	0.00	0	0.00	0	0.00			None	None	None	
Corporate Director/ Representative	R.O.C.	Yu Ming Investment Co., Ltd.	Not applicable	2023 06.28	3 years	2020 06.23	735	0.76	354	0.54	0	0.00	0	0.00	National Taiwan University of Science and Technology Division Director, Everlight Electronics Co., Ltd.	Special Assistant, Everlight Electronics Co., Ltd. Director, Bai Yi Investment Co., Ltd. Responsible Person, Yu Ming Investment Co., Ltd.	None	None	None	None
		Ding-Hao Yeh (Note 2)	Male 41/50	2023 06.28	3 years	2017 06.26	0	0.00	650	1.00	0	0.00	0	0.00			None	None	None	
Independent director	R.O.C.	Yao-Ming Huang	Male 71/80	2023 06.28	3 years	2020 06.23	0	0	0	0	0	0.00	0	0.00	Accounting Sector, Department of Business, National Taiwan University	Independent Director, SHAN-LOONG TRANSPORTATION CO., LTD.	None	None	None	None

Job title (Note 1)	Nationality or place of registration	Name	Gender/age	Date of Election (Inauguration)	Term of office	Date first elected (Note 2)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors			Remark
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
															CPA, KPMG	Independent Director, TEKCORE CO., LTD.				
Independent director	R.O.C.	Wei-Jen Chen	Male 51/60	2023 06.28	3 years	2020 06.23	0	0	0	0	0	0.00	0	0.00	Ph.D., Graduate Institute of Business Administration, Chinese Culture University Minister, Ministry of the Interior Secretary-General, Executive Yuan Deputy Mayor, Taipei City Government Senior Advisor, Formosa Plastics Group	Independent Director, ReaLy Development & Construction Corp. Independent Director, TEKCORE CO., LTD.	None	None	None	None
Independent director	R.O.C.	Chen-Chang Lin	Male 51/60	2023 06.28	3 years	2023 06.28	0	0	0	0	0	0.00	0	0.00	Master of Accounting, National Taiwan University Managing CPA, Andrews CPA Firm Managing Attorney, Andrews Law Firm	Independent Director, SINO TACTFUL CO., LTD. Independent Director, K WAY Information Corporation Independent Director, TEKCORE CO., LTD	None	None	None	None

Note: The date of dismissal of the former director was 2024/06/19.  
Note 1: After the resignation of Jen-Fu Yeh, the representative of the juristic person of Everlight Electronics., Ltd. On 2024/04/02, Hui-Cheng Fu was appointed as the representative on 2024/04/02.  
Note 2: Ding-Hao Yeh, representative of the juristic person Yu Ming Investment Co., Ltd., resigned on 2024/05/13.

(II) Major shareholders of the corporate shareholder

April 20, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Shan Yi Investment Co., Ltd.	Ji-Haw Industrial Co., Ltd. 24.24%
Fu Hong Investment Co., Ltd.	Teng-Lung Liu 22.02%; Chang-Shui Lin 2.37%; Yu-Shan Lu 8.81%; Shou-Li Tang 13.92%; Cheng-Yuan You 10.99%; Yu-Yuan You 10.99; Li-Mei Song 7.57%; Teh-Sheng Lin 6.37%; Mao-Sung Lai 6.23%; Chang-Hsin Chan 2.22%
Dingyi Group Investment Limited	Song Pu Investment Co., Ltd. 100%

Note 1:If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.  
Note 2:Indicate the names of this corporate shareholder’s main shareholder (whose shareholding ratio are in the TOP 10) and the shareholding ratio. If the major shareholder is a corporation, the following Schedule 2 should be completed.  
Note 3:If a corporate shareholder is not a company organization, the name of the shareholder and the percentage of shareholding in the preceding paragraph shall be the name of the investor or donor and the percentage of the investment or donation.

(III) Major shareholders of the juristic-person shareholder, if the major shareholder is a legal entity

April 20, 2025

Name of corporate	Major shareholders of corporation (Note 2) (whose shareholding ratio is among the top ten)
WETRUST TECHNOLOGY CO., LTD.	JENLINK BIOTECH CO., LTD. 13.28%
HSBC Bank (Taiwan) Limited in custordy for	HSBC Asia Pacific Holdings (UK) Limited 100%
Song Pu Investment Co., Ltd.	Angela Wellis Limited 100%

Note 1:If the major shareholder shown above in Table 1 is a corporation, the name of this corporation shall be indicated.  
Note 2:Indicate the names of this corporation’s main shareholder (whose shareholding ratio are in the TOP 10) and the shareholding ratio.  
Note 3:If the institutional shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed are the name of the investor or donor (see the Judicial Yuan announcement for inquiries) and the ratio of capital contribution or donation. If the donor is deceased, “Deceased” is noted.

## (IV) Information on directors

## I. Disclosure of information on directors' professional qualifications and independence of independent directors:

Criteria Name		Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman	Kuo-Shih Huang	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Master of Accounting, National Taiwan University</li> <li>Chairman of the Board, the Company, Partner, Kang Chu CPAs, Independent Director, G-TECH Optoelectronics Corporation, Independent Director, Better Life Group Co., LTD., Independent Director, CARILEX MEDICAL, INC., Independent Director, Trust-Search Corp., Ltd., Supervisor, WS FAR IR MEDICAL TECHNOLOGY CO., LTD., Supervisor, JHEN JHUAN CO., LTD.</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	3
General Manager	Shan Yi Investment Co., Ltd. Corporate Representative: Tsao-Chuan Tsai	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>MBA, Soochow University</li> <li>General Manager of the Company, Special Assistant to the Chairperson of Better Life Group Co., LTD.</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	None
Director	Dingyi Group Investment Limited Corporate Representative: Mao-Song Lai	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	None
Director	Wei-Min Li	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Ph.D., Institute of Electrical Engineering, National Cheng Kung University</li> <li>Deputy General Manager of the Company's Optoelectronics Business Group</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	None
Director	Ning-Chieh Li	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Master of Civil Engineering, National Cheng Kung University, Aston Business School, UK, Department of Law, National Taiwan University</li> <li>Currently the Company's Corporate Governance Officer</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	None
Director	Chin-Hsing Peng	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>MBA, National Chiao Tung University</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	Not applicable	None
Independent director	Ruei-Hsing Lin	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Department of Accounting, Tunghai University</li> <li>Partner, Cheng Yang &amp; Co., CPAs, Responsible Person, Cheng Yang Management Consulting Co., Ltd., Independent Director, ETREND Hightech Corp., Independent Director, Chia Chang Co., Ltd</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>	1. The number and percentage of shares held by the person, spouse, second degree relatives or closer (or held in the name of others) in the Company. 2. The person, spouse, or relatives within the second degree of kinship has not been a director, supervisor, or employee of the Company or its affiliated company. 3. Not a director, supervisor, or employee of any company that has a specific relationship with the Company (in accordance with the provisions of Paragraph 5-8, Section 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and No remuneration received from providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.	2
Independent director	Shih-Min Hsu	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Master of Finance, Fu Jen Catholic University; Graduate Institute of Law and Commerce, National Chung Hsing University</li> <li>Director, China University of Science and Technology, Director, Space4car Co., Ltd., Supervisor, Excellent Water Appraisal Intelligence &amp; Co., Remuneration Committee Member, Ji-Haw Industrial Co., Ltd., Financial Consultant, KANG CHUANG ASSET DEVELOPMENT CO., LTD.</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>		0
Independent director	Pei-Chang Li	<ul style="list-style-type: none"> <li>Work experiences in business, legal, financial, accounting or related areas required for the Company's business.</li> <li>Master of Law, National Taipei University</li> <li>Partner, New Hope Law Firm, Independent Director, Better Life Group Co., LTD.</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ul>		1

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors are stated. If a member of the Audit Committee has accounting or finance expertise, the accounting or finance background and work experience should be disclosed. Circumstances under Article 30 of the Company Act.

Note 2: Independent directors shall specify their independence, including but not limited to whether themselves, their spouse, relatives within 2nd degree of kinship are directors, supervisors, or employees of the Company or its affiliated companies; Number and percentage of shares held by relatives (or in the name of another person); whether or not he/she holds a position in a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) The amount of remuneration for directors, supervisors, or employees; for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

## II. Board diversity and independence:

### (I) Board diversity:

According to Article 20 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into account, and the Board of Directors shall formulate a policy on diversity based on the Company's business operations, business model and development needs. It is advisable that the policy include, without being limited to, the following two criteria:

- I. Basic criteria and values: gender, age, nationality and culture, etc.
- II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Article 20 of the Corporate Governance Best Practice Principles of the Company provides that the Board of Directors shall be well-trained in the knowledge, skills and literacy required to perform their duties. The Board of Directors should have the following functions in order to achieve the ideal goal of corporate governance:

- I. Operational judgment.
- II. Accounting and financial analysis.
- III. Business management.
- IV. Crisis management.
- V. Industry knowledge.
- VI. International market perspective.
- VII. Leadership.
- VIII. Decision-making.

The Company's Board of Directors consists of nine directors, including six general directors and three independent directors. The fields of commerce, accounting, finance, and industry knowledge. There is one female director out of the nine directors of the Company. The Company values the gender equality of the board members and has achieved the objective of the diversified management of the Board of Directors.

Name of director	Diversify items						
	Gender	Age	Nationality	Professional background	Professional skills	Industry experience	Industry knowledge
Kuo-Shih Huang	Male	51–60	R.O.C.	✓	✓	✓	✓
Shan Yi Investment Co., Ltd. Corporate Representative: Tsao-Chuan Tsai	Male	51–60	R.O.C.	✓	✓	✓	✓
Dingyi Group Investment Limited Corporate Representative: Mao-Song Lai	Male	61–70	R.O.C.	✓	✓	✓	✓
Wei-Min Li	Male	41–50	R.O.C.	✓	✓	✓	✓
Ning-Chieh Li	Female	41–50	R.O.C.	✓	✓	✓	✓
Chin-Hsing Peng	Male	61–70	R.O.C.	✓	✓	✓	✓
Ruei-Hsing Lin	Male	61–70	R.O.C.	✓	✓		✓
Shih-Min Hsu	Male	51–60	R.O.C.	✓	✓	✓	✓
Pei-Chang Li	Male	51–60	R.O.C.	✓	✓		✓

### (II) Independence of the Board of Directors:

The Company has nine directors, including six general directors and three independent directors. The independent directors account for about 33.33% of the Board of Directors. The three independent directors have all been elected for the first term of office. According to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, all three independent directors have obtained the Declaration of Independence, which confirms that they are in compliance with the regulations.

(III) Information of the general manager, vice general manager, assistants, department and branch heads

April 30, 2025 Unit: thousand shares

Job title (Note 1)	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 2)	Concurrent positions in other companies	Managerial officers with spouses or relatives with second degree of kinship			Remark
					Number of shares	Shareholding Percentage	Number of shares	Shareholdin g Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
General Manager	R.O.C.	Tsao-Chuan Tsai	Male	2024.12	0	0.00	0	0.00	0	0.00	Department of Business Administration, Soochow University EMBA, Graduate Institute of Business Administration Better Life	Special Assistant to Chairman, Better Life Group Co., LTD.	None	None	None	None
Deputy General Manager	R.O.C.	Wei-Min Li	Male	2024.06	0	0.00	0	0.00	0	0.00	Ph.D., Department of Electrical Engineering, Cheng Kung University	None	None	None	None	None
Deputy General Manager	R.O.C.	Yi-Cheng Lin	Female	2024.12	0	0.00	0	0.00	0	0.00	Long Island University, USA Master of Finance, Department of Business Administration New York University, USA Bachelor, Department of Accounting Private Banking, Taishin International Bank (Hong Kong) Ltd. Assistant Deputy General Manager	Manager, New Business Division, Better Life Group Co., LTD. Special Assistant to the General Manager and Acting Spokesperson, FALCON MACHINE TOOLS CO., LTD.	None	None	None	None
Corporate Governance Officer	R.O.C.	Ning-Chieh Li	Female	2024.06	50	0.08	0	0.00	0	0.00	National Cheng Kung University Master of Civil Engineering Aston Business School, UK Department of Law, National Taiwan University	Senior Manager, INITIATORS ASIA CAPITAL LIMITED	None	None	None	None
Associate, Production Division	R.O.C.	Yu-Chuan Liu	Male	201808	0	0.00	0	0.00	0	0.00	TEKCORE CO., LTD. Director, R&D Department	Director and Manager, ST TECHNOLOGY CO., LTD	None	None	None	None

Job title (Note 1)	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experiences (educations) (Note 2)	Concurrent positions in other companies	Managerial officers with spouses or relatives with second degree of kinship			Remark
					Number of shares	Shareholding Percentage	Number of shares	Shareholdin g Percentage	Number of shares	Shareholding Percentage			Job title	Name	Relationship	
Finance and Accounting Department	R.O.C.	Shu-Chun Huang	Male	2022.11	0	0	0	0.00	0	0.00	Chung Yuan Christian University Department of Accounting UER Technology Corporation CFO	None	None	None	None	None
Director of Audit Office	R.O.C.	Ya-Ling Wang	Female	2024.12	0	0.00	0	0.00	0	0.00	Ling Tung University Department of Accounting	None	None	None	None	None

Note 1: Information on General Manager, Deputy General Manager, senior manager, officer of department and branch, and anyone whose position is equivalent to that of General Manager, Deputy General Manager, or senior manager, regardless of title, should also be disclosed.

Note 2: For experience related to the current position, if having worked for the attesting CPA firm or its affiliates during the above-mentioned period, the title of the position and the duties performed should be stated.

1. Three independent directors are specialized in finance, accounting, and law, and are able to perform their supervisory functions effectively.
2. On June 19, 2024, the Audit Committee was established with three independent directors, to fully discuss and propose suggestions to the Board of Directors for reference in order to implement corporate governance.
3. More than half of the board members are not concurrently serving as employees or managers.

II. Remuneration for Directors, General Manager, and Deputy General Managers in the Most Recent Years

(I) 2024 Remuneration to directors (including independent directors) (name of the directors is disclosed in the remuneration scale table)

Unit: thousand shares/NTD thousand

name		Title	Remuneration to directors								A, B, C and D as a percentage of the net profits after tax (%) (Note 7)		Remuneration for employees with concurrent positions								A, B, C, D, E, F and G as a percentage of the net profits after tax (Note 7)		Remuneration received from subsidiaries, re-invested businesses or the parent company (Note 8)
			Remuneration (A) (Note 1)		Severance and pension (B)		Remuneration for directors (C) (Note 2)		Business execution expenses (D) (Note 3)				Salary, bonus, special allowance (E) (Note 4)		Severance and pension (F)		Remuneration for employees (G) (Note 5)						
			The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	The Company	All companies in the financial statements (Note 6)	
																	Cash	Amount in stock	Cash	Amount in stock			
New appointment	Director: Kuo-Shih Huang	960	960	0	0	0	0	270	270	1,230 7.95	1,230 7.95	4,548	4,548	273	273	66	0	66	0	6,117 39.53	6,117 39.53	None	
	Director: Tsao-Chuan Tsai																						
	Director: Kuo-Chieh Huang (Note)																						
	Director: Mao-Song Lai																						
	Director: Wei-Min Li																						
	Director: Ning-Chieh Li																						
	Director: Chin-Hsing Peng																						
Previous term	Director: Jen-Fu Yeh																						
	Director: Ding-Hao Yeh																						
	Director: Hui-Cheng Fu																						
New appointment	Independent Director: Ruei-Hsing Lin	1,800	1,800	0	0	0	0	170	170	1,970 20.68	1,970 20.68	0	0	0	0	0	0	0	0	1,970 12.73	1,970 12.73	None	
	Independent Director: Shih-Min Hsu																						
	Independent Director: Pei-Chang Li																						
Previous term	Independent Director: Yao-Ming Huang																						
	Independent Director: Wei-Jen Chen																						
	Independent Director: Chen-Chang Lin																						

The date of new director's appointment is 2024/06/19, and the date of old director's dismissal is 2024/06/19.

Note: After the resignation of Kuo-Chieh Huang, the representative of Shan Yi Investment Co., Ltd., on 2024/12/10, Tsao-Chuan Tsai was appointed as the new representative on 2024/12/11.

Remuneration Range Table

Range of remuneration paid to the Company’s Directors	Name of director			
	Sum of A+B+C+D		Total amount of the seven remunerations (A+B+C+D+E+F+G)	
	The Company (None 8)	All companies in the financial statements (Note 9) H	The Company (None 8)	All companies in the financial statements (Note 9) I
Less than NT\$1,000,000	<b>New appointment</b> Kuo-Shih Huang, Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Mao-Song Lai, Wei-Min Li, Chin-Hsing Peng, Ning-Chieh Li, Ruei-Hsing Lin, Shih-Min Hsu, Pei-Chang Li, <b>Previous term:</b> Jen-Fu Yeh, Ding-Hao Yeh, Hui-Cheng Fu, Yao-Ming Huang, Wei-Jen Chen, Chen-Chang Lin	<b>New appointment</b> Kuo-Shih Huang, Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Mao-Song Lai, Wei-Min Li, Chin-Hsing Peng, Ning-Chieh Li, Ruei-Hsing Lin, Shih-Min Hsu, Pei-Chang Li, <b>Previous term:</b> Jen-Fu Yeh, Ding-Hao Yeh, Hui-Cheng Fu, Yao-Ming Huang, Wei-Jen Chen, Chen-Chang Lin	<b>New appointment</b> Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Mao-Song Lai, Chin-Hsing Peng, Ning-Chieh Li, Ruei-Hsing Lin, Shih-Min Hsu, Pei-Chang Li, <b>Previous term:</b> Jen-Fu Yeh, Ding-Hao Yeh, Hui-Cheng Fu, Yao-Ming Huang, Wei-Jen Chen, Chen-Chang Lin	<b>New appointment</b> Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Mao-Song Lai, Chin-Hsing Peng, Ning-Chieh Li, Ruei-Hsing Lin, Shih-Min Hsu, Pei-Chang Li,  <b>Previous term:</b> Jen-Fu Yeh, Ding-Hao Yeh, Hui-Cheng Fu, Yao-Ming Huang, Wei-Jen Chen, Chen-Chang Lin
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	-	-	Kuo-Shih Huang	Kuo-Shih Huang
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	-	-	Wei-Min Li	Wei-Min Li
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	-	-	-	-
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	-	-	-	-
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	-	-	-	-
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	-	-	-	-
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	-	-	-	-
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	-	-	-	-
More than \$100,000,000	-	-	-	-
Total	16 people	16 people	16 people	16 people

The date of new director's appointment is 2024/06/19, and the date of old director's dismissal is 2024/06/19.

Note: After the resignation of Kuo-Chieh Huang, the representative of Shan Yi Investment Co., Ltd., on 2024/12/10, Tsao-Chuan Tsai was appointed as the new representative on 2024/12/11.

Note 1: The names of directors should be listed separately (the names of corporate shareholders and their representatives should be listed separately), and the regular directors and independent directors should be listed separately, and the amount of each payment should be disclosed in a summary manner. If a director is also the General Manager, or Deputy General Manager, this schedule and the following schedule (3-1), (3-2-1) or (3-2-2) should be filled in.

Note 2: This refers to the remuneration for directors in the most recent year (including salaries, duty allowance, severance, various bonuses and incentive payments, etc.).

Note 3: The amount of directors' remuneration that the Board of Directors has proposed as part of the latest earnings appropriation, and is pending shareholder resolution.

Note 4: This refers to directors' business execution expenses in the most recent year (including transportation fee, special allowance, various stipends, dormitory, company car, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 5: This refers to the salary, duty allowance, severance, various bonuses, incentive payments, transportation fee, special allowance, various stipends, dormitory, company car and other provisions, etc., received by a director who is concurrently serving as an employee (including part-time General Manager, Deputy General Manager, other officers and employees) in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 6: refers to the directors who also serve as employees (including General managers, Deputy General managers, other managers and employees) in the most recent year and who have received employee bonuses (including stock and cash bonuses) should disclose the amount of employee bonuses approved by the Board of Directors before the most recent earnings distribution proposal shareholders' meeting. If the amount cannot be estimated, then calculate the proposed distribution amount for this year based on the actual distribution amount last year, and fill in the attached table 1-3.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 8: The total amount of remuneration paid by the Company to each director is disclosed with the name of the director at the range the amount belongs to.

Note 9: The total amount of remuneration paid to the directors of the Company by all companies in the consolidated statements (including the Company) should be disclosed with the name of the director at the range the amount belongs to.

Note 10: The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or stand-alone financial reports.

Note 11: a. This column should explicitly state whether the directors of the Company "have" or "have not" received remuneration from investees other than subsidiaries or parent company.

        b. If a director of the Company receives remuneration from investee enterprises other than subsidiaries or parent company, the remuneration received by the director of the Company from investee enterprises other than subsidiaries or parent company should be included in column I of the schedule of remuneration ranges, and the name of the column should be changed to "parent and all investee enterprises".

        c. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the directors of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary or parent company.

\*The remuneration disclosed here is different from the concept of income under the Income Tax Act; therefore, the purpose here is for information disclosure and not for tax return purposes.

Unit: NTD thousand

(II) The remuneration to the General Manager and Deputy General Managers in 2024 (the name is disclosed in the scale table)

Job title  Name		Base salary (A) (Note 2)		Severance and pension (B)		Bonus and allowance (C) (Note 3)		Remuneration for employees (D) (Note 4)				A, B, C and D as a percentage of the net profits after tax (%) (Note 8)		Remuneration received from subsidiaries, re-invested businesses or the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash	Amount in stock	Cash	Amount in stock			
New appointment	General Manager: Tsao-Chuan Tsai	4,411	4,411	242	242	742	742	66	0	66	0	5,461 35.29%	5,461 35.29%	None
	General Manager: Kuo-Chieh Huang (Note)													
	Deputy General Manager: Wei-Min Li													
	Deputy General Manager: Yi-Cheng Lin													
	Corporate Governance Officer: Ning-Chieh Li													
Previous term	General Manager: Jen-Fu Yeh													

Note: The date of the new General Manager/Deputy General Manager was June 19, 2024, and the date of resignation of the old General Manager was April 1, 2024.  
Note: After the resignation of Kuo-Chieh Huang, the representative of Shan Yi Investment Co., Ltd., on 2024/12/10, Tsao-Chuan Tsai was appointed as the new representative on 2024/12/11.

Remuneration Range Table

Remuneration ranges for the General Managers and Deputy General Managers of the Company	Name of General Manager, or Deputy General Manager	
	The Company (None 6)	All companies in the financial statements (Note 7) E
Less than NT\$1,000,000	Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Yi-Cheng Lin, Ning-Chieh Li, Jen-Fu Yeh	Tsao-Chuan Tsai, Kuo-Chieh Huang (Note), Yi-Cheng Lin, Ning-Chieh Li, Jen-Fu Yeh
\$ 1,000,000 (inclusive) ~ \$ 2,000,000 (exclusive)	Wei-Min Li	Wei-Min Li
\$2,000,000 (inclusive) ~ \$3,500,000	-	
\$3,500,000 (inclusive) ~ \$5,000,000	-	
\$5,000,000 (inclusive) ~ \$10,000,000	-	
\$10,000,000 (inclusive) ~ \$15,000,000	-	
\$15,000,000 (inclusive) ~ \$30,000,000	-	
\$30,000,000 (inclusive) ~ \$50,000,000	-	
\$50,000,000 (inclusive) ~ \$100,000,000	-	
More than \$100,000,000	-	
Total	6 people	6 people

Note: The date of the new General Manager/Deputy General Manager was June 19, 2024, and the date of resignation of the old General Manager was April 1, 2024.

- Note: After the resignation of Kuo-Chieh Huang, the representative of Shan Yi Investment Co., Ltd., on 2024/12/10, Tsao-Chuan Tsai was appointed as the new representative on 2024/12/11.
- Note 1: The names of General Manager, and Deputy General Manager, should be listed separately and the amount of each payment shall be disclosed in a summary manner. If a director is also the General Manager, or Deputy General Manager, this schedule and the following schedule (1-1), (1-2-1) or (1-2-2) should be filled in.
- Note 2: Fill in the salaries, duty allowances, and severance pay of the General Manager and Deputy General Managers in the most recent year.
- Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for General Manager, and Deputy General Manager, in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration.
- Note 4: The amount of employee remuneration (including stock and cash) received by General Manager, and Deputy General Manager, in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Table 1-3. The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or stand-alone financial reports.
- Note 5: The total amount of remuneration paid to the General Manager, and deputy general of the Company by all companies in the consolidated statements (including the Company) should be disclosed.
- Note 6: The total amount of remuneration paid by the Company to each General Manager, and Deputy General Manager, is disclosed with the name of the General Manager, or Deputy General Manager, at the range the amount belongs to.
- Note 7: The total amount of remuneration paid to the General Manager, or Deputy General Manager, of the Company by all companies in the consolidated statements (including the Company) should be disclosed with the name of the General Manager, or Deputy General Manager, at the range the amount belongs to.
- Note 8: The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or stand-alone financial reports.
- Note 9: a. This column should explicitly state whether the General Manager, or Deputy General Manager, of the Company "have" or "have not" received remuneration from investees other than subsidiaries or parent company.  
b. If the General Manager, or Deputy General Manager, of the Company receives remuneration from investee enterprises other than subsidiaries or parent company, the remuneration received by the General Manager, or Deputy General Manager, of the Company from investee enterprises other than subsidiaries or parent company should be included in column E of the schedule of remuneration ranges, and the name of the column should be changed to "parent and all investee enterprises".  
c. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the General Manager, or Deputy General Manager, of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary or parent company.
- \*The remuneration disclosed here is different from the concept of income under the Income Tax Act; therefore, the purpose here is for information disclosure and not for tax return purposes.

(III) The remuneration of the top five department heads with the highest remuneration (disclose the name and remuneration individually) (Note 1) in 2024

Unit: NTD thousand

Job title	Name	Salaries (A) (Note 2)		Severance and pension (B)		Bonus and allowance (C) (Note 3)		Remuneration for employees (D) (Note 4)				A, B, C and D as a percentage of the net profits after tax (%) (Note 6)		Remuneration received from subsidiaries, re-invested businesses or the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash	Amount in stock	Cash	Amount in stock			
Deputy General Manager, Optoelectronics Division	Wei-Min Li	4,817	4,817	269	269	1,532	1,532	141	0	141	0	6,759 43.68%	6,759 43.68%	None
Associate, Production Division	Yu-Chuan Liu													
Director, Finance and Accounting Division	Shu-Chun Huang													

Note 1: According to the Tai-Cai-Zheng-3-Zi No. 0920001301 issued by the Securities and Futures Commission, Ministry of Finance, on March 27, 2003, the scope of "manager" is only 4.

Note 2: This is for the salary, duty allowance and severance of the top five highest paid officers in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for the top five highest paid officers in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stock and cash) received by the top five highest paid officers in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Table 1-3.

Note 5: The total amount of remuneration paid to the top five highest paid officers of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: The net profits after tax refer to the net profits after tax of the most recent year for stand-alone or unconsolidated financial statements.

Note 7: a. This column should explicitly state whether the top five highest paid officers of the Company "have" or "have not" received remuneration from investees other than subsidiaries or parent company.  
b. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the top five highest paid officers of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary or parent company.

\*The remuneration disclosed here is different from the concept of income under the Income Tax Act; therefore, the purpose here is for information disclosure and not for tax return purposes.

(IV)The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution in 2024

December 31, 2024

	Job title (Note 1)	Name (Note 1)	Amount of stock dividend	Amount of cash bonus	Total	Total amount as a percentage of net profits after tax (%)
Managers	General Manager	Tsao-Chuan Tsai	0	141	0	141 0.91%
	Deputy General Manager	Wei-Min Li				
	Deputy General Manager	Yi-Cheng Lin				
	Associate	Yu-Chuan Liu				
	Director, Finance and Accounting Department	Shu-Chun Huang				

Note 1: Individual names and titles should be disclosed, but the distribution of earnings should be disclosed in aggregate.  
Note 2: The amount of employee remuneration (including stock and cash) received by managerial officers in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year. The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or stand-alone financial reports.  
Note 3: The scope of application of managerial officers, as stipulated in the Order Tai-Cai-Sheng-San-Zi No. 0920001301 dated March 27, 2003 is as follows.  
(1) General Manager, and equivalent  
(2) Deputy General Manager, and equivalent  
(3) Associate and equivalent  
(4) Officer of finance department  
(5) Officer of accounting department  
(6) Other persons who have the authority to manage and sign for the company

(V) Compare and describe the total remuneration paid to the directors, supervisors, general manager, and deputy general manager of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the after-tax net profit, and explain the policy and standard of remuneration payment and portfolio, the procedure for determining remuneration, and its association with operating performance and future risks:

1.The total remuneration to the Company's directors, supervisors, General Manager, and Deputy General Managers as a percentage of net income stated in the financial reports for the most recent two years:

Unit: NTD thousand

Items	The Company		All companies in the consolidated financial statements	
	2023	2024	2023	2024
Director	1,985	1,870	1,985	1,870
Supervisor	0	0	0	0
General Manager and Deputy General Manager	0	0	0	0
Total	1,985	1,870	1,985	1,870
Total amount as a percentage of net profits after tax	11.24%	12.08%	11.24%	12.08%

The remuneration to directors of the Company and all companies included in the consolidated financial statements, including the transportation allowance for business operations and the remuneration for the year of earnings distribution, of which the transportation allowance is based on the general market price, and the remuneration for earnings distribution is based on the Company's Articles of Incorporation.

2.The remuneration policy, standards and components, the procedure for determining remuneration and the correlation with operating performance and future risks

The policy, standard and combination of the remuneration to the Directors shall be determined by the Company based on the scope of duties and responsibilities of the Directors in the Company and the degree of contribution to the Company's business objectives, and the structure of the Company's remuneration system as required by law.

The remuneration to directors (including independent directors) is determined by the Board of Directors in accordance with Article 22 of the Company's Articles of Incorporation, based on their level of participation in and contribution to the Company's operations, and with reference to prevailing industry standards. However, the Company has not made any payments under this provision to date. Regarding the allocation of earnings, this is handled in accordance with Article 27 of the Articles of Incorporation. As the Company reported a loss in the previous fiscal year, there was no distributable surplus and therefore no director remuneration was granted under this category. As for business execution expenses, the total amount paid to directors and supervisors in the most recent fiscal year was NTD 1,870 thousand. This amount consisted solely of meeting attendance fees for board directors and compensation for independent directors serving on the Audit Committee and the Remuneration Committee. No other forms of compensation were provided.

The procedure for determining remuneration is in accordance with relevant laws and regulations, the Articles of Incorporation, and the internal control system, and is resolved by the shareholders' meeting. The remuneration is determined with reference to the overall operating performance of the Company, and also takes into account the correlation between individual contributions to the Company's performance and future risks, and gives reasonable remuneration.

III. Operations of Corporate Governance

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

1. Attendance of 11 (A) Board of Director Meetings in recent year:

Job title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance (B/A)	Remark
Chairman	Kuo-Shih Huang	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Director	Dingyi Group Investment Limited Corporate Representative: Mao-Song Lai	11	0	100%	
Director	Shan Yi Investment Co., Ltd. Director Representative: Tsao-Chuan Tsai	1	0	100%	Inaugurated on 2024/12/12,with attendance at the meeting for 1 time.
Director	Shan Yi Investment Co., Ltd. Director Representative: Kuo-Chieh Huang	5	0	83%	Discharged on 2024/12/12,with attendance at the meeting for 6 times.
Director	Wei-Min Li	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Director	Ning-Chieh Li	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Director	Chin-Hsing Peng	5	2	71%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Independent director	Ruei-Hsing Lin	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Independent director	Shih-Min Hsu	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Independent director	Pei-Chang Li	7	0	100%	Inaugurated on 2024/6/19, with attendance at the meeting for 7 times.
Chairman	Hui-Cheng Fu	4	0	100%	Discharged on 2024/6/19, with attendance at the meeting for 4 times.
Chairman	Everlight Electronics Co., Ltd. Corporate Representative: Jen-Fu Yeh	1	0	100%	Discharged as Chairperson on 2024/4/1; the number of meetings attended is once.
Director	Yu Ming Investment Co., Ltd. Representative: Ding-Hao Yeh	4	0	100%	Discharged on 2024/6/19, with attendance at the meeting for 4 times.
Independent director	Yao-Ming Huang	4	0	100%	Discharged on 2024/6/19, with attendance at the meeting for 4 times.
Independent director	Wei-Jen Chen	4	0	100%	Discharged on 2024/6/19, with attendance at the meeting for 4 times.
Independent director	Chen-Chang Lin	4	0	100%	Discharged on 2024/6/19, with attendance at the meeting for 4 times.

2. Other matters required to be recorded:

(1) If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of proposals, the opinions of all independent directors and how the Company deals with such opinions:

(1-1) Matters listed in Article 14-3 of the Securities and Exchange Act:

Term/Date of meeting	Motion content	Independent directors' opinions	The Company's handling of the independent directors' opinion	Resolution results
10-5 2024/03/06	2023 Allocation of Remuneration	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Allocation of remuneration to directors in 2023.	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The 2023 business report, financial statements and the draft of the independent auditor's report are generally accepted principles.	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Assessment of the competence and independence of CPAs and the audit quality index (AQI)	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	2023 Earnings Distribution Table	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Passed the "Internal Control System Effectiveness Review" and "Declaration of Internal Control System"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Amendments to the "Rules of the Performance Evaluation of the Board of Directors"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Amendment to the "Rules of Procedure for Board of Directors Meetings"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.

10-8 2024/05/08	The 2024 Q1 financial statements and the draft of the review report by the CPAs are submitted for review.	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-2 2024/06/25	Formulation of the "Regulations Governing the Remuneration of Directors and Procedures for the Allocation of Bonus"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-3 2024/08/07	2024 Q2 financial statements and the draft of the review report by the CPAs	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Proposal for the replacement of CPA due to internal adjustment of KPMG	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Resolution on the change of Head of Audit	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Amendments to the "Standard Operating Procedure for Performance Evaluation of the Board of Directors' Meeting"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-4 2024/09/05	Construction of a high purity silicon carbide production line and purchase of machinery and equipment	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Application for the Clean Energy Performance Guarantee for Air Conditioning, Air Pressure and Lighting Systems of the Ministry of Economic Affairs	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-5 2024/11/07	2024 Q3 financial statements and the draft of the review report by the CPAs	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The Company's plan to apply for the approval of the use of forward exchange in foreign currencies.	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The Company's plan to apply for the trading of futures in the gold market	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Amendment to the "Rules of Procedure for Board of Directors Meetings"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Amendment to the "Rules Governing the Scope of Powers of Independent Directors"	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	"Sustainable Development Best Practice Principles" was added	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	"Sustainable Information Management" was added to the internal control system.	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-6 2024/12/11	Formulate the general principles for the Company's pre-approved non-assurance service policy	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
	Resolution on the change of Head of Audit	None	Not applicable	The Chair consulted all the directors present and approved the proposal as it was unanimously.
11-7 2024/12/25	The Company intends to enter the supply chain of the semiconductor industry, invest in the design and manufacturing of wafer boxes, and manufacture the wafer boxes.	None	Not applicable	With unanimous resolution by all 8 directors present (including those attending by proxy) — except for Director Ruei-Hsing Lin, who abstained from voting due to considerations of CPA independence — the motion was approved with an amendment to Item 3 as follows: "III. The Company intends to acquire 70% equity in YAOLIEN as a long-term investment within the investment cap of NTD 173 million. The investment amount falls within the company value range assessed in the Price Reasonableness Opinion. The Chairperson is authorized to handle negotiations and contract signing related to the investment. The investment agreement shall take effect upon approval by the Board of Directors." All other items were approved as originally proposed.

(1-2) Other than the aforementioned matters, any other objections or qualified opinions from independent directors that are recorded or declared in writing: None

3. For the recusal of a director from a proposal because of a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting should be stated: None.

4. For the information on the evaluation cycle and period, scope, method and content of the self-evaluation of the Board of Directors, please refer to the evaluation results of the Board of Directors and directors in 2024.
5. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation.

The Company currently has nine seats of directors, and the election of the directors is based on the candidate nomination system, and the shareholders' meeting shall elect the directors from the list of director candidates. The nomination method shall be handled in accordance with Article 192-1 of the Company Act. The term of office of the directors shall be three years, and they may be re-elected. Since 2020, an Audit Committee has been established in accordance with the Securities and Exchange Act to replace supervisors. All members of the Audit Committee are independent directors. The professional qualifications, shareholdings, concurrent job positions, nomination and election methods and other matters to be followed shall be handled in accordance with the relevant regulations of the competent securities authorities.

The Company upholds the principle of open and transparent information disclosure, and discloses important resolutions of the Board of Directors on the MOPS in a timely manner to fully protect the rights and interests of investors. In the future, the Company will adhere to the principle of fulfilling its responsibilities to shareholders and the society.

(II) Evaluation of the Board of Directors:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	2024/6/19~2024/12/31	1. The entire Board of Directors 2. Individual directors	Internal self-evaluation	The following assessment results are seen

**TEKCORE CO., LTD**  
**2024 Board of Directors and individual Board member**  
**performance evaluation results**

- I. To implement corporate governance and enhance the functions of the Board of Directors, the Company conducts performance evaluation on the Board of Directors and its members in accordance with the "Regulations Governing the Board Performance Evaluation" approved by the Board of Directors on November 6, 2019.
- II. The scope of the second and the third performance evaluation includes the entire Board of Directors and individual directors. The results of the self-evaluation are as follows:

The re-election of the Board of Directors on June 19, 2024, the evaluation cycle was changed from June 19, 2024 to December 31, 2024.

1. Self-evaluation results of the Board of Directors:

Evaluation items	Number	Weight	Average results
A. Participation in the operation of the company	12	25%	24
B. Improving the quality of the board’s decision-making	12	25%	24
C. Composition and structure of the Board of Directors	7	10%	10
D. Election and continuing education of the directors	7	15%	14
E. Internal control	7	25%	23
Score results			95
			Excellent

2. Board members' self-evaluation results:

Evaluation items	Number	Weight	Average results
A. Alignment of the goals and mission of the Company	3	20%	19
B. Awareness of the duties of a director	3	10%	9
C. Participation in the operation of the company	8	20%	19
D. Management of internal relationship and communication	3	20%	19
E. Professionalism and continuing education of the directors	3	10%	10
F. Internal control	3	20%	19
Score results			95
			Excellent

3. Self-evaluation results of the Audit Committee:

Evaluation items	Number	Weight	Average results
A. Participation in the operation of the company	4	25%	25
B. Awareness of the duties of the functional committee	5	25%	23
C. Improve the quality of decision-making by functional committees	7	10%	10
D. Composition of the functional committee and election of its members	3	15%	14
E. Internal control	3	25%	23
Score results			95
			Excellent

4. Remuneration Committee's self-assessment results:

Evaluation items	Number	Weight	Average results
A. Participation in the operation of the company	4	25%	25
B. Awareness of the duties of the functional committee	5	30%	27
C. Improve the quality of decision-making by functional committees	7	20%	19
D. Composition of the functional committee and election of its members	3	25%	23
Score results			94
			Excellent

Scoring Explanation: Total Score = (Score for each category ÷ Maximum score of the category) × 100 × Weight of the category, rounded to the nearest whole number.  
The total score for performance self-evaluation is 100 points:  
90 points or above: Excellent; 80–89 points: Good; 70–79 points: Satisfactory; Below 70 points: Needs Improvement

III. Overall evaluation  
According to the 2024 Board of Directors' performance evaluation results, the Board of Directors has been operating well. In 2025, the Board of Directors' evaluation results will be continued to be strengthened in order to enhance the effectiveness of corporate governance.

(III) Operation of the Audit Committee:

The Audit Committee is responsible for the fair presentation of the Company's financial statements, the selection (relief) of CPAs, and the independence and performance of the CPAs, the effective implementation of internal control, the Company's compliance with relevant laws and regulations, and the management and control of the Company's existing or potential risks. The duties of the Audit Committee are as follows:

- Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- Evaluation of the effectiveness of the internal control system.
- Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- Matters involving the interests of directors themselves.
- Major asset or derivative transactions
- Material loans, endorsements, or guarantees.
- The offering, issuance, or private placement of any equity-type securities.
- Appointment, dismissal or remuneration of CPAs
- The appointment or dismissal of a financial, accounting, or internal auditing officer.
- Annual financial reports signed or sealed by the Chairperson, managers and the head of accounting, and the Q2 financial reports certified by CPAs.
- Other important matters regulated by the Company or the competent authority.

1. Operation of the Audit Committee:

In the most recent year, the Audit Committee held 8 meetings, and the attendance of independent directors is as follows:

Job title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person	Remark
Independent Director (Convenor)	Ruei-Hsing Lin	6	0	100%	3rd term
Independent director	Shih-Min Hsu	6	0	100%	
Independent director	Pei-Chang Li	6	0	100%	
Independent Director (Convenor)	Yao-Ming Huang	2	0	100%	2nd Term
Independent director	Wei-Jen Chen	2	0	100%	
Independent director	Chen-Chang Lin	2	0	100%	

Note 1: The 3rd Audit Committee was established on June 19, 2024, and the number of meetings attended in 2024 was 6.  
Note 2: The 2nd term of the Audit Committee was dismissed on June 19, 2024. The number of meetings attended by the Board of Directors in 2024 was 2.

2. Other matters required to be recorded:

- (1) If the operation of the Audit Committee falls into one of the circumstances, the date and duration of the meeting of the Board, details of proposals, resolutions of the Audit Committee, and how the Company deals with the opinions of the Audit Committee shall be stated.

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

Term/Date of meeting	Motion content	Independent directors' opinions	The Company's handling of the independent directors' opinion	Resolution results
2-3 2024/03/06	2023 Allocation of Remuneration	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Allocation of remuneration to directors in 2023.	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	The 2023 business report, financial statements and the draft of the independent auditor's report are generally accepted principles.	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Assessment of the competence and independence of CPAs and the audit quality index (AQI)	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	2023 Earnings Distribution Table	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Passed the "Internal Control System Effectiveness Review" and "Declaration of Internal Control System"	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
2-4 2024/05/08	The 2024 Q1 financial statements and the draft of the review report by the CPAs are submitted for review.	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
3-2	2024 Q2 financial statements and the draft of the	None	Not applicable	The Chair consulted all the

2024/08/07	review report by the CPAs			Committee Members present and approved the proposal as it was unanimously.
	Proposal for the replacement of CPA due to internal adjustment of KPMG	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Resolution on the change of Head of Audit	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
3-3 2024/09/05	Construction of a high purity silicon carbide production line and purchase of machinery and equipment	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Application for the Clean Energy Performance Guarantee for Air Conditioning, Air Pressure and Lighting Systems of the Ministry of Economic Affairs	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
3-4 2024/11/07	2024 Q3 financial statements and the draft of the review report by the CPAs	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	The Company's plan to apply for the approval of the use of forward exchange in foreign currencies.	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	The Company's plan to apply for the trading of futures in the gold market	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Amendment to the "Rules Governing the Scope of Powers of Independent Directors"	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	"Sustainable Development Best Practice Principles" was added	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	"Sustainable Information Management" was added to the internal control system.	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
3-5 2024/12/11	Formulate the general principles for the Company's pre-approved non-assurance service policy	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
	Resolution on the change of Head of Audit	None	Not applicable	The Chair consulted all the Committee Members present and approved the proposal as it was unanimously.
3-6 2024/12/25	The Company intends to enter the supply chain of the semiconductor industry, invest in the design and manufacturing of wafer boxes, and manufacture the wafer boxes.	None	Not applicable	With unanimous consent of the three attending committee members (excluding Chairperson Ruei-Hsing Lin, who abstained from voting due to CPA independence considerations), the motion was approved with the following amendment to Item 3: "III. The Company will acquire a 70% equity interest in Yaolien within a maximum investment amount of NTD 173 million, as a long-term investment. The proposed investment amount falls within the valuation range determined in the Price Reasonableness Opinion. The Chairperson is authorized to conduct negotiations and execute the related agreements. The investment agreement shall become effective upon approval by the Board of Directors." All other items were approved as originally proposed.

(1-2) Other than the aforesaid matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

(2) In the recusal of independent directors to avoid conflict of interest, specify the name of the independent director, the content of the motion, the reason for recusal, and the participation in voting: None.

(3) The status of communication between independent directors and internal auditing officers and CPAs: (Should include the material matters, methods and results of communication on the Company's financial and business status, etc.

(3-1) Communication policy and status between independent directors and internal auditors

The communication between the independent directors and the auditors is mainly conducted through the communication software, email and meeting format. The discussion includes the progress of the audit, important audit findings, and the handling of the reported cases, and the suggestions from the independent directors are adjusted and improved.

Date	Communication item	Communication results
2024.03.06	<p>I. The internal audit officer explained the internal audit status from November 2023 to February 2024, including the audit items:</p> <p>(1) Control over Financing Cycles</p> <p>(2) Investment Cycles Control</p> <p>(3) Control over Production Cycles</p> <p>(4) Control over Sales and Payment Collection Cycles</p> <p>(5) Control over Fixed Assets Cycles</p> <p>(6) Control operations of the wage cycle</p> <p>(7) Electronic computer circulation control operation</p> <p>(8) Other management control operations.</p> <p>II. Description on the "Internal Control System Effectiveness Review" and "Internal Control System Statement" in 2023 by the internal audit officer.</p>	The resolution was passed by the present committee and reported to the Board of Directors.
2024.05.08	<p>I. The internal audit officer explained the internal audit status from March to April 2024. The audit items include:</p> <p>(1) Procurement and payment cycle - partial control</p> <p>(2) Control over Financing Cycles</p> <p>(3) Investment Cycles Control</p> <p>(4) Control operations of the wage cycle</p> <p>(5) Other management control operations</p>	The resolution was passed by the present committee and reported to the Board of Directors.
2024.08.07	<p>I. Description on the internal audit status from May to July 2024 by the internal audit officer; the audit items include:</p> <p>(1) Control over Sales and Payment Collection Cycles</p> <p>(2) Control over Financing Cycles</p> <p>(3) Investment Cycles Control</p> <p>(4) Control over Production Cycles</p> <p>(5) Control operations of the wage cycle</p> <p>(6) Electronic computer circulation control operation</p> <p>(7) Other management control operations.</p> <p>II. Description of the new audit supervisor by the second and third audit supervisors</p>	The resolution was passed by the present committee and reported to the Board of Directors.
2024.11.07	<p>I. The internal audit officer explained the internal audit status from August to October 2023, including the audit items:</p> <p>(1) Control over Fixed Assets Cycles</p> <p>(2) Investment Cycles Control</p> <p>(3) Control over Financing Cycles</p> <p>(4) Control over Sales and Payment Collection Cycles</p> <p>(5) Procurement and payment cycle - partial control</p> <p>(6) Control over Production Cycles</p> <p>(7) R&amp;D Cycles Control Operations</p> <p>(8) Control operations of the wage cycle</p> <p>(9) Other management control operations.</p> <p>II. Description of the 2025 audit plan by the internal audit officer.</p> <p>III. Replacement of the Chief Internal Auditor</p>	The resolution was passed by the present committee and reported to the Board of Directors.
2024.12.11	I. Replacement of the Chief Internal Auditor	The resolution was passed by the present committee and reported to the Board of Directors.
2025.03.12	<p>I. The internal audit officer reported the internal audit status from November 2024 to February 2025. Audit items include:</p> <p>(1) Control over Capital Reduction Cycles</p> <p>(2) Control over Investment Cycles</p> <p>(3) Control over Production Cycles</p> <p>(4) Control over Sales and Payment Collection Cycles</p> <p>(5) Control over Cycles of Real Property, Plant and Equipment</p> <p>(6) Control operations of the wage cycle</p>	The resolution was passed by the present committee and reported to the Board of Directors.

(3-2) Summary of communication between independent directors and CPAs

The communication between the independent directors and the CPAs is mainly in the form of meetings. The key points are the scope, materiality, findings, and recent amendments to the laws and regulations. If there is any major abnormality, the CPAs and the independent directors may convene a meeting or other method to discuss at any time.

Date	Communication item	Communication results
2024/03/06	Independence of CPAs Responsibilities of the auditors for the audit of the financial statements Types of audit opinions Scope of audit Audit findings Standards of Review Update of important accounting standards or interpretations, securities regulations, and tax laws Assessment of the audit quality index and appointment Description of the general principles of the non-assurance service policy approved in advance	No opinion was raised in this meeting No objection from independent directors
2024/08/07	Independence of CPAs Responsibilities of the Review Personnel for the Review of the Interim Financial Statements Types of conclusion for review Scope of review Review findings Other matters of caution Update of important accounting standards or interpretations, securities regulations, and tax laws	No opinion was raised in this meeting No objection from independent directors

- \* If any independent director resigns before the end of the fiscal year, the resignation date shall be noted in the Remarks column. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held and the number of meetings attended during the director's term of office.
- \* If there is a re-election of independent directors before the end of the fiscal year, both outgoing and incoming independent directors shall be listed. The Remarks column should specify whether the director is new, reappointed, or outgoing, along with the date of re-election. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held and the number of meetings attended during each director's respective term of office.

(IV) The Company's implementation of corporate governance and the differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.

Evaluation items	The State of Operations (Note 1)			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance practice best principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”?	Yes		In order to establish a sound corporate governance system, the Company's Board of Directors has approved the establishment of the "Corporate Governance Best Practice Principles" and disclosed it on the Company's website in the Investor section.	No deviations
II. Shareholding Structure of the Company and Shareholders' equity				No deviations
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	Yes		(I) The Company has established the Rules of Procedure for Shareholders' Meetings, and established the spokesperson and acting spokesperson system according to the regulations. The Company has also appointed dedicated personnel to handle investor relations and shareholder-related issues, and set up an investor relations section on the website to handle the relationship and email of the investor relations section.	
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	Yes		(II) The professional stock agency is responsible for this matter, and the status of shareholding is kept track of through the monthly internal information on changes in shareholdings.	
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	Yes		(III) The financial and business matters between the Company and its affiliates are based on the principle of mutual independence. The parent company has established the management operating program in the future, and established the "internal control system" and "internal audit system" as the control mechanisms.	
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	Yes		(IV) The Company has established the "Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct" for all purposes, including insiders and their related parties.	
III. Composition and responsibilities of the Board of Directors				No deviations
(I) Does the Board of Directors formulate diversified policies, set management objectives and implement them?	Yes		(I) The Board of Directors of the Company elects directors in a fair, just, and open procedure. The Board of Directors actively considers candidates with appropriate backgrounds and expertise or related professional knowledge and experience, and actively elects candidates with diverse backgrounds and perspectives. The members of the Board of Directors maintain an appropriate range and balance of skills, experience, knowledge and character. The diversity and independence of the Board of Directors are detailed in P.10.	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?		No	(II) The Company will establish other functional committees depending on the actual needs of the Company.	
(III) Has the Company established the performance appraisal measures and methods for the Board of Directors for annual regular performance appraisal? Does the Company present the performance appraisal results to the Board of Directors and reckon some individual directors' remuneration, nomination and succession as references?	Yes		(III) The Company's Board of Directors has approved the Board of Directors' performance evaluation measures on November 6, 2019, and has conducted the 2023 evaluation. The performance results were submitted to the Board of Directors on March 12, 2025. Please refer to P.24.	
(IV) Does the Company regularly evaluate the independence of attesting CPAs?	Yes		(IV) The Company regularly evaluates the independence and suitability of the CPAs and the audit quality indicators once a year, and conducts the evaluation. The Company has obtained the Declaration of Independence from the CPAs. The Company's CPAs, Yao-Chun Chu and Yu-Ting Hsin, meet the requirements of the Declaration of Independence. The main evaluation procedures include: 1. Company evaluation: The Finance Department reviews whether the CPAs meet the requirements of	

Evaluation items	The State of Operations (Note 1)			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
			<p>the 14 evaluation items set forth in the "Assessment Form for the Independence and Competence of the CPAs" for the Company's CPAs individually, and submits the contents and results of the evaluation form to the Board of Directors for review. Please refer to P.34.</p> <p>2. Self-evaluation of the CPA firm: The CPA firm is responsible for the audit of the independent standards of the CPA, whether the responsible auditors and the CPAs meet the requirements of the independent standards, and the CPA firm is to have the audited contents and results sent to the Board of Directors as the basis for review.</p>	
IV. Have the TWSE/GTSM listed companies had an appropriate number of competent corporate governance personnel and appointed corporate governance executives to take charge of the affairs related to corporate governance (including but not limited to providing the directors and supervisors with materials necessary for business execution; assisting the directors and supervisors in abiding by laws and regulations, lawfully handling matters regarding matters of the Board of Directors and the shareholders' meetings, and preparing minutes of the Board of Directors and the shareholders' meetings)?	Yes		<p>The Company has designated the corporate governance officer on January 18, 2022 to be responsible for corporate governance affairs. The Company's current corporate governance officer is Shu-Chun Huang, who is the Director of the Accounting and Finance Department of a public company with more than three years of experience. The main responsibilities are as follows:</p> <ol style="list-style-type: none"> <li>1. Matters with regard to the meetings of the Board of Directors and Shareholders' Meeting in accordance with the law.</li> <li>2. Preparation of the minutes of the Audit Committee, Board of Directors, and Shareholders' Meeting</li> <li>3. Assist in the appointment of directors and continuing education.</li> <li>4. Provide the information required by the directors to carry out their duties.</li> <li>5. Assist directors in complying with laws and regulations.</li> <li>6. Report to the Board of Directors on whether the independent director's qualification meets the relevant laws and regulations during the nomination and election period.</li> <li>7. Related matters of the change of directors</li> <li>8. Other matters stipulated in the Company's Articles of Incorporation or contracts.</li> <li>9. Implementation of Board of Directors' performance evaluation</li> </ol>	No deviations
V. Has the Company created channels for communicating with the stakeholders (including but not limited to the shareholders, employees, customers and suppliers), set a special zone for the stakeholders on its website, and appropriately responded to important issues on corporate social responsibilities which arouse the stakeholders' concern?	Yes		<p>The Company's website has a stakeholder section. Upstream suppliers and downstream customers can understand the Company and product status through customer service mailbox/phone/balance sheet staff. Other stakeholders such as investors/banks/government agencies can track the Company's latest financial or related information through the Company's website, media news, etc. Email of investor relations: michael@tekcore.com.tw Email address of suppliers: shay@tekcore.com.tw Email address of customer: weiminli@tekcore.com.tw</p>	No deviations
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	Yes		<p>The Company has appointed a professional stock agency: Grand Fortune Securities Co., Ltd. to handle shareholders' meeting affairs; the stock agency department of Grand Fortune Securities Co., Ltd., is also authorized by the stock agency to handle the verification of the proxy form.</p>	No deviations
VII. Information Disclosure				No deviations
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	Yes		(I) The Company has set up a website to update the latest financial and business information and information on corporate governance periodically.	(II) The English website will be developed in accordance with the needs of the public and the laws and regulations.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	Yes		(II) The spokesman system and other contact methods have been set up on the Company's website (Stakeholder Section) ( <a href="http://www.tekcore.com.tw">http://www.tekcore.com.tw</a> ).	

Evaluation items	The State of Operations (Note 1)			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	Yes		(III) The Company shall announce and report the annual financial report within three months after the end of each fiscal year in accordance with the Securities and Exchange Act, and shall announce and report the quarterly financial report within 45 days after the end of the first, second and third quarters of each fiscal year. The monthly revenue is announced before the 10th day of each month.	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	Yes		<p>(I) Employee rights: The Company handles it in accordance with the Labor Standards Act. For relevant employee welfare measures, continuing education and training, and retirement system, please refer to Chapter 5 Operation Overview of the Labor-Management Relations Chapter.</p> <p>(II) Employee care: The Company is committed to providing employees with a safe and healthy working environment. Annual health checkups are organized for all employees to ensure their health and well-being.</p> <p>(III) Investor relations: In addition to the disclosure of the Company's business or financial information on the MOPS as required by laws, the Company has an investor section and a stakeholder section, responsible for information disclosure and investor relationship maintenance, to enhance the Company's information transparency. In addition, the Company has set up an investor section on the Company's website to announce various corporate governance, financial and operational information for investors to refer to.</p> <p>(IV) Supplier relations: Continue to promote "green procurement" and require raw material suppliers to provide test reports to ensure that their products do not contain prohibited substances that are harmful to the environment, and ensure that the products meet the requirements of the Restriction of Hazardous Substances (RoHS) laws and regulations for electronic products set by customers and the European Union. Green production to implement environmental protection concepts</p> <p>(V) Stakeholders' rights: The Company has disclosed the contact number and e-mail address of the stakeholders on the Company's website, and established communication channels with employees, shareholders and other stakeholders to protect the rights and interests of the stakeholders.</p> <p>(VI) The continuing education of directors and supervisors in 2023: Please refer to P.44 of this annual report.</p> <p>(VII) Implementation of risk management policies and risk assessment standards: The Company's various departments review each other from time to time, and internal auditors regularly or from time to time. Finally, the Board of Directors reviews, which is the way to adopt layered prevention and comprehensive control of risks by all employees.</p> <p>(VIII) Implementation of consumer protection or customer policies: The Company actively collects customer responses, analyzes customer needs, upgrades service quality and proposes appropriate solutions, and incorporates customer satisfaction into the ISO standard to strengthen management, improve efficiency and quality control, and establish an audit and tracking mechanism simultaneously.</p>	No deviations

Evaluation items	The State of Operations (Note 1)			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
			(IX) Liability insurance for directors: The Company purchased a one-year liability insurance policy for its directors from Chengzhong Branch, Fubon Insurance Co., Ltd. (the insured period: October 1, 2023 to October 1, 2024), in the amount of US\$3 million.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: (Companies not included in the evaluation need not be filled in) Corrective actions taken: Enhancements have been made to the Company's website and related information disclosures, and policies promoting board diversity have been established and implemented. Items and measures identified for priority improvement: The Company will continue to improve the disclosure of relevant information in line with evaluation requirements, establish and implement internal regulations, develop a board performance evaluation mechanism, and ensure that directors and supervisors fulfill the required hours of continuing education in accordance with applicable regulations.				

# TEKCORE CO., LTD

## 2024 Independent Auditors' Independence Assessment Report

Name of CPA firm: KPMG  
Name of CPA: Shu-Ying Chang, Yao-Chun Chu  
Period: January 1, 2024~ December 31, 2024

Factors affecting the independence	Yes	No	Evaluation results
1. There is a direct or material indirect financial interest relationship with the Company.		✓	No such situation
2. There is a significant close business relationship with the Company.		✓	No such situation
3. Members of the audit service team have potential employment relations with the Company.		✓	No such situation
4. Any member of the audit engagement team currently serves or has served within the past two years as a director, supervisor, manager, or in any position that has significant influence over the audit		✓	No such situation
5. Non-audit services provided to the Company directly affect significant areas of the audit engagement.		✓	No such situation
6. In addition to the business activities permitted by law, the Company also represents the Company in the defense of legal cases or other disputes.		✓	No such situation
7. Disclosing business secrets without the permission of the Company or its designated authority.		✓	No such situation
8. Promoting or distributing the shares or other securities issued by the Company.		✓	No such situation
9. Members of the audit service team have a relationship of kinship with the Company's directors, supervisors, managers, or persons who have a significant influence on the audit case.		✓	No such situation
10. A former co-practicing CPA who left the firm within the past year now serves as a director, supervisor, manager, or in a position with significant influence over the audit matters of the Company.		✓	No such situation
11. Members of the audit service team receive gifts or special favors of great value from the Company or the Company's directors, supervisors, managers, or major shareholders.		✓	No such situation
12. The Company's forced audit service team members are required to accept improper management choices in accounting policies or improper disclosures in financial statements.		✓	No such situation
13. In order to reduce public expenses, the Company applies pressure to the CPAs, so that they do not perform the audit work that should be performed.		✓	No such situation
14. Whether the same CPAs have been certifying the Company for seven consecutive years.		✓	Shu-Ying Chang: From Q2 2024 Yao-Chun Chu: From Q1 2021

TEKCORE CO., LTD  
2024 Audit Quality Index (AQI)

Name of CPA firm: KPMG  
Period: January 1, 2024~ December 31, 2024

Evaluation item	Yes	No
<b>Aspect 1: Professionalism</b>		
1-1. Do the CPAs and audit personnel at managerial level and above possess sufficient audit experience to perform audit tasks effectively?	✓	
1-2. Do the CPAs and personnel at managerial level and above receive sufficient annual training to maintain and enhance their professional knowledge and skills?	✓	
1-3. Does the firm retain an adequate number of experienced senior professionals?	✓	
1-4. Does the firm employ sufficient specialized professionals (e.g., valuation experts) to support the audit team?	✓	
<b>Aspect 2: Quality Control</b>		
2-1. Is the workload of the signing CPA reasonable (e.g., number of public companies audited, proportion of available working hours)?	✓	
2-2. Are audit team members appropriately involved at each stage of the audit process?	✓	
2-3. Does the Engagement Quality Control Reviewer (EQCR) devote sufficient time to the audit review process?	✓	
2-4. Does the firm have adequate quality control personnel to support audit quality?	✓	
<b>Aspect 3: Independence</b>		
3-1. Does the proportion of non-audit service fees affect the auditor's independence?		✓
3-2. Does the duration of audit service provided to the client affect the auditor's independence?		✓
<b>Aspect 4: Supervision</b>		
4-1. Are the firm's quality control system and audit engagements conducted in compliance with applicable laws, regulations, and standards?	✓	
4-2. Does the firm have effective mechanisms in place to implement and monitor its quality control procedures?	✓	
<b>Aspect 5: Innovation Capability</b>		
5-1. What is the firm's commitment to improving audit quality, including its innovation capacity and forward-looking planning?	✓	

(V) If the Company has a remuneration committee, it should disclose its composition, responsibilities and operations:

The Company has established the Remuneration Committee since December 22, 2011, which is responsible for formulating and regularly reviewing the performance evaluation of directors and managers, as well as the policies, systems, standards and structures of remuneration. The information on the members of the Remuneration Committee and the operation of the Remuneration Committee is as follows:

1. Information on Remuneration Committee members

April 30, 2025

Position (Note 1)	Name	Condition	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent director (Convener)	Ruei-Hsing Lin (Resigned on February 14, 2025)		The person is experienced in business, accounting and the work needed for the Company's business, and has passed the CPA qualification exam, and has no matters described in Article 30 of the Company Act.	1. The number and percentage of shares held by the person, spouse, second degree relatives or closer (or held in the name of others) in the Company. 2. The person, spouse, or relatives within the second degree of kinship has not been a director, supervisor, or employee of the Company or its affiliated company. 3. Not a director, supervisor, or employee of any company that has a specific relationship with the Company (in accordance with the provisions of Paragraph 5-8, Section 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and No remuneration received from providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.	2
Independent director	Shih-Min Hsu		The person has work experience in business and the work experience needed for the Company's business, and has no matters specified in Article 30 of the Company Act.	1. The number and percentage of shares held by the person, spouse, second degree relatives or closer (or held in the name of others) in the Company. 2. The person, spouse, or relatives within the second degree of kinship has not been a director, supervisor, or employee of the Company or its affiliated company. 3. Not a director, supervisor, or employee of any company that has a specific relationship with the Company (in accordance with the provisions of Paragraph 5-8, Section 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and No remuneration received from providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.	1
Independent director	Pei-Chang Li		The person is experienced in business, accounting and the work needed for the Company's business, and has passed the CPA qualification exam, and has no matters described in Article 30 of the Company Act.	1. The number and percentage of shares held by the person, spouse, second degree relatives or closer (or held in the name of others) in the Company. 2. The person, spouse, or relatives within the second degree of kinship has not been a director, supervisor, or employee of the Company or its affiliated company. 3. Not a director, supervisor, or employee of any company that has a specific relationship with the Company (in accordance with the provisions of Paragraph 5-8, Section 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and No remuneration received from providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.	1

Note 1: Please specify the work experience, professional qualifications and experience, and independence of each member of the Remuneration Committee in the table. If the person is an independent director, please refer to Table 1 on p. 7 for the information of Directors and Supervisors (I). The independent directors or others who are conveners shall fill in this position column.

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Independence criteria: The independence criteria of the members of the Remuneration Committee shall include but not limited to whether the member himself/herself or his/her spouse or relative within the second degree of kinship serves as a director, supervisor or employee of the Company or its affiliates; number and percentage of shares held by spouse, relatives within the second degree of kinship (or in the name of a third party); whether or not the shareholder is a shareholder in a company that has a specific relationship with the Company (see Any director, supervisor, or employee of any of the titles listed in Article 6, Paragraph 1, Subparagraphs 5 to 8); and the amount of remuneration for having provided the Company or its affiliates with commercial, legal, financial, accounting services, etc., in the last 2 years.

2. Information on the operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company has 3 members.
- (2) The term of office for the current (6th) committee: June 19, 2024 to June 18, 2027.
- (3) The Remuneration Committee (A) held three meetings in the most recent year. The attendance of the members is as follows:

Job title	Name	Number of attendance in person (B)	Number of attendance by proxy	Presence rate (%) (B/A)	Remark
Convener	Ruei-Hsing Lin	2	0	100%	Inaugurated on June 19, 2024
Committee Member	Shih-Min Hsu	2	0	100%	Inaugurated on June 19, 2024
Committee Member	Pei-Chang Li	2	0	100%	Inaugurated on June 19, 2024
Convener	Yao-Ming Huang	1	0	100%	Discharged on June 19, 2024
Committee Member	Wei-Jen Chen	1	0	100%	Discharged on June 19, 2024
Committee Member	Chen-Chang Lin	1	0	100%	Discharged on June 19, 2024
Other additional information: I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None. II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.					

Note: (1) If a member of the Remuneration Committee vacates his or her position before the end of the year, the date of vacating the position should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during his or her employment.

(2) If the Remuneration Committee is re-elected before the end of the year, the new or existing member of the Committee should be listed and the date of re-election should be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during the term of his or her employment.

(VI) Implementation of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation items	Implementation Status			The deviation and the reason for deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies									
	Yes	No	Summary										
I. Does the Company build the governance structure for promoting sustainable development and set full-time (part-time) positions for promoting sustainable development? Does the Board of Directors authorize the senior management to handle related matters and does the Board of Directors supervise the circumstances?	Yes		Although the Company does not have a full-time unit, the corporate governance officer is also responsible for promoting sustainable development, and will implement it in a project-by-project basis if necessary.	No deviations									
II. Does the company conduct risk assessments of ESG issues related to the company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	Yes		<p>In terms of environmental protection, the Company has been fully committed to energy conservation and emission reduction. In recent years, the waste liquid of organic solvents has been changed from incineration treatment to physical treatment (steaming treatment method) to achieve the reduction of environmental load.</p> <p>In addition, the Company has implemented management on the waste storage and output in accordance with the relevant laws and regulations of the Waste Disposal Act. In addition to reporting the waste storage quantity by the 5th day of each month, the Company also reports the waste output quantity by the end of each month. In addition, the Company has established the relevant procedures for the ISO management system for waste management and implemented the management accordingly, in order to reduce the waste output and report and manage the waste output according to the law.</p> <p>In terms of corporate governance, the Company's information is publicly disclosed on the MOPS and the Company's website in a timely and accurate manner, to achieve the goal of fair and transparent information and provide the Company's "stakeholders" with a reference.</p>	No deviations									
III. Environmental Issues				No deviations									
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	Yes		(I) The Company has fully implemented the digital era in its own industry, and promoted digital documents for individuals and projects, which significantly reduced paper waste. The Company has established relevant management systems and obtained certifications in accordance with the Occupational Safety and Health Act. The Company has obtained certifications such as ISO9001 (2018-2021), IATF 16949 (2018-2021), and ISO14001 (2017-2020), and obtained the ISO45001 certification on September 26, 2020.										
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	Yes		(II) As a member of the society, the Company is committed to energy conservation and emission reduction. In recent years, the Company has changed from incineration to physical treatment (steaming treatment) of waste liquid of organic solvents, and the use of which has achieved the reduction of environmental load.										
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	Yes		<p>(III) Energy conservation, carbon reduction, and greenhouse gas reduction strategies</p> <table><tr><th>Climate change risks</th><th>(Potential financial impact)</th><th>Climate change opportunities</th><th>(Potential financial impact)</th><th>Corrective action plan (Countermeasures)</th></tr><tr><td>Extreme weather (e.g., typhoons, floods, droughts)</td><td>May cause production lines to shut down or reduce output, resulting in delayed delivery times and financial losses.</td><td>Enhance pre-disaster production scheduling by personnel to reduce the</td><td>likelihood of production capacity loss.</td><td>Establish effective safety stock levels to respond to unexpected and temporary situations, mitigating subsequent impacts</td></tr></table>		Climate change risks	(Potential financial impact)	Climate change opportunities	(Potential financial impact)	Corrective action plan (Countermeasures)	Extreme weather (e.g., typhoons, floods, droughts)	May cause production lines to shut down or reduce output, resulting in delayed delivery times and financial losses.	Enhance pre-disaster production scheduling by personnel to reduce the	likelihood of production capacity loss.
Climate change risks	(Potential financial impact)	Climate change opportunities	(Potential financial impact)	Corrective action plan (Countermeasures)									
Extreme weather (e.g., typhoons, floods, droughts)	May cause production lines to shut down or reduce output, resulting in delayed delivery times and financial losses.	Enhance pre-disaster production scheduling by personnel to reduce the	likelihood of production capacity loss.	Establish effective safety stock levels to respond to unexpected and temporary situations, mitigating subsequent impacts									

Evaluation items	Implementation Status					The deviation and the reason for deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies										
	Yes	No	Summary													
(IV) Has the Company compiled the greenhouse gas emissions, water consumption and total weight of waste in the past two years and established management policies for energy saving and reduction of greenhouse gas emission, water consumption and other wastes?	Yes		<table><tr><td>Water, electricity Supply impact</td><td>May affect manufacturing and plant facilities, leading to increased operating costs and financial losses</td><td>Plan for energy usage</td><td>Reserve backup power and water resources, ensuring related equipment is not affected, preventing production cost losses and machine damage</td><td>Maintain a three-day water storage capacity and ensure the functionality of backup generator units in the plant</td></tr><tr><td>Rising environmental temperatures</td><td>Leads to increased electricity and water consumption, raising water and electricity costs</td><td>Promote setting indoor temperatures to 26°C, turning off lights and equipment when not in use, and installing water-saving devices to effectively prevent unnecessary waste</td><td>Conserve electricity and water to reduce costs</td><td>Adjust production schedule timing to make full use of off-peak electricity and reduce power demand during peak periods</td></tr></table>			Water, electricity Supply impact	May affect manufacturing and plant facilities, leading to increased operating costs and financial losses	Plan for energy usage	Reserve backup power and water resources, ensuring related equipment is not affected, preventing production cost losses and machine damage	Maintain a three-day water storage capacity and ensure the functionality of backup generator units in the plant	Rising environmental temperatures	Leads to increased electricity and water consumption, raising water and electricity costs	Promote setting indoor temperatures to 26°C, turning off lights and equipment when not in use, and installing water-saving devices to effectively prevent unnecessary waste	Conserve electricity and water to reduce costs	Adjust production schedule timing to make full use of off-peak electricity and reduce power demand during peak periods	
Water, electricity Supply impact	May affect manufacturing and plant facilities, leading to increased operating costs and financial losses	Plan for energy usage	Reserve backup power and water resources, ensuring related equipment is not affected, preventing production cost losses and machine damage	Maintain a three-day water storage capacity and ensure the functionality of backup generator units in the plant												
Rising environmental temperatures	Leads to increased electricity and water consumption, raising water and electricity costs	Promote setting indoor temperatures to 26°C, turning off lights and equipment when not in use, and installing water-saving devices to effectively prevent unnecessary waste	Conserve electricity and water to reduce costs	Adjust production schedule timing to make full use of off-peak electricity and reduce power demand during peak periods												
(IV) (1) The Company reports factory waste storage and output volumes in accordance with the Waste Disposal Act. Storage volume is declared by the 5th of each month, and output volume by the end of each month. Waste management procedures are documented under the ISO management system. Monthly water usage is recorded based on utility billing. To support water reduction policies, the Company promotes water-saving awareness through signage and messaging, and water-saving devices have been installed on faucets to effectively reduce facility-wide water consumption. (2) <u>Regulations Governing the Inventory and Registration of Greenhouse Gas Emissions</u> The Company is not included in the first batch of emission sources required by the Environmental Protection Administration to conduct and register greenhouse gas (GHG) inventories. ISO 14064 verification has not been obtained. Current GHG reduction efforts are limited to minimal usage of applicable categories announced by the EPA. Waste-related cleaning and disposal, and certification for ISO14001 environmental management system																
IV. Social Issues						No deviations										
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	Yes		(I) The Company has established work rules and related personnel management regulations in accordance with the Labor Act to protect the rights and interests of employees, respect the internationally recognized basic labor human rights principles, and establish appropriate management methods and procedures to prevent any incidents that endanger the basic rights and interests of workers. The Company's hiring policy is based on the Gender Equality in Employment Act, to provide employees with an equal and fair working environment free from discrimination and harassment.													
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	Yes		(II) The Company has established work rules and management measures, including basic wages, working hours, vacations, labor health insurance and labor retirement, which comply with the Labor Standards Act. In addition, the Company also handles employee group insurance and annual health checks. The Company has established an Employee Welfare Committee to distribute gifts and handle various welfare matters; appropriately adjusts employee remuneration based on business performance, performance evaluation and contribution to the Company.													
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	Yes		(III) 1. Assist new employees in education and training to understand the safe work methods, and require them to wear safety and health protective gears according to regulations, to maintain good hygiene habits and a safe work attitude. (Monthly self-inspection checklist and weekly inspections by each department). 2. Employees are trained regularly on chemical hazard awareness and confined space education every year to eliminate machinery, equipment, work methods, materials or building factors that may cause hazards.													
(IV) Has the Company established an effective career development			(2024.3.14/2024.6.13/2024.09.12) ◦													

Evaluation items	Implementation Status			The deviation and the reason for deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>training program for employees?</p> <p>(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?</p> <p>(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?</p>	Yes		<p>3. Regular air pollution and toxic disasters drills for employees and first aid and response (2024.12.20)</p> <p>4. Fire drills are conducted twice a year and emergency response is handled. (2024.6.20/12.20) °</p> <p>5. Exceed the statutory requirement, the Company organizes employee health checkups on a regular basis (cooperation with the Children's Comprehensive Medical Hospital on 2024.12.5). In addition to protecting the health of employees, the Company also implements a health management system, provides personal guidance, and organizes on-site physician interviews for health consultation (2024.04.16/2024.08.6/2024.11.5) to help employees avoid exposure to hazards and risks of occupational diseases during work.</p> <p>6. Information promotion of cancer screening. (2024.2.21/2024.4.18/2024.7.3)</p> <p>7. Arrangement of anti-smokers and anti-avoidance seminars to maintain employees' physical health, enhance employees' awareness of smoking hazards, prevent and reduce the hazards of smoking and second-hand smoking, and shape a smoke-free, non-smokers' and non-toxic workplace. (2024.6.3).</p> <p>8. Arranged my meal and beverage to be more balanced, reminded colleagues to eat 6 types of food for each meal, and eat in proportion to my meal, to implement the national health diet. (2024.6.3)</p> <p>9. "Computer Wind Health Awareness and Desktop Game" was organized to raise employees' awareness of symptoms. (2024.8.8)</p> <p>10. "Exercise has a positive impact on the stress relief and mental health in the workplace" - Understanding the importance of exercise in improving the pressure in the workplace, enhancing mental resilience and improving physical health; Establish the concept of relief from pressure in the workplace through simple exercise, and apply it to daily life. (Co-organized with the Nantou City Mental Health Center on 2024.10.24)</p> <p>11. Arrangement of flu vaccination to protect employees' health, understanding of the symptoms and impacts of flu and understanding of the importance of maintaining employees' health (2024.11.7)</p> <p>12. Response to illegal infringement of the workplace environment and voluntary inspection and advocacy of conduct (2024.11.8)</p> <p>13. Occupational disaster: 0 case in 2024, and 0 injuries were reported.</p> <p>(IV) The Company values the training and development of employees, and provides a clear career development plan. The Company invests sufficient resources in the training of employees. The Company provides training programs for employees starting their career. The training program explains the Company's corporate policy, corporate social responsibility concepts and related policies. The Company also provides training courses based on individual functions.</p> <p>(V) The Company complies with the requirements and regulations of the relevant RBA (Responsible Business Alliance) regarding the health and safety of customers, privacy, sales, and labeling of products and services. The Company has disclosed the complaint hotline and email on the Company's website to protect the rights of consumers and protect the rights of related parties. The Business Department is responsible for handling customer complaints and complaints, and conducts annual customer satisfaction surveys as the basis for continuous improvement.</p> <p>(VI) The Company has established the "Regulations Governing the Management of Suppliers" and the "Regulations Governing the Management of Procurement and Payment" to ensure that the procurement of goods meets the requirements of the regulations. Suppliers are also required to sign the ROHS and other environmental protection guidelines.</p>	
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the		No	The Company has not yet prepared a corporate social responsibility report. (Note 1)	As described in the summary.

Evaluation items	Implementation Status			The deviation and the reason for deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
preceding paragraph?				
VI. If the Company enacts its own Principles for Code of Practice for Sustainable Development according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the difference between actual operations and enactment: Not applicable, as the Company has not yet established relevant principles.				
VII. Important Information that helps to understand promotion of sustainable development: <div>1. Environmental protection: In addition to complying with the world's design and manufacturing trends, the Company continues to introduce the concept of "colored products" in response to the requirements of RoHS and other environmental directives, to ensure that the Company's products comply with international regulations and customer requirements, and to comply with waste disposal laws and regulations, water pollution prevention laws and regulations, and air pollution prevention laws and regulations to implement pollution prevention and control in order to maintain environmental quality.</div> <div>2. Community participation, social contribution, social services and social welfare: The Company fulfills its corporate social responsibility by participating in various educational, public and cultural events.</div> <div>3. Consumer rights: Understanding customer satisfaction while ensuring the existing customers and obtaining the favor of potential customers, in order to actively, quickly and effectively improve the Company's competitive strength with effective service quality.</div> <div>4. Human rights: The Company's employees are equal in gender, religion and party, and they are equal in employment opportunities. The Company also provides a good working environment to ensure that employees are not subject to discrimination and harassment.</div> <div>5. Security and health: The Company has established occupational safety and health management personnel in accordance with the Occupational Safety and Health Act of the Ministry of Labor. The Company handles various safety and health-related matters in accordance with relevant laws and regulations. The relevant details are set forth in the Work Rules for Labor Safety and Health. The Company's products are delivered to a certified laboratory for calibration and testing on a regular basis to ensure that they comply with RoHS. RoHS is a European Union directive on the use of hazardous substances in electronic electrical machinery equipment. The Company has passed the ISO 9001 (2018-2021) quality management system, ISO 14001 (2017-2020) environmental management system, and ISO 45001 occupational safety and health management system, and is committed to fulfilling the environmental protection policy of continuous production.</div>				

Note 1: Although the Company does not prepare a "CSR Report", the Company continues to pay attention to the Company's environmental, social and corporate governance regulations in its daily operations management, and further requires its colleagues to adopt a more stringent attitude to control and execution, in order to achieve the goals of environmental friendliness, social care, and fair and transparent corporate governance.

(VII) Implementation of sustainable management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX- Listed Companies and the reasons therefor:

Evaluation items	The State of Operations (Note 1)			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary	
<p>I. Formulate ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company’s regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish a prevention program accordingly with the inclusion of the preventive measures against each behavior specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary actions for violation, and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company review and modify the program mentioned above regularly?</p>	Yes		<p>(I) The Board of Directors and the management of the Company perform business in accordance with the duty of care, duty of loyalty and ethical corporate management principles of good administrators, and have established the Ethical Corporate Management Best Practice Principles, which can be referred to the MOPS or the official website of the Company.</p> <p>(II) The Company strictly prohibits corruption, bribery and blackmail, establishes an effective accounting system and internal control system, and provides education and training to ensure that all people understand the relevant agreements and rules. The internal auditors will check the compliance with the aforementioned system from time to time.</p> <p>(III) The Company has established a code of ethical conduct that strictly requires directors and managers to act in line with ethical standards, and to prevent business activities that are dishonest through internal audits to prevent bribery and acceptance of bribes, and illegal political contributions.</p>	No deviations
<p>II. The implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?</p> <p>(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?</p> <p>(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?</p> <p>(V) Does the Company regularly organize internal and external education and training on ethical corporate management?</p>	Yes		<p>(I) Before the Company engages in business transactions with agents, suppliers, customers, and other counterparties of trade, the Company assesses the legality of the trading counterparties and whether there is any record of unethical conduct, and includes ethical management in the terms of the business contracts.</p> <p>(II) The Company has not yet established a dedicated unit to promote ethical corporate management, but the Company has formulated the "Ethical Corporate Management Best Practice Principles" in 2016, which is implemented in the upper and lower levels.</p> <p>(III) The Company has established the Work Rules for Employees, prohibiting employees from misusing their authorities, opportunities and right to receive money, objects or other improper benefits, to prevent dishonest behavior. When the Company engages in transactions with stakeholders, the terms and conditions of the transactions shall not be superior to those of other counterparties. The Company also provides smooth communication channels for employees to respond to the management and human resources department through multiple channels.</p> <p>(IV) The Company has established an internal audit plan, and the audit unit performs various audits according to the audit plan. In case of special circumstances, the supervisor will instruct the audit unit to conduct a project audit.</p> <p>(V) The Company has established the Ethical Corporate Management Best Practice Principles, and has also provided education and training to implement the basic awareness of ethical management.</p>	No deviations
III. The operation of the Company's whistleblower reporting system				No deviations

Evaluation items	The State of Operations (Note 1)			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary	
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?  (II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?  (III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	Yes		(I) The Company has established an internal independent whistle-blowing mailbox and hotline on its internal website. Employees can report to designated units or to all levels of management and human resources units through multiple channels.  (II) The complaints and whistleblowing of employees are handled in accordance with the relevant internal control procedures. The whistleblower is not publicly disclosed and is protected by relevant protection mechanisms.  (III) The Company shall keep the identity of the whistleblower and the content reported confidential in a written statement by the relevant personnel handling the report, and the Company undertakes to protect the whistleblower from improper disposal as a result of the report.	
IV. Enhance Information Disclosure (I) Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	Yes		(I) The Company's website has an Investor section and a Stakeholder section to disclose relevant information. Website: <a href="http://www.tekcore.com.tw">http://www.tekcore.com.tw</a>	No deviations.
V. Where a company has established its own Ethical Corporate Management Best-Practice Principles in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, please specify the difference between its operations and the principles formulated: The Company has established the Ethical Corporate Management Best Practice Principles, and the operation is not materially different from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".				
VI. Other important information that is helpful to understand the implementation of ethical corporate management: (For example, if the Company reviews and amends its ethical corporate management best practice principles) The Company established the Ethical Corporate Management Best Practice Principles on November 3, 2016, and the first amendment was made on August 6, 2019.				

(VIII) Other important information that helps to of understand when disasters Company's corporate governance practices:

1. 2024 Continuing education of directors

Job title	Name	Training date		Course organizer	Course name	Training hours
		From	To			
Chairman	Kuo-Shih Huang	2024/02/26	2024/02/26	National Federation of Certified Public Accountants Associations R.O.C.	Nature-based Corporate Solutions	3
		2024/03/06	2024/03/06	National Federation of Certified Public Accountants Associations R.O.C.	Greenhouse Gas Inventory Practice (I)	6
General director	Kuo-Chieh Huang	2024/10/08	2024/10/08	Taiwan Project Management Association	Board of Directors vs. Executive Team	3
General director	Wei-Min Li	2024/09/11	2024/09/11	Taipei Exchange	Meeting for promoting and explaining insider equity of a listed company	3
General director	Mao-Song Lai	2024/09/06	2024/09/6	Taipei Exchange	Meeting for promoting and explaining insider equity of a listed company	3
General director	Ning-Chieh Li	2024/09/12	2024/09/12	Taipei Exchange	Meeting for promoting and explaining insider equity of a listed company	3
		2024/11/26	2024/11/27	Securities and Futures Institute	Practical Workshop for Directors, Supervisors (including Independent) and Governance Officers	12
		2024/11/29	2024/11/29	Securities and Futures Institute	Seminar on SiPh (Silicon Photonics) and CPO (Co-Packaged Optics) Industry Trends	3
Independent director	Ruei-Hsing Lin	2024/08/08	2024/08/08	Securities and Futures Institute	Analysis of Taiwan's Industrial Economy	3
		2024/09/20	2024/09/20	Securities and Futures Institute	Advocacy of prevention of insider trading in 2024	3
Independent director	Shih-Min Hsu	2024/08/02	2024/08/02	Taiwan Digital Governance Association	Taiwan’s Future Amid U.S.-China Tensions	3
		2024/08/12	2024/08/12	Taiwan Digital Governance Association	Strategic Corporate Response to Shifting U.S.-China Relations	3
		2024/09/12	2024/09/12	Taipei Exchange	Meeting for promoting and explaining insider equity of a listed company	3
		2024/10/04	2024/10/04	Taiwan Academy of Management	Corporate Trade Secret Protection – Legal Framework and Case Analysis	3
Independent director	Pei-Chang Li	2024/10/18	2024/10/18	Securities and Futures Institute	Advocacy of prevention of insider trading in 2024	3
		2024/12/17	2024/12/17	Taiwan Academy of Management	Director Training – Applications of Generative AI and ChatGPT	3

(IX) Regarding the implementation of the internal control system:

1. Statement of Internal Control: Please refer to the MOPS.

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) In the recent year and until the publishing date of the annual report, important resolutions adopted by meetings of shareholders and the Board of the Directors:

Term/Date of meeting	Motion content	Resolution results	Implementation
10-5 2024/03/06	2023 employee remuneration distribution	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Allocation of remuneration to directors in 2023		
	Assessment of the competence and independence of CPAs and the audit quality index AQI		
	2023 Business Report, Financial Statements and Draft of Auditing Report by CPAs		
	2023 Earnings Distribution Table		
	Passed the "Internal Control System Effectiveness Review" and "Declaration of Internal Control System"		
	Convening of the 2024 General Shareholders' Meeting		
	Proposals accepted for the 2024 General Shareholders' Meeting		
10-6 2024/04/02	Election of the new Chairperson	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
10-7 2024/04/17	Full re-election of directors	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Additional Agenda Items for the 2024 General Shareholders' Meeting		
	The nomination of shareholders for the 2024 General Shareholders' Meeting		
10-8 2024/05/08	The 2024 Q1 financial statements and the draft of the review report by the CPAs are submitted for review.	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Nomination and resolution of director candidates		
	Removal of non-competition restrictions imposed on new directors and their representatives		
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021		
	Appointment of Deputy General Manager		
General Shareholders' Meeting 2024/06/19	Full re-election of directors	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Removal of non-competition restrictions imposed on new directors and their representatives		
11-1 2024/06/19	Election of the new Chairperson	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Election of new General Manager		
	Election of new Deputy Director		
	Appointment of the 6th Remuneration Committee members		
11-2 2024/06/25	Amendment to the decision-making authority table	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Regulations Governing the Remuneration to Directors and Procedures for the Allocation of Bonus		
	Appointment of Deputy General Manager		
	Replacement of Corporate Governance Officer		
11-3 2024/08/07	2024 Q2 financial statements and the draft of the review report by the CPAs	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Proposal for the replacement of CPA due to internal adjustment of KPMG		
	Replacement of Chief Internal Auditor		
	Amendment to the "Standard Operating Procedures for Handling Directors' Requests"		
	Proposal for the establishment of a new investee company		
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021		
11-4 2024/09/05	Plan to set up a high purity silicon carbide material production line and purchase machinery and equipment	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Contract Execution for the Energy Saving Performance Guarantee Project for Air Conditioning, Air Compression, and Lighting Systems under the Ministry of Economic Affairs		
11-5 2024/11/07	Appointment of Deputy Director	The Chairman consulted all directors present, and	Executed as resolved
	2024 Q3 financial statements and the draft of the review report by the CPAs		

	2025 Audit Plan	with no objections raised, the motion was passed as proposed.	
	Proposal for the establishment of a probe card company as a subsidiary		
	Application for the offering of forward exchange services in foreign currencies		
	Application for trading of futures		
	Ratification of the one-year comprehensive limit of Mega International Commercial Bank		
	Amendment to the "Rules of Procedure for Board of Directors Meetings"		
	Amendment to the "Rules Governing the Scope of Powers of Independent Directors"		
	Amendment to the Regulations Governing the Management of Seals		
	"Sustainable Development Best Practice Principles" was added		
	"Sustainable Information Management" was added		
	The record date for capital increase by new share issuance for the fourth secured convertible corporate bonds in Taiwan in 2021		
11-6 2024/12/11	Formulate the general principles for the Company's pre-approved non-assurance service policy	The Chairman consulted all directors present, and with no objections raised, the motion was passed as proposed.	Executed as resolved
	Replacement of the Company's spokesperson and acting spokesperson		
	Replacement of Chief Internal Auditor		
	2025 budget plan		
11-7 2024/12/25	Plan to enter the supply chain of the semiconductor industry, invest in the design and manufacturing of wafer boxes, and manufacture of foundry.	With unanimous resolution by all 8 directors present (including those attending by proxy) — except for Director Ruei-Hsing Lin, who abstained from voting due to considerations of CPA independence — the motion was approved with an amendment to Item 3 as follows: "III. The Company intends to acquire 70% equity in YAOLIEN as a long-term investment within the investment cap of NTD 173 million. The investment amount falls within the company value range assessed in the Price Reasonableness Opinion. The Chairperson is authorized to handle negotiations and contract signing related to the investment. The investment agreement shall take effect upon approval by the Board of Directors." All other items were approved as originally proposed.	Executed as resolved
	Appointment of the General Manager		
	Amendment to the "Decision Making Authority Table"		

(XI) Resignation or dismissal of personnel related to the preparation of financial reports (including Chairperson, General Manager, head of accounting and head of internal audit, etc.) in the most recent year and up to the date of publication of the annual report: None.

IV. Information on CPA Audit Fees

(I) Information on audit and non-audit fees to the CPAs, the accounting firm of the CPAs and their affiliates:

CPA firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
KPMG	Yao-Chun Chu	2024.01.01	1,750	400	1,960	
	Yu-Ting Hsin	~ 2024.09.30				
	Shu-Ying Chang	2024.10.01				
	Yao-Chun Chu	~ 2024.12.31				

Please describe the contents of the non-audit services: taxation certification. (e.g. taxation certification, assurance or other financial consultation services)

Note: If the Company changed its CPAs or CPA firm during the year, please indicate the audit period and the reason for the change in the remarks column and disclose the information on audit and non-audit fees paid in an orderly manner. The non-audit fees shall be stated with the description of the services.

- (II) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not this situation.
- (III) When the audit fees paid for the current fiscal year are 15% lower than those for the previous fiscal year by ten percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not this situation.

## V. Information on the replacement of CPA

To accommodate internal business adjustments at KPMG Taiwan, the signing auditors for the Company's financial statements have been changed from CPAs Yao-Chun Chu and Yu-Ting Hsin to CPAs Shu-Ying Chang and Yao-Chun Chu of KPMG starting from the fourth quarter of 2024.

### (I) Regarding the predecessor CPA

Date of Replacement	Q4 2024		
Reasons for replacement and description	In line with the internal business adjustment of KPMG.		
Explain whether it was due to the appointer’s or accountant’s termination or the accountant’s declination of the appointment	Status	Party	CPA
	The appointment was terminated voluntarily	Not applicable, due to internal business adjustment.	
	No longer accepted (continued) the appointment		
Opinions and reasons for the audit report issued in the last two years that are not unqualified opinions	None		
If there is any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or steps of audit
			Others
	None	✓	
Description			
Other disclosures: (Disclosures required by Article 10, Paragraph 6, Item 1-4 to 1-7 of the Guidelines)	None		

### (II) Information about the succeeding CPA

Name of CPA firm	KPMG
Name of CPA	CPAs Shu-Ying Chang, Yao-Chun Chu
Date of appointment	From Q4, 2024
The results of the audit on the accounting treatment or accounting principles of specific transactions before the appointment, and the possible opinions to be issued on the financial statements.	None
The written opinion of the succeeding CPA to the matters disagreed by the former CPA	None

- (III) The former CPA's response to the matters specified in Subparagraph 6, Items 1 and 2, Article 10 of the Guidelines: Not applicable.

## VI. Anyone among the Company's Chairman, general managers, or any managerial officers in charge of finance or accounting affairs who have in the most recent year held a position at the counting firm of the CPAs or an affiliate of the accounting firm: None.

## VII. In recent years and until the publication date of the annual report, directors, supervisors, managerial officers and shareholders with more than 10% share equity transferred and changes in pledge of stock rights

- (I) Changes in the equity and pledge of directors, supervisors, managers, and major shareholders holding more than 10% of the shares: Please refer to the MOPS.
- (II) Information on the counterparty of the transfer of equity as a related party: None.
- (III) Information on the related party of the equity pledge: None.

VIII.Information of top ten shareholders with mutual relationship of related parties, spouse, or relatives within the second degree of kinship

April 20, 2025

Name	Shareholding		Shareholdings by spouse and minor child		Total shareholding by nominee arrangement		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another under Statements of Financial Accounting Standards. No. 6.		Remark
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Name (or Title)	Relationship	-
Shan Yi Investment Co., Ltd. Representative: Hao-Ji Shih	5,819,318	8.74%	0	0.00%	Not available	0.00%	None	None	-
	0	0	Not available	0.00%	Not available	0.00%	None	None	-
Hsuan-You Lin	3,000,000	4.51%	Not available	0.00%	Not available	0.00%	None	None	-
TEKCORE CO., LTD. Representative: Kuo-Shih Huang	2,450,000	3.68%	0	0.00%	Not available	0.00%	None	None	-
	0	0	Not available	0.00%	Not available	0.00%	None	None	-
Cheng Li	2,336,000	3.51%	Not available	0.00%	Not available	0.00%	None	None	-
Feng Sheng Industrial Co., Ltd. Representative: Teng-Lung Liu	2,097,130	3.15%	0	0.00%	Not available	0.00%	None	None	-
	703,667	1.06%	Not available	0.00%	Not available	0.00%	Feng Sheng Industrial	Chairperson of the company	-
Chun-Liang Hsu	1,393,000	2.09%	Not available	0.00%	Not available	0.00%	None	None	-
Ching Li	1,260,000	1.89%	Not available	0.00%	Not available	0.00%	None	None	-
Li-Man Tai	1,237,000	1.86%	Not available	0.00%	Not available	0.00%	None	None	-
Citibank as custodian of Berkeley SBL/PB investment account	1,010,000	1.52%	0	0.00%	Not available	0.00%	None	None	-
Huang-Hsing He	958,000	1.44%	Not available	0.00%	Not available	0.00%	None	None	-

IX. Company, Company’s Directors, Supervisors, managerial officers and businesses in direct or indirect control by the Company, their number of shares of the reinvestment businesses with shareholding disclosed in aggregate of the said parties: None.

# Three. Capital Overview

## I. Capital and shares

### (I) Source of share capital

Unit: thousand shares/NTD thousand unless otherwise specified

Date	Issuance price (NTD)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Investment by property other than cash	Others
2000.05	10.00	19,368	193,680	19,368	193,680	Establishment	None	Note 1
2000.10	11.00	30,004	300,044	30,004	300,044	Capital increase in cash NT\$106,364 thousand	None	Note 2
2002.04	15.00	42,000	420,000	37,585	375,858	Capital increase in cash NT\$75,814 thousand	None	Note 3
2003.04	20.00	60,000	600,000	48,170	481,700	Capital increase in cash NT\$105,842 thousand	None	Note 4
2004.04	25.00	60,000	600,000	53,170	531,700	Capital increase in cash NT\$50,000 thousand	None	Note 5
2005.08	10.00	75,000	750,000	60,838	608,385	Capital increase of NT\$63,804 thousand from earnings, and Capital increase of NT\$12,881 thousand from employee bonuses	None	Note 6
2006.06	23.00	75,000	750,000	68,284	682,845	Capital increase in cash NT\$74,460 thousand	None	Note 7
2006.08	10.00	75,000	750,000	72,034	720,345	Capital increase of NT\$34,142 thousand from earnings, and Capital increase of NT\$3,358 thousand from employee bonuses	None	Note 8
2007.08	64.20	150,000	1,500,000	76,534	765,345	Capital increase in cash NT\$45,000 thousand	None	Note 9
2007.09	10.00	150,000	1,500,000	83,690	836,896	Capital increase of NT\$64,831 thousand from earnings, and Capital increase of NT\$6,720 thousand from employee bonuses	None	Note 10
2008.08	10.00	150,000	1,500,000	87,746	877,463	Capitalization of capital reserves NT\$40,566 thousand	None	Note 11
2008.11	7.00	150,000	1,500,000	100,746	1,007,463	Private capital increase in cash NT\$130,000 thousand, and the unit price of private placement was NT\$7 per share.	None	Note 12
2009.07	14.00	150,000	1,500,000	125,746	1,257,463	Private capital increase in cash NT\$250,000 thousand, and the unit price of private placement was NT\$14 per share.	None	Note 13
2009.09	20.00	300,000	3,000,000	155,746	1,557,463	Capital increase in cash NT\$300,000 thousand	None	Note 14
2009.10	16.80	300,000	3,000,000	215,746	2,157,463	Private capital increase in cash NT\$600,000 thousand, and the unit price of private placement was NT\$16.8 per share.	None	Note 15
2010.01	29.80	300,000	3,000,000	216,647	2,166,473	Employee stock option conversion NT\$9,010,000, at a conversion price of NT\$29.80 per share.	None	Note 16
2010.01	29.16	300,000	3,000,000	222,706	2,227,069	Employee stock option conversion NT\$9,010 thousand, at a conversion price of NT\$29.80 per share.	None	Note 16
2010.03	29.80 22.50 29.16	300,000	3,000,000	222,916	2,229,164	Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$60,596 thousand, at a conversion price of NT\$29.16 per share.	None	Note 17
2010.06	29.80 29.16	300,000	3,000,000	223,845	2,238,457	Employee stock option conversion NT\$1,375 thousand, at a conversion price of NT\$29.80 and NT\$22.5 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$720 thousand, at a conversion price of NT\$29.16 per share.	None	Note 18
2010.08	28.00	300,000	3,000,000	273,845	2,738,457	Employee stock option conversion NT\$2,880 thousand, at a conversion price of NT\$29.80 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$6,413 thousand, at a conversion price of NT\$29.16 per share.	None	Note 19

Date	Issuance price (NTD)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Investment by property other than cash	Others
2010.09	29.80 29.50 29.16 28.94	300,000	3,000,000	274,288	2,742,884	Capital increase in cash NT\$500,000 thousand	None	Note 20
2010.11	29.50 28.94	300,000	3,000,000	274,981	2,749,819	Employee stock option conversion NT\$355 thousand, at a conversion price of NT\$29.80/NT\$29.5 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$4,072 thousand, at a conversion price of NT\$29.16/NT\$28.94 per share.	None	Note 21
2011.02	29.50 28.94	300,000	3,000,000	275,040	2,750,405	Employee stock option conversion NT\$4,275 thousand, at a conversion price of NT\$29.5 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$2,661 thousand, at a conversion price of NT\$28.94 per share.	None	Note 22
2011.03	10.00	300,000	3,000,000	274,540	2,745,405	Employee stock option conversion NT\$413 thousand, at a conversion price of NT\$29.50 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$173 thousand, at a conversion price of NT\$28.94 per share.	None	Note 23
2011.04	29.50 22.50 28.94	300,000	3,000,000	275,505	2,755,053	Treasury stock written off for NT\$5,000 thousand	None	Note 24
2011.07	29.50 28.94	600,000	6,000,000	275,952	2,759,528	Employee stock option conversion NT\$6,262 thousand, at a conversion price of NT\$29.5/NT\$22.5 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$3,386 thousand, at a conversion price of NT\$28.94 per share.	None	Note 25
2011.07	10.00	600,000	6,000,000	275,304	2,753,048	Employee stock option conversion NT\$1,780 thousand, at a conversion price of NT\$29.50 per share. Shares converted from the first issuance of unsecured convertible corporate bonds amounted to NT\$2,695 thousand, at a conversion price of NT\$28.94 per share.	None	Note 26
2016.08	10.00	600,000	6,000,000	96,181	961,814	Capital reduction	None	Note 27
2020.09	10.00	600,000	6,000,000	43,281	432,816	Capital reduction	None	Note 28
2021.10	10.00	600,000	6,000,000	50,861	508,616	Capital increase in cash NT\$75,800 thousand	None	Note 29
2022.03	10.00	600,000	6,000,000	51,631	516,312	Shares converted from the 4th issuance of unsecured convertible corporate bonds amounted to NT\$7,696 thousand, at a conversion price of NT\$19.10 per share.	None	Note 30
2024.06	10.00	600,000	6,000,000	65,003	650,029	Shares converted from the 4th issuance of unsecured convertible corporate bonds amounted to NT\$133,717 thousand, at a conversion price of NT\$19.10 per share.	None	Note 31
2024.09	10.00	600,000	6,000,000	65,767	657,673	Shares converted from the 4th issuance of unsecured convertible corporate bonds amounted to NT\$7,644 thousand, at a conversion price of NT\$19.10 per share.	None	Note 32
2024.11	10.00	600,000	6,000,000	66,568	665,683	Shares converted from the 4th issuance of unsecured convertible corporate bonds amounted to NT\$8,010 thousand, at a price of NT\$19.10 per share.	None	Note 33

Note 1: Approved by the MOEA, Department of Commerce under Ref. No. (089) Shang 117739 on 2000.05.31.

Note 2: Approved by the MOEA, Department of Commerce under Ref. No. (089) Shang 140625 on 2000.11.03.

Note 3: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09101155640 on 2002.05.08.

Note 4: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09201147910 on 2003.05.15.

Note 5: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09301087620 on 2004.05.19.

Note 6: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09401151780 on 2005.08.03.

Note 7: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09501135820 on 2006.07.10.

Note 8: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09501191000 on 2006.08.25.

Note 9: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09601224570 on 2007.09.12.

Note 10: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09601226760 on 2007.09.19.

Note 11: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09701233110 on 2008.09.11.

Note 12: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09701300710 on 2008.11.25.

Note 13: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09801134510 on 2009.07.02.

Note 14: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09801206310 on 2009.09.08.

Note 15: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09801243140 on 2009.10.21.

Note 16: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901016440 on 2010.01.25.

Note 17: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901057290 on 2010.03.26.

Note 18: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901130690 on 2010.06.23.

Note 19: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901175490 on 2010.08.09.

Note 20: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901209240 on 2010.09.20.

Note 21: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 09901254780 on 2010.11.15.

Note 22: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10001022400 on 2011.02.11.

Note 23: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10001054270 on 2011.03.18.

Note 24: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10001077800 on 2011.04.20.

Note 25: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10001172670 on 2011.07.28.

Note 26: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10001178470 on 2011.08.02.

Note 27: Approved by MOEA under Ref. No. Jing-Shou-Shang-Zi No. 10501208540 on 2016.08.26.

Note 28: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 10933501700 on 2020.09.02.

Note 29: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 11001199970 on 2021.10.29.

Note 30: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 11101025680 on 2022.03.14.

Note 31: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 11330085090 on 2024.06.18.

Note 32: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 11330159880 on 2024.09.11.

Note 33: Approved by MOEA under Ref. No. Jing-Shou-Zhong-Zi No. 11330206130 on 2024.11.22.

April 20, 2025; Unit: Thousand shares

Share type	Authorized capital				Remarks
	Outstanding shares	Treasury stock	Unissued shares	Total	
Registered Common Shares	64,118	2,450	533,432	600,000	

(II) Shareholder structure

April 20, 2025 Unit: thousand shares

Shareholder structure Quantity	Government agencies	Financial institutions	Other legal persons	Individual	Foreign institutions and foreigners	Total
Number of people	0	0	123	20,217	17	20,357
Number of shareholdings	0	0	12,262,834	52,701,759	1,603,707	66,568,300
Shareholding ratio %	0.00%	0.00%	18.42%	79.17%	2.41%	100.00%

(III) Distribution of shareholdings of registered common stock

NT\$10 per share; April 20, 2025

Shareholding tier	Number of shareholders	Number of shares held	Shareholding ratio %
1–999	15,976	685,858	1.03%
1,000–5,000	3,301	6,753,074	10.15%
5,001–10,000	506	4,036,899	6.06%
10,001–15,000	153	1,993,228	2.99%
15,001–20,000	110	2,010,926	3.02%
20,001–30,000	83	2,105,243	3.16%
30,001–40,000	49	1,753,874	2.64%
40,001–50,000	35	1,606,531	2.41%
50,001–100,000	70	5,073,460	7.62%
100,001–200,000	35	4,884,056	7.34%
200,001–400,000	12	3,508,105	5.27%
400,001–600,000	8	4,136,556	6.21%
600,001–800,000	8	5,610,042	8.43%
800,001–1,000,000	2	1,808,000	2.72%
Over 1,000,001	9	20,602,448	30.95%
Total	20,357	66,568,300	100.00%

(IV) List of major shareholders

April 20, 2025

Name of major shareholder	Shares	Number of shareholdings	Shareholding ratio %
Shan Yi Investment Co., Ltd.		5,819,318	8.74%
Hsuan-You Lin		3,000,000	4.51%
TEKCORE CO., LTD		2,450,000	3.68%

Cheng Li	2,336,000	3.51%
Feng Sheng Industrial Co., Ltd.	2,097,130	3.15%
Chun-Liang Hsu	1,393,000	2.09%
Ching Li	1,260,000	1.89%
Li-Man Tai	1,237,000	1.86%
SBL/PB investment account held in trust by Citibank	1,010,000	1.52%
Huang-Hsing He	958,000	1.44%

(V) Dividend policy and implementation status

Company's dividend policy:

- (1) The Company is engaged in the optoelectronics industry, a growth industry. In order to accommodate the Company's long-term business development, future capital needs and long-term financial planning, and the cash dividends to be distributed to shareholders each year, the cash dividends to be distributed to shareholders shall not be less than 10% of the total dividends for the year. However, the actual distribution amount shall still be based on the resolution of the shareholders' meeting.
- (2) Dividends distribution proposed at the 2024 shareholders' meeting

Unit: NT\$

Year of dividend	The Board of Directors resolved to distribute the dividend on the day	Shareholders' dividends		
		Cash dividend	Distribution of cash from capital reserve	Stock dividend from earnings
2024	2025.03.12	0 (NT\$0 per share)	0 (NT\$0 per share)	0 (NT\$0 per share)

- (3) In case of a significant change in the dividend policy, it should be clarified: No material change.

(VI) The impact of the proposed stock dividends for 2024 on the Company's operating performance and earnings per share: Not applicable.

(VII) Remuneration of employees, directors and supervisors

1. The percentage or scope of employee bonuses and directors' and supervisors' remuneration as stipulated in the Articles of Incorporation
- If the Company makes a profit in a year, 5% to 10% of the profit shall be distributed as remuneration to employees and no more than 2% as remuneration to directors and supervisors. If the Group has accumulated losses, the amount of remuneration to offset the losses shall be retained first.
- The employees' remuneration mentioned in the preceding paragraph may be paid in the form of shares or in cash to employees of the Group or subsidiaries of the Group who meet certain criteria. The criteria for the remuneration are determined by the Board of Directors.
2. The basis for estimating the amount of employee, director and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Not applicable.
3. The Board of Directors approved the 2024 remuneration distribution proposal:

Unit: NT\$ thousand

Items	Board of Directors' resolution (March 12, 2025)
1. Remuneration to directors (cash)	0
2. Employee remuneration (cash)	849.2
Employee remuneration (dividends)	0
Total	849.2

4. The actual distribution of remuneration to directors and supervisors and employees in 2023:

Unit: NTD thousand

Distribution Status	2023			
	Amount resolved in the shareholders' meeting (2024.06.19)	Amounts proposed by the Board of Directors (2024.03.06)	Difference number	Reasons of difference
1. Remuneration to directors and supervisors (cash)	337.7	337.7	-	None
2. Employee remuneration (cash)	947.6	947.6	-	None
Employee remuneration (dividend)	0	0	-	None
Total	1,285.3	1,285.3	-	None

Note: There is no difference between the proposed amount of remuneration to employees and directors/supervisors and the estimated amount of expenses recognized in the year.

(VIII) Repurchase of the Company's shares:

Number of repurchases	3rd	4th
Purpose of buyback	Transfer of shares to employees	Transfer of shares to employees
Number of shares actually repurchased	January 15, 2025 ~ March 14, 2025	April 11, 2025 ~ June 10, 2025
Repurchase price range	NTD 21.00~ NTD 42.40	NTD 22.00~ NTD 40.00
Types of shares repurchased	Common stock	Common stock
Number of shares actually repurchased	1,558,000 shares	1,243,000 shares((As of the date of publication))
Amount of shares actually repurchased	NTD 52,045,050	
As a percentage of total issued shares (%)	2.34%	
Number of shares repurchased and transferred for cancellation	0 shares	0 shares
The number of shares repurchased but not yet canceled or transferred	1,558,000 shares	1,243,000 shares((As of the date of publication))

- II. Issuance of corporate bonds: None.
- III. Issuance of preferred stock: None.
- IV. Issuance of global depository receipts: None.
- V. Status of employee stock option plan: None.
- VI. Issuance of new restricted employee shares: None.
- VII. Issuance of new shares in connection with the acquisition or transfer of shares of other companies: None.
- VIII. Implementation of Capital Utilization Plan: None.

# Four. Business overview

## I. Content of business

### (I) Business scope

#### 1. Main contents of business

R&D, manufacturing, and sales of epitaxial wafers and chips, including high-brightness AlGaInP (Aluminum Gallium Indium Phosphide) LED epitaxial wafers and chips, InGaN (Indium Gallium Nitride) LED epitaxial wafers and chips, and infrared AlGaAs (Aluminum Gallium Arsenide) epitaxial wafers and chips.

#### 2. Weight of business

Unit: NTD thousand; %

Main products	2023		2024	
	Operating income	Weight of business	Operating income	Weight of business
GaN/GaAs die	505,073	99.95	624,361	99.92
Wafer	17	0.00	166	0.03
Others	237	0.05	328	0.05
Total	505,327	100.00	624,855	100.00

#### 3. The Company's current product lineup

The Company’s current main products include epitaxial wafers and dies in blue, green, ultraviolet, yellow, orange-red, red, and infrared light.

Depending on the color and materials of the light, the products are classified as follows:

Light-emitting color		Name of materials	Product category
High brightness	Red	AlGaInP	Epitaxy Wafer, Die
	Orange-red		
	Yellow		
	Yellow-green		
	Green	InGaN	
	Blue		
Ultraviolet			
Infrared	AlGaAs		

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

- ① 465nm ultra-low blue light high-efficiency white light products
- ② Ultra-high brightness AlGaInP vertical flip-chip products
- ③ Ultra-high brightness AlGaInP horizontal flip-chip products
- ④ Ultra-high power infrared vertical flip-chip products
- ⑤ Ultra-high power infrared point light source products

### (II) Industry overview

#### 1. The industry’s current state and development

##### 1. Global LED market scale

Definitions and classification of LED:

Definition:

LED is a semiconductor component, composed of two different materials, and the direct copy of the semiconductor material is used to light up.

It is small in size, long in life, resistant to vibration, and low in energy consumption. It is widely used in lighting, display, and communication.

Classification:

By color:

- Red LED: The earliest developed LED. The main material is Gallium Arsenide (GaAs).
- Green LED: Primarily made from Indium Gallium Nitride (InGaN).
- Blue LED: Uses Gallium Nitride (GaN) as the main material.
- Yellow LED: Typically made from a combination of InGaN and Aluminum Gallium Indium Phosphide (AlGaInP).
- White LED: Formed by combining a blue LED with yellow phosphor or through blending emissions from InGaN and AlGaInP.

By field of application:

- Lighting LEDs: LED lighting fixtures are one of the major application areas. They offer high energy efficiency, long lifespan, and dimmability, and are widely used in residential, commercial, and street lighting.
- Display LEDs: Mainly used in monitors, TVs, mobile devices, etc., as backlight sources. They are valued for their high brightness, contrast ratio, and fast response, and are widely applied in indoor and outdoor displays.
- Communication LEDs: Used primarily in fiber-optic communication systems. They support high-speed transmission and strong anti-interference capability, and are used in fiber-optic transceivers and sensors.
- Automotive LEDs: Used in headlights, dashboards, and interior lighting. They offer high brightness, low power consumption, and long life, making them widely adopted in the automotive industry.
- Plant Growth LEDs: Mainly used for indoor horticulture. They provide targeted light spectra to promote plant growth and development.

In recent years, the LED display and lighting markets have shown steady growth. According to the 2024–2029 LED Industry Current Status and Future Trends Report by the Industrial Economics & Knowledge Center (IEK), the global LED display market was valued at USD 3.51 billion in 2024, and is projected to reach USD 9.26 billion by 2033, with a compound annual growth rate (CAGR) of 6.90%. Meanwhile, the global LED lighting market reached USD 70.49 billion in 2022, and is expected to grow to approximately USD 165.36 billion by 2030, with a CAGR of about 11.28%.

## 2. Scale of the Chinese LED market

In China, the LED lighting industry also exhibited a strong growth trend. According to the data of CSA Research, the total production value of China's LED industry in 2021 reached CNY 777.3 billion, with a year-on-year growth rate of 10.84%. In 2022, under the complex and severe domestic and foreign situations and the impact of multiple factors exceeding expectations, the downstream demand in the LED industry was weak, the overall production cost of the industry rose, and the overall production value of the industry declined by 13.16% to NTD 675 billion. However, as the COVID-19 pandemic eased up, the global macro economic environment recovered, and the LED industry will gradually stabilize and rise at a lower rate than that in 2011-2017. It is expected that the overall scale of China's LED industry will reach CNY 962.5 billion by 2029.

## 3. LED Industry Chain

The LED industry chain includes raw materials, LED backside production, LED outer growth, LED chip manufacturing, LED packaging and LED application. Generally, the back-end production, external growth and chip manufacturing are regarded as the upstream of the LED industry, and the packaging is regarded as the mid-stream, and the application is regarded as the downstream. Among them, the external growth of LED and LED chip manufacturing are the key components of the entire industry chain.

Upstream: The upstream is mainly constrained by the difficulty in production of back-end, outer growth, and wafer manufacturing, and the number of participants is relatively small. The corporate resources are more concentrated.

Midstream: The packaging of LED products is the main part of the midstream market, and the number of participants is relatively large, and the market is very competitive. As some small and medium-sized businesses are being eliminated, the concentration of the medium-to-large-sized businesses is gradually increasing.

Downstream: The downstream application market is wide, the entry threshold is relatively low, the market competition is fierce, and the industry is less concentrated.

### III. Analysis of the competition in the LED industry

#### 1. Global competition

From a global market perspective, the competitive landscape of the LED lighting industry can be broadly divided into three tiers:

Tier 1: International large-scale lighting manufacturers, including Philips, Panasonic, OSRAM, and NVC. These companies have a long history of development, strong R&D capabilities in high-end product markets, and broad customer bases. Their brands enjoy significant global influence.

Tier 2: Large-scale domestic lighting manufacturers, such as San'an Optoelectronics, Foshan Lighting, and Xiamen Changelight. These companies are deeply rooted in the domestic Chinese lighting market, with extensive nationwide distribution networks. As they grow, their customer bases and brand recognition continue to expand.

Tier 3: Small-scale domestic manufacturers, such as Haofeng Lighting and Jiuzhong Lighting. These companies are newer entrants, and have yet to establish strong brand recognition. They tend to focus on product manufacturing and R&D, with relatively strong production capabilities.

#### 2. Competition in the Chinese market

Taiwan's LED industry has low market concentration and is relatively fragmented, with enterprises mainly located in regions such as the Changjiang River Delta and Zhugang River Delta. After years of development and transformation, the LED lighting industry has gradually formed a complete industry chain spanning upstream substrates and chips, midstream product packaging, and downstream applications.

Upstream: Due to the high technical barriers involved in substrate fabrication, epitaxial growth, and chip manufacturing, fewer companies participate in this segment, and resources are more concentrated among a limited number of players.

Midstream: This stage primarily involves LED product packaging, with a large number of participating companies and intense market competition. As some small and medium-sized businesses are being eliminated, the concentration of the medium-to-large-sized businesses is gradually increasing.

Downstream: The application market is broad, with relatively low entry barriers, leading to fierce competition and a lower degree of industry concentration.

### IV. Analysis of the main application fields of the LED industry

LED is applied extensively, covering information display, advertisement media, stadium, stage performance, transportation and safety, household lighting, commercial lighting, road lighting, etc.

#### 1. Information display

Indoor LED display: Suitable for shopping malls, airports, offices, and other venues, providing a high-resolution visual effect with a variety of colors and contrast. Outdoor LED display: Widely used in billboards, transportation hubs, and sports venues, with the characteristics of durability and rain resistance.

#### 2. Lighting

LED lighting has been widely used in multiple fields such as home, commercial, road lighting and smart city construction. With the explosive growth of the smart LED lighting market, LED lighting will be smarter and more personalized.

3. The rapid development of the emerging technologies, Mini LED and Micro LED, has promoted the technological innovation of the industry. These new display technologies not only improve the display effect, but also reduce the cost, so that high-end display is more popular. Meanwhile, the packaging technology such as MIP/COB is also promoting the development of the Micro LED industry.

### V. Innovation of LED industry technology

LED chips are the core unit of LED that realizes the function of light transformation, which is made from the specific process of LED outer film. Common LED chips are roughly divided into four types: MB chips, GB chips, TS chips, and AS chips. The manufacturing process of LED chips requires a number of specialized technologies, including optical, electrical, material, surface physics, testing technology, and photoelectricity. The knowledge and experience of technical personnel are therefore required to meet a high standard. As technology continues to improve, the energy efficiency of LED products will continue to improve, and the cost will continue to be reduced, and the

price-performance ratio will continue to increase. The rapid development of Micro LED and Mini LED technologies has promoted the technological innovation of the industry. These new display technologies not only improve display effects, but also reduce costs. Packaging is a key part of the LED industry chain. Packaging technology directly affects the quality and cost of LED products. Currently, the common packaging technology includes SMD packaging and COB packaging. With the continuous development of technology, the packaging technology of MIP/COB and other products is also promoting the development of the Micro LED industry. These packaging technologies not only improve the reliability and stability of LED products, but also reduce production costs and improve market competitiveness.

#### VI. Policy support and internationalization

1. The government supports the policies of various governments, and promotes the innovation and application of LED technology. In China, the government has announced and implemented a series of policies and guidance opinions to provide support for the LED industry in terms of finance, technology and talent, and create a good external business environment for enterprises. Since the "National Semiconductor Lighting Project" was launched in 2003, the government has issued a series of regulations and policies to support the development of the LED industry in terms of financing, taxation, industrial technology, income distribution, talent attraction and training, intellectual property protection, industry organization and management. For example, the "Electronic Information Manufacturing Industry Action Plan for Sustainable Growth in 2023-2024" announced by the Ministry of Industry and Information Technology and the Ministry of Finance in August 2023 will focus on the audiovisual industry and the new display industry as the key growth points for the development of the electronic information manufacturing industry, and will actively develop MiniLED and Micr-LED technologies. The local government has also been actively responding to the national call, and has also introduced a series of policies and measures to support the development of the LED industry. For example, Guangdong Province has established a special fund, provided tax incentives, and supported corporate technology innovation to promote the development of the LED industry.

#### 2. Internationalization deployment

With the in-depth development of globalization, the international trade of the LED industry is becoming more and more active. In the future, LED companies will further strengthen the internationalization deployment, expand overseas markets and emerging markets. The Company has established overseas R&D centers, production sites, and sales networks to improve its international competitiveness.

#### VII. Analysis of the future development trend and prospect of the LED industry

##### 1. Technology innovation

Technological innovation is the key to the continuous development of the LED industry. In the future, the LED industry will continue to invest in the R&D of technology, and promote the development and application of new display technologies such as Mini LED and Micro LED. The packaging technology will continue to innovate, to improve the reliability and stability of LED products, and to reduce production costs.

##### 2. Smart application

With the rapid development of IoT, Big Data, and AI technologies, LED products will be closely combined with these technologies to form a more intelligent and personalized application field. For example, smart LED lamps can automatically regulate the brightness and color temperature according to the environmental light line and user needs, and increase user experience. The application of smart identification technology can allow the display to automatically adjust the display content according to the audience, and improve user experience.

##### 3. Environmental protection and sustainable development

Under the context of global green development and sustainable development, the LED industry will pay more attention to environmental protection and sustainable development. The Company has been actively promoting green and low-carbon products by enhancing product efficiency, reducing energy consumption, and reducing waste. For example, the use of environmental protection materials for packaging and production reduces environmental pollution during the production process.

##### 4. Industry chain integration

Industry chain integration is a key means to enhance the overall competitiveness of the LED industry. In the future, LED companies will strengthen the cooperation and collaboration with upstream and downstream industry chains to form a stable supply chain system. Integrate resources in the industry chain to improve production efficiency and product quality, reduce production costs, and improve market competitiveness.

##### 2. The correlation among the upstream, midstream and downstream industries

The LED industry chain includes raw materials, LED backside production, LED outer growth, LED chip manufacturing, LED packaging and LED application. Generally, backside production, outer growth and chip manufacturing are regarded as the upstream of the LED industry, and packaging is regarded as the midstream, and application is regarded as the downstream. Among them, the external growth of LED and LED chip manufacturing are the key components of the entire industry chain.

——The upstream chip market is more concentrated.

The upstream LED chip market in Taiwan and China is dominated by core technology, many independent intellectual property rights and well-known brands, strong competitiveness, and reasonable leading enterprises in the industry. The market is relatively concentrated. The main manufacturers are San'an, BOE HC SemiTek, and EPISTAR.

——The midstream LED packaging market is gradually concentrated

In recent years, Taiwan and China's LED packaging industry have experienced price war due to expansion of production capacity, and some small and medium-sized manufacturers have been eliminated. The industry has gradually become concentrated. The assembly module manufacturers in Taiwan include Nichia, Everlight, and Lite-On. The LED assembly industry in China is more dispersed, and the market share of the MLS is the most significant. The market share of San'an, Nichia, NationStar, and Hongli Zhihui is also significant.

——**Diversification of downstream application market**

LED downstream applications cover general lighting, landscape lighting, display, backlight, automotive, and signals. The entry barrier is lower and the industry is wide. The market is more competitive and the market is less concentrated.

——The overall competition in the industry is a pyramid structure.

Overall, the number of participants and market concentration in the LED industry chain are in a pyramid structure. The upstream of the industry is the production of back-end, the outermost growth and the wafer manufacturing. The technology and capital intensive. The number of participants in the competition is relatively small. The corporate resources are concentrated. The LED assembly of the mid-stream is technology and labor intensive. The number of participants is more. In recent years, the LED assembly industry has expanded in terms of production capacity. The expansion has led to price competition. Some small and medium-sized manufacturers have been eliminated. The industry is becoming concentrated. The entry barrier of downstream applications is relatively low. The labor-intensive characteristics are more obvious. The number of participants is more. The industry is concentrated. The competition is fierce.

### 3. Development trends and competition of products

As 2025 begins, advancements in full-spectrum lighting, new energy technologies, and artificial intelligence (AI) continue to evolve and integrate with the lighting industry. These innovations are creating growth opportunities across three key sectors: healthy lighting, landscape illumination, and automotive lighting and displays—offering even greater potential for market expansion in the year ahead.

Consumer awareness of healthy indoor environments is steadily increasing, and national policies continue to provide strong support. For example, the Action Plan for Stabilizing Growth in the Electronics and Information Manufacturing Industry (2023–2024) calls for the upgrading of the LED industry and promotes the broader application of health-oriented lighting products.

The concept of light and health encompasses a multi-disciplinary technological chain. Under the growing demand for lighting that is “natural, immersive, and eye-friendly,” full-spectrum lighting and human-centric lighting systems have become the twin pillars—or “double centerpieces”—of the category.

Looking back at 2024 and ahead to 2025, industry exhibitions and product launches by manufacturers have prominently featured “healthy light” and “human-centric lighting,” not only to attract exhibitors and customers but also to open up broader possibilities for brand elevation.

Previously, Tmall partnered with brands such as Philips, Honeywell, BenQ, Hasbro, Lipro, and Leedarson to release the “Tmall Healthy Lighting Standard,” aimed at guiding product quality across the industry and providing consumers with healthier lighting options.

Today, high-quality full-spectrum light sources, integrated with AI systems, offer rich color wavelengths across the visible spectrum. These technologies reproduce natural colors more accurately and meet the personalized lighting needs of specific environments—such as nursing homes, rehabilitation centers, entertainment venues—by effectively regulating mood. They also help improve focus in libraries, schools, and professional sports facilities.

Industry experts also anticipate significant development in 2025 of emerging technologies such as “Golden Light” and “Bionic Light,” which are extensions of the healthy lighting environment concept.

In the automotive lighting and display sector, where technology strengthens human-vehicle interaction, 2024 saw automotive retail sales exceed 10% of total consumer goods sales. Amid the accelerating trends of electrification and digitalization, the smart cockpit is evolving into a more sophisticated space for human-machine interaction, with ambient lighting as one of its core features.

In parallel, the design of functional lighting on vehicle bodies continues to advance. Looking ahead to 2025, the automotive lighting and display sector is expected to move toward multimodal interaction and cross-industry integration.

According to forecasts from the Gasgoo Automotive Research Institute, the automotive lighting market is expected to exceed NTD 100 billion in 2025 and reach over NTD 120 billion by 2030. The primary sources of market growth include ADB and DLP headlights, full-width tail lights, and ambient lighting systems.

The industry anticipates that by 2025, the smart cockpit will no longer represent a mere digital upgrade. Instead, it will integrate advanced AI and IoT technologies to become a personalized, immersive mobile living or working space.

Smart cockpits in 2025 will feature increasingly specialized and segmented scenarios, many of which are already being showcased in new vehicle models. For example, Xiaomi has introduced a pet-friendly lighting mode; AITO has used headlights as projectors combined with display screens for in-car karaoke; Mercedes-Benz vehicles project crosswalks or arrows when pedestrians are nearby; and Audi's front headlights can create a light carpet or directional guidance lines.

Beyond these functions, experts predict that within the next year or two, automotive lighting and display systems will evolve toward high-level smart interaction, incorporating touch, voice, gesture, and other inputs to enable multidimensional interaction between drivers, passengers, and pedestrians.

Where will the key to unlocking economic momentum in 2025 lie? The Central Economic Work Conference outlined a series of strategic priorities, including the implementation of "more proactive and effective macro policies," the creation of "innovative and diversified consumer scenarios," and the promotion of cultural and tourism development—all seen as essential levers for growth.

With increasing enthusiasm for combinations like culture + tourism, performance + tourism, and creativity + tourism, a wave of new, diversified consumer experiences has emerged. Closely linked to this trend, landscape lighting is set to benefit significantly.

According to CSA Research, the market size for outdoor landscape lighting in China—including display screens and smart systems—was approximately NTD 143.98 billion in 2024 and is expected to grow to NTD 146.866 billion in 2025.

In 2025, landscape lighting projects associated with cultural tourism will emphasize deeper integration with technology while placing greater importance on discovering and showcasing local culture. Through lighting art, historical stories, folk traditions, and natural scenery will be vividly presented, endowing scenic destinations with unique cultural depth.

For instance, Xi'an's viral “Tree of Life” and “New Silk Road” light shows, which have captured significant attention on social media, incorporate cutting-edge technologies such as 3D holographic projection and AR/VR. These projects blend historical and modern elements to become iconic night tourism attractions. In Zhangjiajie Scenic Area, storytelling through light—such as the fantastical “Tianmen Fox Fairy” projection show—has created a captivating nighttime tourism IP, drawing crowds of enthusiastic visitors.

Furthermore, by 2025, landscape lighting projects will not only elevate the importance of low-carbon and energy-efficient concepts throughout design, construction, and operations, but will also fully integrate AI technology. With AI-driven learning and data analysis, lighting solutions will become increasingly intelligent. For example, by analyzing visitor behavior and preferences, lighting systems can dynamically adjust brightness and color temperature to enhance both visual appeal and functionality—achieving a win-win outcome of economic benefit and environmental sustainability.

The lighting and decorative fixtures industry is poised for unprecedented innovation in 2025. Driven by the digital revolution, companies must accelerate product upgrades and explore new channels. Success will depend on sharp market insights and the agility to adapt to change, as businesses actively seek breakthrough paths during this critical transition period.

#### 4. Competition of industry

One of the major challenges faced by the market is the high amount of initial investment required. The high cost of raw materials is the main reason for the initial investment in the manufacturing of LED lights. LED lighting requires high-quality semiconductor materials such as arsenic, nitrite, and phosphorus, and the price is high. In addition, other materials are required for LED lighting, such as electronic components and phosphorus lamps, which are also relatively expensive.

In addition, the trade war has significant economic and political influence. For example, in April 2018, the US government has identified 1,300 types of exports from China after the 301 survey, and announced a 25% tariff increase on these products. In July, the US government announced its plan to impose tariffs on products from China, including

LED products, for US\$200 billion. It is worth noting that the LED products included in the first batch of products are mainly semi-finished products such as wafer and backlight products. These tariffs affect the US companies that have factories in the US and purchase and manufacture products from China. As China is one of the main suppliers of LED chips, the trade war between the US and China is expected to affect the growth of the research market.

The ongoing conflict between Russia and Ukraine may have a significant impact on the electronics industry. The conflict has intensified the supply chain problem in the semiconductor and energy fields, and the shortage of chips has already affected this industry. Such destructive event may lead to unstable price of necessary raw materials and shortage of materials.

The rapid growth of output value of LED industry also brought the excessive capacity of the entire industry. The overcapacity and the acceleration of the integration of the industry to reduce capacity have promoted the development of the LED industry in the midst of volatility. In the field of LED external chips, leading enterprises have been facing increasing inventory pressure, and the excess capacity has been transferred to the middle and low-end products, causing fierce competition in the general LED chip market and continuous price decline. The small and medium scale LED chip companies have experienced compressive production capacity and shutdowns, which have also indirectly lowered the demand for the LED front-end equipment market. In the packaging field, the continuous release of LED packaging production capacity and the continuous decrease in profit have caused a significant decline in the packaging prices of small and medium power products. The prices of high power components also show a slight decline trend. The survival of small and medium-sized low-end LED packaging companies is under pressure, and they are forced to develop towards a direction of customized light source features. In the field of LED application, the profit of traditional general illumination continues to be reduced. Large companies with strong design capabilities, resources and brand advantages are also being forced to shift to emerging fields such as LED display. The survival of small and medium-sized companies is becoming more and more difficult. They need to enter the field with various social funds and industrial funds. There is uncertainty in the future. The companies in the industry chain need to improve their technical capabilities in order to solve these problems.

### (III) Technology and R&D

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

##### (1) Technology level and research and development

The main R&D equipment and raw materials of the Company's research team are mainly in the two parts of epitaxy growth and die process. The main equipment for epitaxy growth is MOCVD, double crystal axis X-ray analysis, photoelectricity analysis (PL), hall effect measurement (Hall measurement), optical microscope, photoelectricity measurement (Photoelectricity system), and the main raw materials for R&D are organic metal raw materials TMGa, TMI<sub>n</sub>, TEGa, Cp<sub>2</sub>Mg, TMAI, NH<sub>3</sub>, SiH<sub>4</sub>, sapphire, PH<sub>3</sub>, AsH<sub>3</sub>, and GaAs substrate.

MOCVD machines are mainly used as the R&D platform for epitaxy growth. The main purpose of the instruments is to analyze the characteristics and defects of epitaxy wafers with the dual crystal axis X-ray analysis, photoelectricity analysis, effect measurement, photoelectricity microscope, and photoelectricity characteristics measuring device.

In the design of MOCVD reaction cavity for epitaxy equipment, it is a horizontal reaction cavity surface mounted with an Aixtron machine. With the efforts of the technical team of the Company, the mass production of finished products has been successfully completed. The following R&D work will also be launched from this technology platform. Under the R&D strategy of the series of product technology platforms, in addition to the market application-oriented research of product series, there is also a planned investment to improve the R&D of the performance of the GaN blue LED, in order to achieve the manufacturing level of wide band gap materials in Taiwan and drive the development of the LED industry in this emerging field. In terms of IC process, the main R&D equipment are high-precision small line width exposure aligner, prober, steam deposition machine, dry etching machine, electrostatic deposition machine, high-frequency microwave oven, high-frequency microwave oven, high-frequency furnace, rapid annealing furnace, programmable wafer bonding machine, electrostatic deposition machine, high-frequency optoelectronic measuring device, life testing machine, scorecard and measurement system, electrostatic test machine. Among the other things, the main R&D platforms for transforming the epitaxial wafers into LED components are the exposure aligner, line measuring device, steam deposition machine, dry etching machine, electrostatic deposition test machine, high-frequency cleaning machine, high-frequency furnace pipe, etc. Laser cutting machine, photoelectric characteristic measuring device, life testing machine, prober and measurement system, electrostatic test machine are the main testing platform for analyzing the electrical characteristics, photoelectric characteristics and defects of components, and the analysis results are fed back to the epitaxial or process to seek breakthroughs. In addition to actively improving existing

products that have been developed, the Company is also actively and effectively involved in the future development of various applications of LED, including electricity, communication and lighting. In addition, the Company is also investing in the research and development of low-cost and high-luminance white light LED lighting plans in the development of next-generation white light LED lighting plans, and has developed white light LEDs that can effectively replace existing incandescent bulbs, which drives the development of next-generation lighting.

(2) Research and development personnel and their academic experience

Year		2022	2023	2024	As of February 28, 2025
Items					
Number of employee	Personnel at the beginning of period	7	7	5	6
	New recruit	0	0	3	0
	Resigned employees	3	2	2	0
	Resigned and retired personnel	1	0	0	0
	Transferred to other segments	2	0	0	1
	Total employees at the end of the period	7	5	6	7
Average years of service		5.41	8.63	11.2	12.37
Turnover rate		13.33	36.36	25	0
Education Distribution	Master and above (inclusive)	4	3	4	4
	University (College)	3	2	2	2
	Below high school (inclusive)	0	0	0	1
	Total	0	5	6	7

(3) R&D expenses in the last five years

Unit: NTD thousand					
Year	2020	2021	2022	2023	2024
R&D expenses (A)	33,531	36,258	39,255	44,171	32,968
Operating income (B)	636,980	858,059	606,149	505,327	624,855
A/B (%)	5.26%	4.23%	6.48%	8.74%	5.28%

Source: Financial reports audited and certified by CPAs for each year

(4) Successfully developed technologies or products in the most recent 5 years

Year	R&D results	Description
2019	Launched high luminance four-element red light die into mass production	New product development
	Development of high luminance 850nm/940nm IR products	New product development
	Development of high luminance four-element yellow light products	New product development
2020	Launched the ultra-high luminance four-element yellow and orange products to mass production	New product development
	Ultra-high luminance 940nm IR is introduced to mass production	New product development
	Development of ultra-low brightness new products	New product development
2021	Launch of ENERGY STAR 9.0 high-efficiency white light products into mass production	Enhancing brightness and reducing Vf
	Launch of new ultra-low luminance products into mass production	New products
	Development of new wide beam angle products	Currently under R&D and pilot testing

2022	Launch of ultra-high brightness four-element red vertical flip-chip products into mass production	New products
	Launch of ultra-high brightness infrared vertical flip-chip products into mass production	New products
	Development of high-brightness infrared forward-mount products	Currently under R&D and pilot testing
	ENERGY STAR 9.0 high-efficiency white light products	Currently under R&D and pilot testing
2023	Ultra-high brightness high-power four-element red light products	New products
	Launch of high-brightness 850nm infrared (IR) products into mass production	New products
	Launch of high-brightness AS 940nm infrared (IR) products into mass production	New products
	Development of high-brightness 660nm products	Currently under R&D and pilot testing
	ENERGY STAR 9.0 high-efficiency white light products with reduced blue light emission	New products
2024	Ultra-high brightness four-element 605, 610, 620, 630, 660 nm products	New products
	Ultra-high power infrared (IR) 830, 850, 880, and 940 nm products	New products
	Ultra-high brightness four-element horizontal dual-electrode products	New products
	ENERGY STAR 9.0 high-efficiency blue light eye-care products	Currently under R&D and pilot testing
	Large-size automotive ultra-high brightness products	New products
	Ultra-high brightness green light for traffic signal applications	New products

## 2. Long-term and short-term business development plans

### (1) Short-term business development plans

The domestic sales are mainly direct sales, and the foreign sales are mainly agent systems. The marketing strategies of both domestic and foreign sales are combined with the main domestic packaging and system manufacturers, and the good reputation distributors. Establish a cooperation model with customers to develop new products together, maintain close and positive interaction with customers, provide the best solution for LED application to customers, and increase customer loyalty. Actively develop new international companies and emerging companies with potential in Taiwan. Establish the professional image of the crystal grain fab and develop customized products for customers.

Schedule for the planning of red light LED:

In 2023, the ultra-high luminance vertical downloading products have entered mass production, covering medical care, automation equipment, automotive and 3D sensing. In addition to continuing to develop invisible light products, it is expected that with the continuous increase in demand, the proportion of revenue will continue to increase.

In addition to improving the performance of existing mass-produced products in 2024, the Company will continue to develop ultra-high luminance products, and introduce end products into the automotive market and consumer products, which are other markets with future potential. The Company will also plan the schedule for invisible light products.

### (2) Long term business development plans

Establish long-term cooperation relationships with international big firms and cooperate with them in technology to grasp the global market dynamics and expand market share. The Company has cooperated with domestic listed companies to maintain its technical leadership and strategic alliances to resist the low-priced products in China. Establish the international brand image of "TEK CORE".

## II. Market and production and sales overview

### (I) Market analysis

#### 1. 2024 Sales regions of the Company's main products

Unit: NTD thousand; %

Region \ Year		2023		2024	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic sales		243,113	48.11	288,688	46.20
Foreign sales	Asia	261,437	51.74	336,084	53.79
	America	0	0.00	10	0.00
	Europe	777	0.15	73	0.01
	Others	0	0.00	0	0.00
	Subtotal	262,214	51.89	336,167	53.80
Total		505,327	100.00	624,855	100.00

2. Market share

The Company was established in May 2000. With the expansion of the application of LED and the increase of market demand, and the development, production and marketing of blue and green LED epitaxy and process technology, the Company has gradually become more and more mature, and has been certified and adopted by domestic and foreign packaging manufacturers. According to the statistics of the Ministry of Economic Affairs, the Company's revenue in 2024 reached NTD 625 million, accounting for nearly 2.25% of the Taiwan's LED die market share, and ranked sixth in the market share.

Unit: NTD thousand

Revenue ranking	Name of company	2024 revenue	Market share
1	ENNOSTAR (EPISTAR)	15,688	64.88%
2	Taiwan-Asia (Opto Tech)	3,502	14.48%
3	TYNTEK	2,394	9.90%
4	Epileds	1,295	5.36%
5	HIGH POWER	676	2.80%
6	TEKCORE	625	2.58%

Note: Full-scale revenue is only calculated for ICs, while semiconductor business group revenue is only calculated for semiconductors.  
Source: Consolidated financial statements of each company audited and certified by CPAs

3. Future market supply and demand and growth

Basic judgment of the future in 2024

(I) Overall market scale growth (Trend analysis)

Looking ahead to 2024, although the overall economy still faces a number of uncertainties, by the end of Q2 2023, end-market inventory levels had returned to normal, helping to drive order growth. As a result, the LED market's output value is expected to grow by 4% in 2024. In 2024, approximately 5.788 billion LED light sources and luminaires are projected to reach the end of their service life and be decommissioned. This will generate substantial demand for secondary replacement, offering the LED lighting market an opportunity to rebound from its recent downturn.

Micro LEDs are being adopted in wearable devices, automotive displays, and large-format display applications. At the same time, Mini LED display shipments are gradually increasing; the penetration rate of automotive LEDs continues to rise; HDR and Mini LED automotive displays are seeing stable growth; demand for energy-efficient agricultural lighting is increasing; and the scope of LED display applications is expanding further. LED manufacturers are gradually transitioning to 6- and 8-inch wafer production. Key players include Nichia, ams OSRAM, Epistar, PlayNitride, Samsung LED, Sanan, and BOE HC SemiTek.

(II) Future market potential growth applications

For wearable device products, the cancellation of the Micro LED version of the Apple Watch—originally scheduled for release in 2026—has delivered a significant blow to market expectations for the application of Micro LED technology in smartwatches. In the face of this headwind, a few suppliers—such as major panel manufacturers like AUO—have managed small-scale shipments of Micro LED products to brands like Tag Heuer. Nevertheless, the path forward for Micro LED wearable devices remains challenging, with notable barriers to widespread market adoption.

The automotive LED market is expected to see modest single-digit growth. However, advanced technologies such as adaptive driving beam (ADB) headlights, logo lamps, (smart) ambient lighting, Mini LED tail lights, full-width taillights, and Mini LED/HDR automotive displays are expected to gain further traction. These trends are likely to push the overall automotive LED market to a projected size of USD 3.45 billion in 2024.

In the LED transparent display market, recent advances in optoelectronic glass technology have expanded applications beyond outdoor advertising. These displays are also expected to enter the high-end retail display segment, with market demand projected to continue growing.

The UV-C LED market also shows potential for renewed development, with new opportunities for application emerging. In addition, with brands like Sony and Apple launching augmented and virtual reality (AR/VR) devices equipped with eye-tracking technology, and the European New Car Assessment Programme (EURO NCAP) planning to implement active driver monitoring systems starting in 2025, there is a growing emphasis on advanced sensor integration. As a result, the next generation of photoplethysmography (PPG) technology is expected to be incorporated into smartwatches. These devices will feature enhanced biosensing capabilities, including monitoring of body hydration, blood glucose, blood lipids, and blood alcohol concentration (BAC), in addition to existing features like heart rate and blood oxygen monitoring. As these functions become standard, the number of emitter

and detector components—particularly IR LEDs—used in wearable health devices is expected to increase, driving continued growth in the infrared LED market.

#### 4. Favorable and unfavorable factors of development prospects and countermeasures

##### ① Favorable factors

###### A.The up-stream and down-stream of Taiwan's industry is complete.

The industry development of domestic LED is based on the division of labor among the up-stream, mid-stream and down-stream dealers. Compared to the vertical integration of foreign manufacturers, the flexible operation of domestic manufacturers has become their competitive advantage.

###### B.Low-cost operating ability

In addition to expanding its business, the Company is also devoted to developing advanced technologies that are the key to the Company's ability to manufacture low-cost and high-quality products. The current global economic downturn has caused the price of light-emitting diodes to gradually decline. In contrast, foreign manufacturers are no longer competitive in low-cost products. Therefore, domestic manufacturers have a greater opportunity to enter the global market. Therefore, low-cost operating capabilities have become one of the Company's advantages.

###### C.The governments of various countries are increasingly paying attention to energy conservation.

LED lighting saves energy and provides excellent brightness. They use lesser power than incandescent bulbs and reduce the burden on the grid. The amount of fuel used for power generation will also decrease through the reduction of power demand. Therefore, the local governments have promoted energy-saving policies, which have made significant contributions to the expansion of the LED market.

##### ②Unfavorable factors

###### A.Risk of decline in demand in the external market

Currently, the pressure of global inflation is gradually increasing. The central banks of various countries have successively tightened the market capital or increased interest rates, which will have a negative impact on the subsequent consumer market. In addition, geopolitical conflicts (Russia-Ukrainian War) will also lead to a further deterioration of inflationary pressure, or even to other geopolitical instability, which will lead to a weakening of end-use demand.

###### Countermeasures:

The rise in the cost of capital will increase operating costs. The Company completed the issuance of cash capital increase and convertible bonds in 2021, and has repaid all bank loans. As inflation has caused a decline in market demand, the Company will continue to monitor closely and control inventory levels to avoid inventory price decline risks due to market reversal.

###### B.Inadequate professional LED manufacturing technology talent

Both the private sector and the government focus on the development of the semiconductor industry, which leads to the investment of most talent and resources, which in turn leads to the shortage of resources for the LED industry. In addition, the Chinese factory has been digging for domestic technology talent, which makes it a disadvantage in the competition at home and abroad.

###### Countermeasures:

The Company actively commissions several domestic universities to train technical personnel for internships to recruit outstanding technical personnel. Meanwhile, it also fully supports the introduction and recruitment of talent from all levels to enrich the manpower needed for the Company's operations. In recent years, the government has been actively supporting the development of the optoelectronics industry, regardless of talent cultivation or reward measures, which can be seen in the government's intention and efforts.

###### C.Risk of patent infringement

As the domestic technology development of high luminance LEDs is lagging behind, patents are often restricted by foreign manufacturers. This is a major concern for domestic manufacturers to develop the high luminance lighting industry. In addition, the domestic development is mainly based on components, so the ability to develop system products is weaker, which will also affect the future development of the industry. This technology must be improved.

Countermeasures:

In the face of the imbalance between supply and demand in the market and the huge price competition, the Company focuses on active innovation and research and development technology, and has project research and development plans with the Central University to ensure the position of products in the market. The Company continues to apply for technology patents for its own R&D technology, which is a tool for the development of the business market.

(II) Important uses and production processes of the main products:

1. Key purposes of main products:

The Company's main production upstream products are epitaxial wafers and die products, which are delivered to downstream manufacturers for packaging. The final products are used as follows:

Home-use/consumers' electronic products	Outdoor traffic signs/instructions	Telecommunications
Home appliance products (TV) Electric Appliance Products, Toys Camera, Camera Mobile phones, consumer electronics	Traffic Sign Traffic information signboards Light source for Airport Road Instruction Full Lottery LED Display	Keyboard back light source Mobile phone information display Mobile phone LED back light source
Information industry	Automobile industry	Decoration application
Computer screen backlight source and peripheral product instruction lamp Scanning light source of fax machines Light source of photocopiers	Backlight of dashboards Reading lamp In-vehicle lighting, keypads, and light sources Off-board Sign Light	Exterior/indoor lighting source for building's all-around decorations Outdoor full light source for amusement parks

Provided by TIGA-TEK

2. Production process of major products

(1) Epitaxy Wafer

Epitaxy Manufacturing Process



(2) Die Production Process

Die Production Process



(III) Supply of main raw materials

Main raw materials	Source of supply	Supply condition
Purchased pieces (including die)	FX	Good
Precious metals	Kuang X	Good
Chemical solution	Po X	Good
Wafer	Yi X	Good
Gas	Pao XX	Good

(IV) The names of suppliers and customers who accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchase (sales) amount and proportion and the reasons for the increase or decrease

1. Information on major suppliers in the last two years

Unit: NTD thousand

Items	2023				2024			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer
1	Supplier A	121,082	44.71	-	FX	102,727	32.92	-
2	Supplier B	38,077	14.06	-	HX	58,991	18.91	-
3	Supplier C	28,171	10.4	-	AX	46,122	14.78	-
	Other suppliers	83,494	30.82	-	Others	104,189	33.39	-
	Net purchase	270,824	100.00	-	Net purchase	312,029	100.00	-

Description of changes:

The decrease in the percentage of A procurement in 2024 was mainly due to the shift of some product demand to cost/product is more competitive B/C.

2. Information on major customers in the most recent two years

Unit: NTD thousand

Year  Ranking	2023				2024			
	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the Company	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the Company
1	Customer A	212,169	41.99%	Related party	Customer A	265,371	42.47%	-
2	Customer B	176,741	34.98%	Related party	Customer B	255,077	40.82%	-
3	Other customers	116,417	23.03%		Other customers	104,407	16.71%	-
	Net purchase	505,327			Net purchase	624,855		

Description of changes:

- Customer A: The increase in the overall amount from 2023 is mainly due to the increase in demand for backlight and home appliance applications, and the growth in the number of automotive models in the second half of the year.
- Customer B: In addition to the obvious growth in the demand for existing product lines, the Company also actively cooperates with customer needs to develop new product applications and machine model requirements, so the sales amount in 2024 is higher than that in 2023.
- Other customers: Mainly customers of Taiwanese manufacturers. The same as the previous year, due to the impact of the post-pandemic market demand, the annual growth rate is about 40%.

III. Information on employees in the most recent two years and up to the publication date of the annual report

Unit: Persons; %

Year		2023	2024	As of March 31, 2025
Number of employee	Management trainees	13	24	24
	R&D Staff	4	4	5
	Staff	60	64	67
	Operator	66	65	63
	Total	143	157	159
Average age		40.3	41.15	41.53
Average year of services		11.82	11.44	11.53
Education	PhD	3	3	3
	Masters	16	22	23
	University	81	92	92
	High school	43	40	41
	Below high school	0	0	0

IV. Information on environmental protection expenditures

1. In accordance with the provisions of the law, where application for a pollution facility installation permit or pollution discharge permit or payment for pollution prevention control fees or the establishment of dedicated personnel for environmental protection is necessary, the application, payment or establishment of the situation should be explained.

(1) Air pollution prevention

The pollutants derived from the production process, such as volatile organic gases, acidic and alkaline gases, are removed through the operation and removal of the air pollution control equipment, so that the air emission can meet the requirements of national environmental protection laws and regulations.

① Application for factory permit

Name of permit	License No.	Review/ Verification authority	Effective duration
Operation permit for air pollution control equipment	M3305772	Nantou County	2025.02.25~2030.02.24
	M33A3018	Government	2025.03.04~2030.03.03

② Installation by dedicated personnel of the factory

Level A Air Pollution Prevention and Control Special Staff Manager and Document Number:

Control No.	Name	Certificate No.	Competent authority	Official document number
M3305772	Chang, Ming-Wei	(111) Huan-Shu-Xun-Zheng-Zi No. FA110046	Nantou County	Fu-Shou-Huan-Kong-Zi No. 1130155770
M33A3018	You-Che Hong	(112) Huan-Shu-Xun-Zheng-Zi No. FA070286	Government	Fu-Shou-Huan-Kong-Zi No. 1130155741

③ Related expenses in 2024

A. Equipment operation and maintenance fee: NTD 1,836 thousand

B. Contaminant inspection fee: NTD 238 thousand

C. Air pollution control fee: NTD 0 thousand

(2) Water Pollution Prevention

Effluents and sewage derived from the production process of products are first treated by the wastewater treatment facilities in the plant, and then treated by the sewage treatment plant before being discharged into the sewage sewer to meet the sewage sewerage management standards before being discharged.

①Factory License No.

Name of permit	License No.	Review/Verification authority	Effective duration
Water pollution prevention permit	M3305772	Nantou County Government	2024.10.15-2026.05.04
	M33A3018		2024.10.15-2026.05.04

②Approval reference number

Name of factory	Review/Verification authority	Approval reference number
TEKCORE CO., LTD	Nangang Industrial Park Administration	Zhong-Gang-Zi No. 1136102812

③Installation by dedicated personnel of the factory:

Control No.	Name	Certificate No.	Competent authority	Official document number
M3305772	Chang, Ming-Wei	(113)	Nantou County Government	Fu-Shou-Huan-Shui-Zi No. 1130307320
M33A3018		Huan-Bu-Yan-Zheng-Zi No. GA400156		

④Related expenses in 2024

- A. Equipment maintenance fee: NTD 1,697
- B. Sewage and sewage treatment: NTD 2,639 thousand
- C. Testing fee: NTD 236 thousand

(3) Waste disposal

General and hazardous industrial waste derived from the production process of products is sorted and stored in accordance with the Waste Disposal Act and the standard of the disposal and storage of industrial waste, and the Company has commissioned qualified contractors to dispose of and dispose of the waste generated in the plant for subsequent incineration or chemical treatment, so that the waste generated by the plant can meet the standard of being non-hazardous.

①Waste disposal plan application for permit

The Waste Disposal Plan has been reviewed and approved by the Environmental Protection Bureau, Nantou County Government, and the changes in the waste in the plant are constantly reviewed for timely revision.

②Installation by dedicated personnel of the factory

Control No.	Name	Certificate No.	Competent authority	Official document number
M3305772	Han-Chung Chen	(112) Huan-Shu-Xun-Zheng-Zi No. HB390450	Nantou County Government	Fu-Shou-Huan-Fei-Zi No. 1120082760
M33A3018	You-Che Hong	(109) Huan-Shu-Xun-Zheng-Zi No. HA260404		Fu-Shou-Huan-Fei-Zi No. 1120103909

③The expense for the commissioned third party to dispose of the waste in 2023 was NTD 4,505 thousand.

2. The Company's investment in the main equipment for pollution prevention and the purpose of use and the possible benefits:

December 31, 2024; Unit: NTD thousand

Equipment name	Quantity	Date of installation	Initial cost	Balance before deduction	Purpose and expected benefits
Waste water treatment equipment	1	2001.07	1,904,168	146,667	Effluent generated from the production process is treated to ensure that the concentration of pollutants meets the

					environmental protection standards.
Waste gas treatment system	1	2002.01	2,641,600	1	Waste gas generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
Waste water treatment equipment	1	2004.06	1,221,905	1	Effluent generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
Waste gas treatment system	1	2004.07	4,600,187	1	Waste gas generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
Toxic Gas Detection System	1	2004.09	1,801,466	1	Detect the toxic gas in the operating environment to achieve the early warning function.
Toxic Gas Detection System	1	2007.08	770,149	1	Detect the toxic gas in the operating environment to achieve the early warning function.
Toxic Gas Detection System	1	2007.12	14,984,790	1	Detect the toxic gas in the operating environment to achieve the early warning function.
Effluents and acid supply system	1	2009.01	8,487,621	1	Effluent generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
FRP wastewater tank	1	2009.03	1,225,028	1	Acid and alkaline waste water generated from storage process
Temporary storage equipment for waste solutions	1	2013.04	180,000	1	Waste solutions generated from storage processes are entrusted to qualified waste disposal contractors to dispose of them.
Waste gas treatment equipment	1	2018.11	4,600,000	1	Waste gas generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
Waste water treatment equipment	1	2019.06	2,322,350	288,407	Effluent generated from the production process is treated to ensure that the concentration of pollutants meets the environmental protection standards.
Waste gas treatment equipment	1	2019.08	1,136,598	132,605	Detect the concentration of process gas in the operating environment to achieve the early warning function.

- 3.If the Company has taken actions to address environmental pollution over the past two years and up to the publication date of this public offering prospectus, the process should be disclosed; if any environmental pollution disputes have occurred, the handling of such incidents must also be explained: None.
- 4.In the last two years and up to the publication date of the prospectus, the total amount of losses (including compensation) and penalties of the Company due to environmental pollution, and disclose its future countermeasures (including improvement measures) and possible expenses (including possible losses due to the failure to take countermeasures, the estimated amount of penalties and compensation, etc. If it is impossible to reasonably estimate the facts, the reasons for the failure to reasonably estimate shall be stated): None.
- 5.The current pollution and the impact of improvement on the Company's earnings, competitive position and capital expenditure, and the expected significant capital expenditure on environmental protection in the next two years: None.

## V. Labor Relations

1. The Company's employee welfare measures, training, education, retirement systems and their implementation, as well as labor-management agreements and measures to protect employee rights and interests

To attract and retain the talent necessary for the Company's growth and to foster employee engagement, the Company continuously enhances employee welfare, places strong emphasis on training and development, and is committed to maintaining harmonious labor relations. Since its establishment, the Company has enjoyed positive labor-management interactions and has not experienced any labor disputes.

The Company's employee welfare measures, retirement system and implementation, and the agreements between the employer and employees are described as follows:

- (1) Employee Welfare

Labor insurance and health insurance are administered in accordance with the regulations of the Bureau of Labor Insurance and the National Health Insurance Administration. The Company places importance on labor education by organizing on-the-job training and occasionally assigning employees to attend external seminars. The Company has established a comprehensive welfare program. In accordance with the Employee Welfare Fund Act, an Employee Welfare Committee has been formed, and welfare funds are allocated to support initiatives such as birthday gift allowances, year-end gifts, and employee club activities (e.g., the Handmade Soap Club and Joyful Movement Club). Employee benefits include: an employee cafeteria, designated parking spaces, an on-site gym, health check-ups, subsidies for weddings, funerals, and other personal events, gifts for the three major traditional holidays, and various training and development programs.

(2) Employee training and education and the implementation thereof:

To satisfy employees’ desire for knowledge, the Company provides internal training, on-the-job learning, and external training opportunities. It has also established the “Education and Training Management Guidelines” to ensure that employees continuously enhance their knowledge and experience through ongoing learning, in step with the Company’s growth.

The implementation of employee training and education in 2024 is as follows:

Unit: NTD; persons			
By training	Expenditure expenses	Number of courses of the year	Number of participants of the year
Internal training	0	56	283
External training	117,730	24	41
Total	117,730	80	324

(3) Retirement system and its implementation:

The Company has established the Supervisory Committee of the Labor Retirement Reserve Fund in accordance with the Labor Standards Act in 2003. The Company contributes the pension reserve fund in accordance with the Company's employee retirement regulations every month. The Supervisory Committee of the Labor Retirement Reserve Fund is responsible for the management and use of the pension reserve fund. Since the implementation date of the "Labor Pension Act" (July 1, 2005), the Company has been contributing 6% of the pension reserve fund every month in accordance with the regulations. If the employee is over 60 years old, he/she will apply to the Bureau of Labor Insurance directly for his/her personal dedicated account to accumulate the principal and income.

(4) Labor-Management Agreements

To promote harmonious labor relations, enhance cooperation between labor and management, and improve work efficiency, the Company holds labor-management meetings in accordance with the Regulations for Implementing Labor-Management Meetings. To ensure smooth communication, the Company regularly convenes factory meetings and coordinates with relevant departments to address employee feedback. Through both regular and ad-hoc communication, the Company fosters mutual understanding and builds consensus.

(5) Employee rights protection measures

Items	Contents
Access Security	The Company has implemented a strict access control and surveillance system operating both during the day and at night.
Maintenance and Inspection of Equipment	1.In accordance with the Regulations for Building Public Safety Inspection, Certification, and Reporting, the Company commissions a licensed inspection agency annually to conduct public safety inspections of the building. 2.According to fire regulations, fire inspection is conducted by external parties every year. 3.According to the Company’s internal automatic inspection plan, maintenance and inspections are carried out on a daily, monthly, quarterly, semi-annual, or annual basis for various equipment, including high- and low-voltage electrical systems, elevators, HVAC systems, water dispensers, and fire safety equipment.
Disaster Prevention and Response	1.The Company has established comprehensive plans, including a labor safety and health management plan, an automatic inspection plan, a code of practice for labor safety and health, an emergency response plan, and a fire protection plan. A fire safety and emergency response team has also been formed. Fire drills, disaster prevention exercises, evacuation, and first aid training are conducted every six months to safeguard the lives and property of both the Company and its employees. 2.To ensure employee health and safety, the Company has established a dedicated Level-1

	occupational safety and health unit. The team includes two certified Class A occupational safety and health supervisors and one occupational safety and health manager.
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2.Losses Incurred Due to Labor-Management Disputes in the Most Recent Two Years and Up to the Date of This Prospectus, and Disclosure of Any Estimated Amounts and Response Measures for Current or Future Potential Losses

- (1) In the most recent two years and as of the publication date of this prospectus, the Company has not experienced any losses resulting from labor-management disputes.
- (2) Estimated current or future losses and response measures: None.

**VI. Information communication security management**

1.The information security risk management framework, information security policy, specific management plans, and resources invested in information security management:

- (1) Information security risk management framework:  
The Company established the Information Security Management Center in 2023 (see the organizational chart). The information security officer and the information security personnel are responsible for information security-related matters.
- (2) Information security policy
  - 1.A periodic inventory of information assets and personal data is maintained. Risk management is conducted based on assessments of information security and personal data risks, with corresponding control measures implemented.
  - 2.Information security and personal data protection training and awareness programs are conducted periodically. All new employees are required to sign an information security and confidentiality agreement.
  - 3.Outsourced vendors must sign a confidentiality agreement to ensure they are responsible for protecting the Company’s information assets accessed or used during the provision of services. This includes preventing unauthorized access, alteration, destruction, or improper disclosure.
  - 4.Critical information systems and equipment are equipped with appropriate backup, redundancy, and monitoring mechanisms. Regular drills are conducted to ensure system availability.
  - 5.All personal computers are equipped with antivirus software, and virus definitions are updated regularly. The use of unauthorized software is strictly prohibited.
  - 6.Employees are required to properly safeguard and use their account credentials, passwords, and access rights. Passwords must be changed regularly.
  - 7.A business continuity management system has been established and is tested regularly to ensure its effectiveness and relevance.
  - 8.Internal audits are conducted annually to verify the effectiveness of the information security and personal data protection management systems.

- (3) Concrete Information Security Management Plans and Resources Invested  
The Company regularly assesses employees’ awareness of information security risks and supports this with ongoing awareness campaigns and training programs. Through information asset and risk management procedures, the Company applies the Plan-Do-Check-Act (PDCA) cycle to establish and maintain protection of critical information assets. This approach ensures business continuity, reduces operational risks, enhances service quality, and enforces the implementation of all policies, procedures, and operations related to information security.  
Information security and personal data protection controls are included as part of the Company’s annual audit program. The internal audit unit conducts at least one audit each year. Additionally, the Company performs annual self-assessments in accordance with its internal control system. The results of these assessments are reported to the Board of Directors for review and confirmation. Based on the evaluation results, the Company issues an Internal Control System Statement to affirm its compliance and effectiveness.

2.In the most recent year and up to the publication date of the annual report, the losses suffered as a result of major information and communication security incidents, the possible impacts, and the responsive measures. If it cannot be reasonably estimated, please explain the fact that it cannot be reasonably estimated: None.

**VII. Major contracts**

Major contracts that are currently effective and expired in the last year, including supply and sales, technical cooperation, engineering, long-term loan contracts, and other important contracts that are sufficient to affect investors' rights and interests: None.

# Five. Review and analysis of financial position and business performance, and risk management

## I. Financial status analysis

Main reasons for the material changes in assets, liabilities and equity in the last two years and the impacts, and the future countermeasures if the impacts are material.

Unit: NTD thousand					
Items \ Year	2023	2024	Deviation		Description (Note)
			Amount	%	
Current assets	803,669	813,898	10,229	1.27	
Non-current assets	286,859	282,827	(4,032)	(1.41)	
Total assets	1,090,528	1,096,725	6,197	0.57	
Current liabilities	459,334	158,682	(300,652)	(65.45)	(1)
Non-current liabilities	2,563	8,961	6,398	249.63	
Total liabilities	461,897	167,643	(294,254)	(63.71)	(1)
Capital stock	516,312	665,682	149,370	28.93	(1)
Capital reserve	88,307	222,369	134,062	151.81	(1)
Legal Capital Reserve	2,679	4,418	1,739	64.91	
Unappropriated earnings	21,333	36,613	15,280	71.63	(2)
Total shareholders' equity	628,631	929,082	300,451	47.79	
1. Analysis of Significant Changes in Percentage Increase or Decrease: (For changes exceeding 20% between periods and with an amount over NTD 10 million)					
(1) Decrease in current liabilities: Mainly due to the conversion of the Company's fourth domestic convertible corporate bonds totaling NTD 282,720 thousand into capital stock.					
(1) Decrease in total liabilities: Mainly due to the conversion of the fourth domestic convertible corporate bonds totaling NTD 282,720 thousand into capital stock.					
(1) Increase in capital stock: Mainly due to the conversion of the fourth domestic convertible corporate bonds totaling NTD 282,720 thousand into capital stock.					
(1) Increase in capital reserve: Mainly due to the conversion of the fourth domestic convertible corporate bonds totaling NTD 282,720 thousand into capital stock.					
(2) Increase in undistributed earnings: Mainly due to profit generated during the current period in 2024.					
2. Response Plan: As the Company's overall performance does not exhibit any material abnormalities, no response plan is deemed necessary at this time.					

## II. Financial performance

Main reasons for the material changes in the operating revenue, operating net profit and net profit before tax in the last two years, and the expected sales volume and its basis, and the possible impact on the Company's future financial business and the countermeasures.

Unit: NTD thousand					
Items \ Year	2023	2024	Increase (decrease) amount	Change Percentage (%)	Description (Note)
Net operating revenue	505,327	624,855	119,528	23.65	(1)
Operating cost	(456,299)	(537,357)	(81,058)	17.76	(1)
Operating gross profit (loss)	49,028	87,498	38,470	78.47	(1)
Operating expense	(87,627)	(97,019)	(9,692)	11.10	
Net operating profit (Loss)	(38,599)	(9,521)	29,078	(75.33)	(1)
Non-operating revenue and expense	56,266	25,316	(30,950)	(55.010)	(2)
Pre-tax profit (loss)	17,667	15,475	(1,872)	(10.60)	
Income tax benefit (expenses)	0	(320)	(320)	2011	
Net profit (loss) for the period	17,667	15,475	(2,192)	(12.41)	
Other comprehensive income	(273)	1,544	1,817	(665.57)	
Total comprehensive income	17,394	17,019	(375)	(2.16)	
1. Analysis of Significant Changes in Percentage Increase or Decrease: (For changes exceeding 20% between periods and with an amount over NTD 10 million)					
(1) The increase in revenue by 23.65% and gross profit in 2024 from 2023 resulted in a decrease in net operating profit (loss).					
(2) The gain on disposal of equipment of NTD 44,573 thousand in 2023 was not available in 2024, so the non-operating income and expenses in 2024 decreased compared to 2023.					

III. Cash flow

1. Liquidity analysis for the most recent year

Unit: NTD thousand

Cash balance at the beginning of the period(1)	Net cash inflow from operating activities during the year (2)	Cash outflow (inflow) for the year (3)	Expected cash balance (shortage) (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Wealth management plan
488,685	28,322	(94,185)	394,500	-	-
Analysis of cash changes: 1. The net cash inflow from operating activities of NTD 28,322 thousand decreased from NTD 37,664 thousand last year mainly due to the decrease in gain from disposal of idle equipment. 2. The net cash outflow from investing activities of NTD 121,327 thousand is mainly due to the increase in acquisition of financial assets at fair value through profit or loss. 3. Net cash outflow from financing activities of NTD 1,180 thousand, no significant impact.					

2. Improvement plan for insufficient liquidity: None.

3. Liquidity analysis for the coming year:

Unit: NTD thousand

Cash balance at the beginning of the period(1)	Expected net cash flow from operating activities for the year (2)	Expected cash outflow (inflow) for the year (3)	Expected cash balance (shortage) (1)+(2)+(3)	Remedies for estimated cash shortage	
				Investment plan	Wealth management plan
394,500	93,514	-154,174	333,840	--	--
The analysis of projected changes in cash flows in 2025: 1. Operating activities: The expected increase in revenue will result in net cash inflow from operating activities. 2. Investment activities: No significant investment. 3. Financing activities: None. Remedies for estimated cash shortage and liquidity analysis: Not applicable.					

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year:

The Company's actual capital expenditure in 2024 was NTD 32,717 thousand, mainly for the purchase of production equipment and related maintenance costs. The source of capital was mainly from the Company's own working capital.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

Unit: NTD thousand

Name of investee	Main business activities	Recognized investment (loss) gain	Main reasons for gain or loss	Improvement plan
ST TECHNOLOGY CO., LTD.	Wholesale and retail of electronic parts and components	(1,246)	As the purchase and sale price of the products sold to the middle agent of Samsung Semiconductor is a transfer of the price, there is no difference in price. The middle agent has no loss due to the payment of related operating expenses.	The Company will discuss with the joint venture partners the reduction of operating expenses and expenditure, and the feasibility of introducing new products.

## VI. Risk analysis and assessment

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

Unit: NTD thousand

Items \ Year	2023		2024	
	Amount	As a percentage of operating revenues (%)	Amount	As a percentage of operating revenues (%)
Interest expenses	3,830	0.76%	832	0.13%
Gain(loss) on exchange	2,646	0.52%	13,391	2.14%

(1) Changes in interest rates and exchange rates:

Interest rate changes: The Company's interest expenses in 2023 and 2024 accounted for approximately 0.76% and 0.52% of operating revenues, respectively, mainly due to the decrease in interest expenses caused by the maturity of the fourth corporate bond in Taiwan.

Changes in exchange rate: The Company's exchange gain (loss) in 2023 and 2024 accounted for approximately 0.13% and 2.14% of the operating revenue, respectively. The US dollars in 2023 were strengthened due to the interest rate hike. In 2024, the strong economic performance in the first half of the year in the US and the slow pace of inflation rate drop compared to the market's expectation, causing the Federal Reserve interest rate futures to show the market's expectation for the earliest interest rate cut postponed from March to September, and the interest rate cut was reduced from more than 6% at the beginning of the year to 2% now. The interest rate spread between Taiwan and the US remains wide, and the changes in the political risk since this year have also disrupted the market's trend, making the NTD weak. The strength of interest rate increase in the US may be reduced in the second half of 2024. The exchange rate of NTD may be stabilized due to the impact of the domestic stock market. The exchange rate of the US dollars against the Taiwanese dollars in 2025 will be affected by several factors, including the monetary policy of the Federal Reserve, Taiwan's economic fundamentals, foreign investment flows, and global economic conditions. The strong USD may cause the NTD to weaken. However, the strong economy in Taiwan and the inflow of foreign capital may help boost the NTD. In addition, the Company will continue to adopt a prudent exchange rate policy and purchase forward exchange hedging to reduce the impact of exchange rate changes on the Company's profit and loss.

(2) Inflation:

The global overall inflation will slow down in 2024, but the decline will be limited. The observation of future price and employment indicators will help strengthen the market's expectation towards the economic soft landing. The short-term monetary policy tightening effect has not yet been fully realized. As inflation and wage growth have slowed down, the consumption momentum in the medium and long term will be suppressed. The Company still actively monitors the market condition and effectively controls costs and operating expenses.

Future countermeasures:

The Company has adopted the following measures in response to exchange rate changes, which are expected to reduce the impact of exchange rate changes on the Company's profits and losses.

A. The finance and accounting department will pay as much of the purchase expenses as possible in the same currency to achieve the effect of automatic hedging. In addition, the Company also refers to the exchange rate change trend information provided by the banks it has dealings with. For the Company's net assets denominated in foreign currencies, the Company will convert them into NTD at an appropriate time.

B. Since the main customers are paid in USD, the procurement unit is required to pay the main suppliers in USD, in order to reduce the exchange risk position. If the exchange rate risk is jointly allocated with the supplier through negotiation, the transaction price will be re-negotiated with the supplier if the exchange rate fluctuation is increased. The Company will also pay attention to the fluctuation of the market price at any time and maintain good interaction with suppliers and customers to avoid adverse effects on the Company's purchase cost due to inflation.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company's financial strategy is based on the principle of stability and conservatism. In recent years, the Company did not engage in high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivatives transactions. It is expected that the Company's financial strategy in the future will still be based on the principle of stability and

conservatism. In addition, the Company has established the "Procedures for Acquisition or Disposal of Assets" and "Procedures for Endorsements/Guarantees" as the basis for future transactions.

(III) R&D plans and expected investment in R&D expenses in the future

The Company upholds a commitment to independent research and development. Its core technologies are primarily developed in-house through long-term cultivation of R&D personnel and project-based research initiatives. The Company also maintains close relationships with downstream packaging partners. In recent years, it has actively recruited R&D talent and engaged in technical collaborations with the Industrial Technology Research Institute (ITRI), as well as partnerships with academic institutions and research institutes to nurture specialized professionals.

The main R&D projects in the most recent year and in the future are mainly the development of high-efficiency white light components that meet energy, high-efficiency blue and green light products, and ultra-high luminance four-element red light, yellow light, orange light, plant light, 850nm, and 940nm wafer products. In the future, the Company will continue to invest in research and development, but the focus will be enhanced. It is estimated that the research and development expenses in 2024 will grow by more than 20% compared to 2023. The Company's future R&D can be successful due to high-quality R&D personnel, grasping the technology of LED application development, and satisfying customer needs. In the future, the Company will continue to improve product quality based on the long-term accumulated R&D results to achieve market competition advantages.

R&D field	R&D projects	Current R&D progress
Ultra-high luminance four-element red yellow light products	Automobile	Under R&D
Ultra-high power four-element red light products	Traffic lights, plant lights	Under R&D
Ultra-high luminance four-element horizontal roll-to-roll products	High-end display	Under R&D
Ultra-high power IR products	Monitor, proximity switch	Under R&D
High-efficiency blue light eye protection products	High-end display	Under R&D
Ultra-high luminance green light	Wearable device	Under R&D

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company has not been affected by changes in important domestic and foreign policies and laws in the most recent year, which have affected the Company's finance and business. In the future, the Company will also keep abreast of relevant information, and will take immediate action in response to external events that affect the Company's financial operations in order to meet the Company's operational needs.

(V) The impact of technological changes and industry changes on the Company's finance and business matters and the countermeasures:

In recent years, high-efficiency LED has become a part of the daily life of industrialized countries. From the traffic light to the cell phone, while developing high-end professional users, the number of general daily LED products has also continued to increase, and the application market has also continued to expand, including display billboards, automotive markets, LCD light sources and interior and exterior lighting applications. With the success of technology research and development, the industry in which the Company is located will provide a more stable growth, so it is expected that the Company will not have a significant adverse impact on the Company due to technological changes and industrial changes.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company has been committed to maintaining its corporate image for many years, and has also responded to and proposed enhancement plans for ESG (environment, society, corporate governance) items in accordance with the promotion of the competent authorities. For example, the reduction of emission, reduction of energy consumption, maintenance of good relationship with the neighboring enterprises, and announcement of English information in the process, the overall image of the enterprise is gradually improved. Up to now, there is no event that can affect the corporate image.

(VII) The expected benefits and possible risks of mergers and acquisitions and countermeasures: The Company has no plans for mergers and acquisitions to date.

(VIII) The expected benefits and possible risks of any plant expansion and countermeasures: The Company has no plant expansion plans to date.

(IX) Risks associated with the concentration of purchases and sales and countermeasures:

(1). Purchase:

The Company's largest suppliers in 2024 and 2023 accounted for 32.92% and 44.71% of the total purchase amount, respectively, mainly due to the Company's product strategy, and the stable supply from major suppliers and high cooperation.

Advantages 1. Selective wavelength sourcing 2. Stable product quality 3. Reduced R&D investment in epitaxy development 4. Competitive purchase cost

Disadvantages 1. Limited control over supply sources 2. Uncertainty in supply timeliness

(2) Sales:

The Company's main business item is LED crystal growth, and the sales target is LED crystal growth packaging manufacturers. In addition to maintaining close cooperation with famous international companies, the Company actively expands its customer base in Taiwan and overseas to ensure the stability of its revenues.

The Company's response to the risk of concentration of sales is to cancel orders from major customers or to make orders on demand, which in turn affects the Company's revenue and profit. The countermeasures adopted by the Company and its subsidiaries in response to the above risks are as follows:

① Build a solid relationship and cooperate to reduce the risk of losing orders.

The Company has won the trust of the main customers with its quality and technology. It has established good cooperative relationships with the main customers, and will continue to cultivate and deepen the cooperation relationship between both parties, accelerate the development and manufacturing process of products, and increase the yield rate, to help customers shorten the time to launch products, so that their products can be put into production immediately, and the customers can earn profits immediately, becoming the indispensable strategic partner of the main customers, and reducing the risk of orders being converted to other industries.

② Actively develop other customers to diversify the risk of concentration of sales

As the Company maintains long-term and stable cooperation with major customers, it can ensure that the capacity is not idle and keep the Company's revenue stable. In addition, through the cooperation with well-known big firms, the Company has more experience in winning the recognition and orders from other well-known big firms. The Company actively develops customers and expands its business to overseas regions to reduce the risk of concentration of sales.

(X) The impact on the Company and the risk and countermeasures of a substantial shift or change in shareholding of directors, supervisors or major shareholders holding more than 10 percent of the shares. None.

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

The Company has no impact on the Company's operations due to changes in management, and the Company has established a complete internal control system and related management regulations. If the management is changed, there should be no significant impact on the Company's operations.

(XII) For litigious and non-litigious disputes, the Company's Directors, supervisors, General Manager, persons with actual responsibility for the Company, major shareholders holding a stake of greater than 10%, and subsidiaries that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties involved in the dispute, and the status of the dispute as of the publication date of the annual report: None.

(XIII) Other important risks and countermeasures: None.

**VII. Other important matters: none.**

## **Six. Special matters**

**I. Information on the Company's affiliates:**

(I) Consolidated business report of affiliated companies: Please refer to the MOPS.

(II) Consolidated financial statements of affiliates: Please refer to the attachment.

(III) Affiliation Report: Please refer to the attachment.

**II. Private placement of securities in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.**

**III. Other matters requiring supplemental explanations: None.**

**IV. Other disclosures**

Matters that, occurred in the most recent year and as of the publication date of the annual report that have a significant impact on the shareholders' equity or securities prices pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

**TEKCORE CO., LTD**

**Chairman: Kuo-Shih Huang**