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TKK

TAIWAN KONG KING CO., LTD.

Annual Report
2024

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Annual report is available at:
(<http://mops.twse.com.tw/>)

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6. The name of the trading place where Company's listed overseas securities are listed for trading and the way to inquire about the overseas securities information: not applicable

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TAIWAN KONG KING CO., LTD.

Table of Contents

I. LETTER TO SHAREHOLDERS	1
1. 2024 CONSOLIDATED BUSINESS RESULTS:	2
2. 2025 BUSINESS PLAN	3
3. THE FUTURE DEVELOPMENT STRATEGY OF THE COMPANY	3
4. THE INFLUENCE OF EXTERNAL COMPETITIVE ENVIRONMENT, REGULATORY ENVIRONMENT AND OVERALL BUSINESS ENVIRONMENT:	3
II. CORPORATE GOVERNANCE REPORT	4
1. INFORMATION ON THE COMPANY'S DIRECTORS, SUPERVISORS, GENERAL MANAGER, ASSISTANT GENERAL MANAGERS, ASSOCIATES, AND THE SUPERVISORS OF ALL THE COMPANY'S DIVISIONS AND BRANCH UNITS	4
2. REMUNERATION PAID DURING THE MOST RECENT FISCAL YEAR TO DIRECTORS (INCLUDING INDEPENDENT DIRECTORS), SUPERVISORS, THE GENERAL MANAGER, AND ASSISTANT GENERAL MANAGERS	15
3. THE STATE OF THE COMPANY'S IMPLEMENTATION OF CORPORATE GOVERNANCE	24
4. INFORMATION ON CPA PROFESSIONAL FEES	73
5. INFORMATION ON REPLACEMENT OF CERTIFIED PUBLIC ACCOUNTANT	73
6. INFORMATION ON SERVICE OF THE COMPANY'S CHAIRMAN, PRESIDENT, AND FINANCIAL OR ACCOUNTING MANAGERS AT THE ACCOUNTING FIRM OR ITS AFFILIATES : NONE	74
7. ANY TRANSFER OF EQUITY INTERESTS AND/OR PLEDGE OF OR CHANGE IN EQUITY INTERESTS BY A DIRECTOR, SUPERVISOR, MANAGERIAL OFFICER, OR SHAREHOLDER WITH A STAKE OF MORE THAN 10 PERCENT DURING THE PERIOD FROM THE MOST RECENT FISCAL YEAR TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT:	74
8. RELATIONSHIP INFORMATION, IF AMONG THE COMPANY'S 10 LARGEST SHAREHOLDERS ANY ONE IS A RELATED PARTY OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP OF ANOTHER:	74
9. THE TOTAL NUMBER OF SHARES AND TOTAL EQUITY STAKE HELD IN ANY SINGLE ENTERPRISE BY THE COMPANY, ITS DIRECTORS AND SUPERVISORS, MANAGERS, AND ANY COMPANIES CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY THE COMPANY:	77
III. CAPITAL RAISING ACTIVITIES	78
1. CAPITAL AND SHARES	78
2. CORPORATE BONDS: NONE	83
3. PREFERRED SHARES: NONE	83
4. GLOBAL DEPOSITORY RECEIPTS (GDR) : NONE	83
5. EMPLOYEE STOCK WARRANTS: NONE.	83
6. NEW RESTRICTED EMPLOYEE SHARES: NONE.	83
7. STATUS OF NEW SHARES ISSUANCE IN CONNECTION WITH MERGERS AND ACQUISITIONS: NONE	84
8. THE STATUS OF IMPLEMENTATION OF CAPITAL ALLOCATION PLANS:	84
IV. OPERATIONAL HIGHLIGHTS	85
1. BUSINESS ACTIVITIES	85
2. TKK MARKET AND SALES OVERVIEW	108
3. INFORMATION ON THE EMPLOYEES EMPLOYED (DURING THE CURRENT QUARTER UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT)	

	117
4. DISBURSEMENTS FOR ENVIRONMENTAL PROTECTION	117
5. LABOR RELATIONS	117
6. INFORMATION SECURITY MANAGEMENT	123
7. IMPORTANT SALES CONTRACTS AND SALES AGENCY AGREEMENTS	126
V. REVIEW OF FINANCIAL CONDITIONS, FINANCIAL PERFORMANCE, AND RISK MANAGEMENT	127
1. ANALYSIS OF FINANCIAL STATUS IN THE MOST RECENT 2 FISCAL YEARS	127
2. ANALYSIS OF OPERATING STATUS	128
3. CASH FLOW:	129
4. MAJOR CAPITAL EXPENDITURES DURING THE MOST RECENT FISCAL YEAR : NONE.	129
5. REINVESTMENT POLICY FOR THE MOST RECENT FISCAL YEAR, THE MAIN REASONS FOR THE PROFITS OR LOSSES, IMPROVEMENT PLANS, AND INVESTMENT PLANS FOR THE COMING YEAR: NONE.	129
6. RISK ANALYSIS OF THE FOLLOWING MATTERS IN THE MOST RECENT YEAR AND THE UP TO DATE OF PUBLICATION OF THE ANNUAL REPORT:	130
7. OTHER IMPORTANT MATTERS:	133
VI. SPECIAL DISCLOSURE	134
1. INFORMATION RELATED TO THE COMPANY'S AFFILIATES	134
2. TRANSACTION ABOUT THE COMPANY'S PRIVATE PLACEMENT OF SECURITIES DURING THE MOST RECENT FISCAL YEAR OR DURING THE CURRENT FISCAL YEAR UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT: NONE.	134
3. OTHER MATTERS THAT REQUIRE ADDITIONAL DESCRIPTION:	134
VII. MATTERS THAT HAVE SIGNIFICANT IMPACT ON SHAREHOLDER'S EQUITY OR ON SHARE PRICES	134

I. Letter to Shareholders

Dear shareholders and distinguished guests:

Major industry in Taiwan anticipated the prosperity this year as follows: general environmental uncertainties has made a considerable impact on global macroeconomy. In addition to the continued expansion of investment in the semiconductor industry、solar equipment、Optical communication market high-end equipment and PCB high-end carrier boards, the sales market for end products in the electronics industry has been significantly reduced and the proportion of investment has slowed down; However, the Company is expected to maintain a stable growth trend this year. To become the staunchest backing of our customers, the Company as a professional agent of high-end products for the electronics industry has maintained existing advanced equipment, materials and general agent of key components and parts and actively crossed to new production field in the electronics industry to grow jointly with customers and suppliers.

The performance in 2024 remained stable and profitable. In the future, we will continue to adhere to the solid operation, and endeavor to maintain profitability by controlling operating costs and improving business performance. The results of the 2024 business are as follows:

The consolidated operating income of the Company as of December 31, 2024 was NTD 1,344,179 thousand, a decrease of 25.41% compared with NTD 1,802,085 thousand in 2023. The net profit attributable to owners of the parent company was NTD 154,012 thousand, which was 47.36% decrease from NTD 292,582 thousand in 2023. The earnings per share was NTD 1.06, an decrease of 47.52% from NTD 2.02 in 2023.

1. 2024 Consolidated Business Results:

A. Operational implementation results

Units: NT\$ in thousands, %

Item	2024	2023	Diff	Diff%
Operating income	1,344,179	1,802,085	(457,906)	(25.41)
Operating gross profit	498,565	689,529	(190,964)	(27.69)
Operating net income	187,279	353,868	(166,589)	(47.08)
Net profit before tax	200,132	366,941	(166,809)	(45.46)
Net profit	154,012	292,582	(138,570)	(47.36)
Net profit attributable to owners of the parent company	154,012	292,582	(138,570)	(47.36)
Basic earnings per share (NT\$)	1.06	2.02	(0.96)	(47.52)

B. Consolidated Financial income and expenditures

Units: NT\$ in thousands

Item	2024	2023
Cash flow from operating activities	127,618	205,253
Cash flow from investment activities	(92,081)	(8,352)
Cash flow from financing activities	(263,793)	(437,933)
Gains (losses) on cash and cash equivalents	(215,672)	(243,701)
Cash and cash equivalents at the beginning of the period	961,765	1,205,466
Cash and cash equivalents at the end of the period	746,093	961,765

C. Profitability

Item	2024	2023	
Return on assets (%)	9.40	15.56	
Return on equity (%)	13.82	23.81	
Ratio to paid-in capital (%)	Operating profit margin	51.61	97.51
	Income before Tax	55.15	101.12
Net Profit Margin (%)	11.46	16.24	
EPS (NT\$)	1.06	2.02	

2. 2025 Business Plan
 - A. Enhance customer satisfaction and provide instant service.
 - B. Develop new product distributorship that respond to customer needs.
 - C. Update information architecture and process optimization continuously to improve management performance with computer systems.
 - D. Strengthen employee education and training to serve customers with professional employees.
 - E. Steady operation and increase shareholders' equity.
3. The Future Development Strategy of The Company
 - A. Seeking local and international strategic alliance partners, and distribute products in high-tech fields.
 - B. Establish a talent network in the high-tech field and find talented employees to serve customers.
 - C. Strict and reasonable implementation of credit control and continuous strengthening of risk control.
4. The influence of external competitive environment, regulatory environment and overall business environment:

Under the global concern about corporate social responsibility and environmental protection issues, Taiwan Kong King will fulfill its corporate social responsibility with a sense of mission to society. In order to protect the earth, we will continue to introduce the most advanced green energy equipment, materials and key technologies from the electronics industry to the Taiwan market to provide products with low energy consumption and high production value.

Finally, I would like to thank all the shareholders of Taiwan Kong King. With the long-term support of the shareholders and the efforts of the company's employees, I believe Taiwan Kong King can continue to grow in stability. I wish you good health and good luck!

Chairman CHANG JUI-SHUM

General Manager LIAO HUNG-YING

II. Corporate Governance Report

1. Information on the company's directors, supervisors, general manager, assistant general managers, associates, and the supervisors of all the company's divisions and branch units

A. Information of the director and supervisor

April 19, 2025

Title	Name	Gender Age	Nationality or Place of Registration	Inauguration date	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
							Director	Wong's Kong King International (Holdings) Limited	-	Bermuda	2024.06.18	3	1977.06.14	24,473,836			67.44	97,895,344	67.44	
Director (Appointed on 2024.11.12)	Wong's Kong King International (Holdings) Limited Representative : CHANG JUI-SHUM	Male 51-60	Hong Kong	2024.06.18	3	2008.06.16	24,473,836	67.44	97,895,344	67.44	0	0.00	0	0.00	Director of Wong's Kong King International (Holdings) Limited. Chairman of Taiwan WKK Distribution Co., Ltd.	TKK: Chairman Other companies: Director of Wong's Kong King International (Holdings) Limited. Chairman of Taiwan WKK Distribution Co., Ltd. Director and President of WKK Distribution Limited Director of The Kong King Technology Co., Ltd, (Suzhou)	Director	SENTA WONG	father in law	-
Director (Appointed on 2024.06.18)	Wong's Kong King International (Holdings) Limited Representative : SENTA WONG	Male 71-80	Canada	2024.06.18	3	1977.06.14	24,473,836	67.44	97,895,344	67.44	0	0.00	0	0.00	2000 chairman of Tung Wah Group of Hospitals Chairman of Wong's Kong King International (Holdings) Limited	TKK: None Other companies: Chairman of Wong's Kong King International (Holdings) Limited	Director	CHANG JUI-SHUM	son in law	-

Title	Name	Gender Age	Nationality or Place of Registration	Inauguration date	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Appointed on 2025.01.08)	Wong's Kong King International (Holdings) Limited Representative : AVA WONG	Female 51-60	Hong Kong	2025.01.08	3	2025.01.08	97,895,344	67.44	0	0.00	0	0.00	0	0.00	Wong's Kong King International (Holdings) Limited	TKK: None Other companies: Executive director and Deputy Chairman and CEO of Wong's Kong King International (Holdings) Limited	Director	SENTA WONG	daughter	-
Director (Appointed on 2024.06.18)	Wong's Kong King International (Holdings) Limited Representative : CHEN MEI-FEN	Female 61-70	R.O.C.	2024.06.18	3	2024.06.18	97,895,344	67.44	97,895,344	67.44	0	0.00	0	0.00	TKK Deputy General Manager Department of Business Administration Chung Yuan Christian University	TKK: None Other companies: Supervisor of TKK Precision Co., Ltd. Supervisor of THT Technology Co., Ltd. Supervisor of The Kong King Technology Co., Ltd, (Suzhou)	-	-	-	-
Director (Appointed on 2024.11.13)	Wong's Kong King International (Holdings) Limited Representative : LIAO DE-HSIANG	Female 51-60	R.O.C.	2024.11.13	3	2024.11.13	97,895,344	67.44	97,895,344	67.44	0	0.00	0	0.00	TKK Deputy General Manager	TKK: General Manager Other companies: Director of TKK Precision Co., Ltd. Director and General Manager of THT Technology Co., Ltd.	-	-	-	-
Director (Appointed on 2024.11.13)	Wong's Kong King International (Holdings) Limited Representative : CHENG FU-WEN	Male 51-60	R.O.C.	2024.11.13	3	2024.11.13	97,895,344	67.44	97,895,344	67.44	0	0.00	0	0.00	General Manager of The Kong King Technology Co., Ltd, (Suzhou)	TKK: General Manager Other companies: General Manager of The Kong King Technology Co., Ltd, (Suzhou)	-	-	-	-
Director (Appointed on 2024.06.18)	LIAO HUNG-YING	Male 61-70	R.O.C.	2024.06.18	3	2008.01.18	188,798	0.52	733,000	0.50	32,448	0.02	0	0.00	TKK General Manager The 31st NCCU entrepreneurship academy	TKK: General Manager Other companies: Chairman of The Kong King Technology Co., Ltd, (Suzhou) Chairman of THT Technology Co., Ltd. Chairman of TKK Precision Co., Ltd.	-	-	-	-

Title	Name	Gender Age	Nationality or Place of Registration	Inauguration date	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman (Dismissed on 2024.06.18)	Wong's Kong King International (Holdings) Limited Representative : HO SHU-CHAN	Male 71-80	Hong Kong	2021.08.10	3	1977.06.14	24,473,836	67.44	0	0.00	0	0.00	0	0.00	Wong's Kong King International (Holdings) Limited	TKK: Chairman ; Other companies: CFO of Wong's Kong King International (Holdings) Limited	-	-	-	-
Chairman (Resignation on 2024.11.12)	Wong's Kong King International (Holdings) Limited Representative : Vinci Wong	Male 51-60	Hong Kong	2024.06.18	3	2024.06.18	97,895,344	67.44	0	0.00	0	0.00	0	0.00	Wong's Kong King International (Holdings) Limited	TKK: Chairman ; Other companies: None	-	-	-	-
Director (Resignation on 2025.01.08)	Wong's Kong King International (Holdings) Limited Representative : TSUI YING-CHUN	Male 71-80	Hong Kong	2024.06.18	3	1977.06.14	24,473,836	67.44	0	0.00	0	0.00	0	0.00	Wong's Kong King International (Holdings) Limited	TKK: None Other companies: Group President and CEO of Wong's Kong King International (Holdings) Limited	-	-	-	-
Director (Resignation on 2024.11.12)	Wong's Kong King International (Holdings) Limited, Representative : HSU HUNG-CHIEH	Male 71-80	R.O.C.	2024.06.18	3	2001.03.11	24,473,836	67.44	0	0.00	0	0.00	0	0.00	TKK's Chairman and general manager	TKK: None Other companies: None	-	-	-	-

Title	Name	Gender Age	Nationality or Place of Registration	Inauguration date	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director (Appointed on 2024.06.18)	CHEN CHAO-HUANG	Male 61-70	R.O.C.	2024.06.18	3	2021.08.10	0	0.00	0	0.00	0	0.00	0	0.00	Mechanical design team leader, MICROTEK INTERNATIONAL INC. Senior engineer, plant construction and plant affair, AT&T R&D and Manufacturing Manager, UMAX Computer Corporation Deputy General Manager/Director, AVISION INC. Master of EMBA, National Jiaotong University	TKK: None Other companies: Independent Director, Founder/Director, Seongnam Organic Farm Associate course teacher of Tsio Hai Waldorf Education Consultant of Zhi Yang Education Foundation	-	-	-	-
Independent Director (Appointed on 2024.06.18)	WEI HSING-HAI	Male 61-70	R.O.C.	2024.06.18	3	2021.08.10	0	0.00	0	0.00	0	0.00	0	0.00	Accountant of Auditing Department, KPMG Bachelor of Business, Accounting, Department of Business, National Taiwan University Master of EMBA, National Jiaotong University	TKK: None Other companies: Accountant of Auditing Department ,Chuan Zhi He Shu Independent Director, ADLINK Technology Inc. Remuneration Committee Members, Unizyx Holding Corporation	-	-	-	-

Title	Name	Gender Age	Nationality or Place of Registration	Inauguration date	Term (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director (Appointed on 2024.06.18)	SHEN SHYUE-REN	Male 51-60	R.O.C.	2024.06.18	3	2024.06.18	0	0.00	0	0.00	0	0.00	0	0.00	Consultant, National Innovation and Entrepreneurship Association Ph.D. Candidate in Business Administration, Taipei University MBA in Business Administration, Fu Jen Catholic University	TKK: None Other companies: Independent Director, Taiwan Line Tek Electronic Co.,Ltd. Independent Director, Taiwan Chinsan Electronic Industrial Co., Ltd Independent Director, Lida Holdings Limited Director, Thermaltake Technology Co., Ltd.				
Independent Director Dismissed on 2024.06.18	HUANG WEN-YUEAN	Male 71-80	R.O.C.	2021.08.10	3	2009.06.16	1,050	0.00	0.00	0	0.00	0	0.00	0	EMBA of Electronics Engineering, NCTU Director of the plant of Taiwan Semiconductor Manufacturing Company, Limited	TKK: None Other companies: None	-	-	-	-

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (For example, increase the number of independent directors, and more than half of the directors shall not serve as employees or managers, etc.).

Table 1: Major shareholders of institutional shareholders

April 19, 2025

Name of Institutional Shareholder	Major Shareholders	Shareholdings (%)
Wong's Kong King International (Holdings) Limited	Greatfamily Inc. ^{Note}	28.48
	Greatguy(PTC) Inc. ^{Note}	28.48
	Senta Wong (BVI) Limited	16.72
	Cantrust (Far East) Limited	6.99
	Mr. Wong Chung Yin	5.85

Note: Greatfamily Inc. is registered in the name of Rewarding Limited, which is wholly-owned by a discretionary trust owned by Greatfamily Inc. (a wholly owned by Greatguy (PTC) Inc.). The shares owned by Greatfamily Inc. refer to the same shares as the shares owned by Greatguy (PTC) Inc.

Table 2 : Major shareholders of the Company's major institutional shareholders in table 1

April 19, 2025

Name of Institutional Shareholder	Major Shareholders	Shareholdings (%)
Greatfamily Inc.	Greatguy(PTC) Inc.	100.00
Senta Wong (BVI) Limited	Mr. Senta Wong	50.25
	Ms. Wong Wu Lai Ming Lily	49.75

Information about director and supervisor (2)

1. Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

Criteria Name	Professional Qualification and Work Experience (Note1)	Independence Attribute	Number of Holding Concurrent Independent Director Position in Other Public Companies
CHANG JUI-SHUM	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
SENTA WONG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
AVA WONG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
CHEN MEI-FEN	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
LIAO HUNG-YING	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
LIAO DE-HSIANG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
CHENG FU-WEN	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company	-	None
CHEN CHAO-HUANG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Deputy General Manager/Director, AVISION INC.	(Note2)	0
WEI HSING-HAI	A Certified Public Accountant (CPA), or other professional or technical specialist who has passed a national certification and been awarded a certificate in a specific professional field, and with at least five years of CPA experience. Work Experience: Accountant of Auditing Department, KPMG	(Note2)	1

Criteria Name	Professional Qualification and Work Experience (Note1)	Independence Attribute	Number of Holding Concurrent Independent Director Position in Other Public Companies
SHEN SHYUE-REN	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Consultant, National Innovation and Entrepreneurship Association	(Note2)	3

Note 1: None of the directors has any of the circumstances specified in Article 30 of the Company Act.

Note 1: Independent status is as follows:

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates.
- (3) Natural person shareholders who are not themselves, their spouses, minor children or who hold more than 1% of the total issued shares of the Company in the name of others or who hold the top 10 shares.
- (4) Not the spouse, relatives within the second degree of kinship or lineal relatives by blood within the third degree of kinship of the persons listed in the preceding three paragraphs.
- (5) Not serving as a director, supervisor or employee of a company with a specific relationship with the Company.
- (6) For the last two years, there was no remuneration for business, legal, financial or accounting services provided by the Company or its affiliates.

2. Diversity and independence of the Board of Directors:

(1) Diversification of the Board of Directors:

The Company has formulated the "Principals of Corporate Governance" and formulated a diversified policy in Chapter III "Strengthen the Powers of the Board of Directors" and published it on the Company's website. The nomination and selection of the members of the Board of Directors of the Company adopts the candidate nomination system in accordance with the provisions of the Articles of Association. In addition to evaluating the qualifications of each candidate's academic experience, and referring to the opinions of interested parties, the Company abides by the "Procedures for Election of Directors" and the "Principals of Corporate Governance" to ensure the diversity and independence of directors.

The Company has considered the demands from all aspects for the composition of the board members. The composition of the board members is diversified and has at least one female participating in the board. Among the list of the 10 board members of the Company, foreign directors accounted for 30%; independent directors accounted for 30%; directors with employee identity accounted for 30%; female directors accounted for 30%. 1 directors are above the age of 70, 4 directors are within the age of 60~70 and 5 director is below the age of 60.

The company attaches great importance to the professional knowledge and skills of the board of directors, and there is at least one accounting professional director.

In addition, in order to implement the policy of diversification of the composition of

the board of directors to improve the overall performance of the company, and in response to the “Code of Practice for Governance of Listed Companies” that the consecutive term of independent directors should not exceed three terms, the company plans to gradually improve the composition of the board of directors. After the election, the company has two (more than half) independent directors consecutively. The term of office shall not exceed three terms.

(2) Independence of the Board of Directors:

Among the 10 directors of the company, 3 are independent directors, accounting for 30%, and the directors and directors or independent directors have no spouse or family relationship within the second degree, accounting for 80%, and only three directors have company managers. Therefore, the Board of Directors of the Company is independent.

B. Information of the general manager, assistant general manager, senior managers of departments and branches:
April 19, 2025

Title	Nationality	Name	Gender	Inauguration date	Shareholding		Spouses & Minor Shareholding		Current Shareholding in the name of others		Current Positions at Other Companies	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	LIAO HUNG-YING	Male	96.10.04	733,000	0.50	32,448	0.02	0	0.00	St. John's University The 31st NCCU entrepreneurship academy Supervisor of the Taiwan Printed Circuit Association Managing Director of the TPCA Environment Foundation	Chairman of The Kong King Technology Co., Ltd, (Suzhou) Chairman of THT Technology Co., Ltd. Chairman of TKK Precision Co., Ltd.	-	-	-	-
Senior deputy general Manager of Customer Service	R.O.C.	FAN DING-CHI	Male	86.05.01	0	0.00	4,000	0.00	0	0.00	Department of Electronics Engineering of Lunghwa University of Science and Technology	General Manager of TKK Precision Co., Ltd. Director of The Kong King Technology Co., Ltd, (Suzhou) Director of THT Technology Co., Ltd.	-	-	-	-
Senior deputy General Manager of the PCB Division	R.O.C.	LIAO DE-HSIANG	Female	109.02.01	576,360	0.40	58,048	0.04	0	0.00	Chemical engineering of the Ta Hwa University of Science and Technology	Director of TKK Precision Co., Ltd. General Manager of THT Technology Co., Ltd.	-	-	-	-
Deputy General Manager of the PCB Division	R.O.C.	CHENG FU-WEN	Male	96.03.01	0	0.00	0	0.00	0	0.00	Department of Electronics Engineering of Chung Yuan Christian University	Director and General Manager of The Kong King Technology Co., Ltd, (Suzhou)	-	-	-	-
Deputy General Manager of the South Office	R.O.C.	CHUANG HONG-YI	Male	109.02.01	0	0.00	0	0.00	0	0.00	Electrical, electronics, instrument and control department of National United University	-	-	-	-	

Title	Nationality	Name	Gender	Inauguration date	Shareholding		Spouses & Minor Shareholding		Current Shareholding in the name of others		Current Positions at Other Companies	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Deputy General Manager of the Management Division	R.O.C.	CHOU TSUI-HSIA	Female	93.11.01	0	0.00	0	0.00	0	0.00	Accounting and statistics department of Ling Tung University	-	-	-	-	-
Senior manager of customer service	R.O.C.	LIU REN-JIEN	Male	103.04.01	35,680	0.02	0	0.00	0	0.00	Electronics Engineering of the NCU	-	-	-	-	-
Senior manager of PCB Division	R.O.C.	TSOU REN-ZHE	Male	94.06.01	0	0.00	0	0.00	0	0.00	EMBA of NCU	-	-	-	-	-
Senior manager of PCB Division	R.O.C.	HSU JI-TSUN	Male	97.06.01	0	0.00	0	0.00	0	0.00	Masters degree on chemical engineering of Chung Yuan Christian University	-	-	-	-	-
Senior manager of PCB Division	R.O.C.	HSU YUAN-HSUN	Male	103.04.01	0	0.00	0	0.00	0	0.00	Department of Business Administration Chung Yuan Christian University	-	-	-	-	-
Senior manager of PCB Division	R.O.C.	YANG ZHU-HONG	Male	105.04.01	0	0.00	0	0.00	0	0.00	Japanese language department of Tamkan University	-	-	-	-	-
Senior manager of Electronics Division	R.O.C.	WU SHANG-WEN	Male	96.04.01	0	0.00	0	0.00	0	0.00	Business Mathematics of the Soochow University	-	-	-	-	-

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (For example, increase the number of independent directors, and more than half of the directors shall not serve as employees or managers, etc.).

2. Remuneration paid during the most recent fiscal year to directors (including independent directors), supervisors, the general manager, and assistant general managers

(1) Remunerations of Directors (including independent directors)

December 31, 2024/Unit: NT\$Thousand

Title	Name	Remunerations of Directors						Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Relevant remuneration received by directors who are also employees						Ratio of total compensation (A+B+C+D+E+F + G) to net income (Note 10)		Compensation paid to directors from non-consolidated affiliates or parent company (Note 11)			
		Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C)(Note 3)		Allowances (D)(Note 4)		Salary, Bonuses and Allowances (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)							
		The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 8)	Cash	Stock	Cash	Stock		The Company	All companies in the consolidated financial statement (Note 7)	
Chairman (Appointed on 2024.11.12)	CHANG JUI-SHUM																				
Director (Appointed on 2024.06.18)	SENTA WONG																				
Director (Appointed on 2024.06.18)	LIAO HUNG-YING	0	0	0	0	1,410	2,310	1,040	1,040	2,450	3,350	20,878	29,085	0	0	0	0	0	0	23,328	32,435
Director (Appointed on 2024.06.18)	CHEN MEI-FEN									1.59%	2.18%									15.15%	21.06%
Director (Appointed on 2024.11.13)	LIAO DE-HSIANG																				
Director (Appointed on 2024.11.13)	CHENG FU-WEN																				

Range of Remunerations

Range of remuneration	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company (Note 8)	Companies in the consolidated financial statements (Note 9)H	The company (Note 8)	Companies in the consolidated financial statements (Note 9)I
Under NT\$ 1,000,000	Wong's Kong King (SENTA WONG ,HSU HUNG-CHIEH , TSUI YING-CHUN , HO SHU-CHAN , CHANG JUI-SHUM , Vinci Wong)	Wong's Kong King (SENTA WONG ,HSU HUNG-CHIEH , TSUI YING-CHUN , HO SHU-CHAN , CHANG JUI-SHUM , Vinci Wong)	Wong's Kong King (SENTA WONG , TSUI YING-CHUN , HO SHU-CHAN , CHANG JUI-SHUM , HSU HUNG-CHIEH , Vinci Wong)	Wong's Kong King (SENTA WONG , TSUI YING-CHUN , HO SHU-CHAN , CHANG JUI-SHUM , HSU HUNG-CHIEH , Vinci Wong)
NT\$1,000,000 (included) ~ NT\$2,000,000 (excluded)	-	-	-	-
NT\$2,000,000 (included) ~ NT\$3,500,000 (excluded)	-	-	CHENG FU-WEN	-
NT\$3,500,000 (included) ~ NT\$5,000,000 (excluded)	-	-	CHEN MEI-FEN	CHENG FU-WEN CHEN MEI-FEN
NT\$5,000,000 (included) ~ NT\$10,000,000 (excluded)	-	-	LIAO DE-HSIANG LIAO HUNG-YING	LIAO DE-HSIANG
NT\$10,000,000 (included) ~ NT\$15,000,000 (excluded)	-	-	-	LIAO HUNG-YING
NT\$15,000,000 (included) ~ NT\$30,000,000 (excluded)	-	-	-	-
NT\$30,000,000 (included) ~ NT\$50,000,000 (excluded)	-	-	-	-
NT\$50,000,000 (included) ~ NT\$100,000,000 (excluded)	-	-	-	-

Range of remuneration	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company (Note 8)	Companies in the consolidated financial statements (Note 9)H	The company (Note 8)	Companies in the consolidated financial statements (Note 9)I
Over NT\$100,000,000	-	-	-	-
Total	14	14	14	14

Note 1: The names of directors should be separately listed (institutional shareholders should list their names and their representatives separately), and disclose the total amount of each payment. If the director is also the general manager or assistant general manager, the above table and table 3 should be filled out.

Note 2: This table refers to the remuneration of directors in the most recent year (including directors' salary, professional allowance, severance pay, various awards and bonuses).

Note 3: The amount of directors' remuneration distributed by the board of directors in the most recent year is included.

Note 4: This table refers to the relevant business execution expenses of directors in the most recent year (such as traveling expenses, special expenses, various allowances, housing expenses, car and other physical supplies). In the case of expenditures of housing, motor vehicles and other means of transport or for exclusive individuals, the nature and cost of the assets, the actual or fair market price, rents, fuel cost and other payments should be disclosed. If there is a driver, please note the company's payment for the driver without remuneration.

Note 5: This table refers to the salary, professional allowance, severance pay, various awards and bonuses, traveling expenses, special expenses, various allowances, housing expenses, car and other physical supplies of the directors as concurrent employees in most recent years (including concurrent general manager, assistant general manager, other managers and employees). In the case of expenditures of housing, motor vehicles and other means of transport or for exclusive individuals, the nature and cost of the assets, the actual or fair market price, rents, fuel cost and other payments should be disclosed. If there is a driver, please note the company's payment for the driver without remuneration. The salary expenses recognized in accordance with the "Share-based payment" of IFRS 2, which includes obtaining employee stock option certificates, new restricted employee shares and participating in the subscription shares of cash capital increase, shall also be included in the remuneration.

Note 6: This table refers to the directors as concurrent employees in most recent years (including concurrent general manager, assistant general manager, other managers and employees) who obtain employee compensation (including stocks and cash), and should disclose the amount of compensation paid by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution

amount for this year will be calculated based on the proportion of the actual distribution amount last year, and should be added to table (1-3).

Note 7: The total amount of emoluments paid by all companies (including our company) to the directors of the company should be disclosed.

Note 8: The table shows the total amount of each director's remuneration paid by the company, and exposes the name of the director in the ownership rank.

Note 9: The total remuneration of each director of all the companies (including our company) in the consolidated report should be disclosed, and the name of the director should be exposed in the ownership rank.

Note 10: The “net profit after tax” is the after tax net profit of an individual or an individual financial report in the most recent year.

Note 11: a. This column should clearly state the amount of remuneration for directors of the company to receive the remuneration from non-consolidated affiliates or parent company.

b. If the director of the company receives remuneration from non-consolidated affiliates or parent company, the director shall incorporate the remuneration into the “I” column of the remuneration scale, and change the name of the column to “parent company and all re-invested companies”.

c. Remuneration is the bonus (including bonuses of employees, directors and supervisors) and business execution expenses of the when the directors of the company serve as directors, supervisors or managers of the non- consolidated affiliates or parent company.

* The contents of the remuneration disclosed in this table are different from the concept of the Income Tax Act. Therefore, the purpose of this table is for information disclosure and is not taxable.

(2) Remunerations of General manager and assistant general manager

December 31, 2024/Unit: NT\$Thousand

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Profit Sharing- Employee Bonus (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Compensation paid to the President and Vice President from non-consolidated affiliates or parent company (Note 9)
		The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company		Companies in the consolidated financial statements (Note 6)		The company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	LIAO HUNG-YING	14,034	20,503	953	953	16,137	18,947	0	0	0	0	31,124	40,403	-
Senior vice president	FAN DING-CHI													
Senior vice president	CHEN MEI-FEN													
Senior vice president	LIAO DE-HSIANG													
Deputy General Manager	CHENG FU-WEN													
Deputy General Manager	CHOU TSUI-HSIA													
Deputy General Manager	CHUANG HONG-YI													

* Regardless of the title, if the position is equivalent to the general manager, assistant general manager (for example: president, CEO, director...etc.), then they should be disclosed in the above table.

Further Explanation:

- The above mentioned figures has included the emoluments of the Company's directors and supervisors in 2024, of which the surplus distribution reveals the proposed number of surplus distribution in 2024.
- The ratio of the total amount to the net profit after tax is calculated based on the net profit o after tax in 2024.
- The actual amount of retired pension in 2024 or the amount of retirement pension recognized or distributed:
 - The actual amount of retirement pension in 2024: NT\$0
 - The number of retired pension expenses or the number of withdrawals: old pension NT\$558,054, new pension NT\$395,442, distribution to the manager NT\$0.

Range of Remuneration

Range of Remuneration for General Manager and Deputy General Manager	General Manager and Deputy General Manager	
	The company (Note 6)	Companies in the consolidated financial statements (Note 7)E
Under NT\$ 1,000,000	-	-
NT\$1,000,000 (included) ~ NT\$2,000,000 (excluded)	-	-
NT\$2,000,000 (included) ~ NT\$3,500,000 (excluded)	CHOU TSUI-HSIA CHUANG HONG-YI CHENG FU-WEN	CHOU TSUI-HSIA CHUANG HONG-YI
NT\$3,500,000 (included) ~ NT\$5,000,000 (excluded)	CHEN MEI-FEN , FAN DING-CHI	CHEN MEI-FEN , CHENG FU-WEN
NT\$5,000,000 (included) ~ NT\$10,000,000 (excluded)	LIAO HUNG-YING, LIAO DE-HSIANG	LIAO DE-HSIANG FAN DING-CHI
NT\$10,000,000 (included) ~ NT\$15,000,000 (excluded)	-	LIAO HUNG-YING
NT\$15,000,000 (included) ~ NT\$30,000,000 (excluded)	-	-
NT\$30,000,000 (included) ~ NT\$50,000,000 (excluded)	-	-
NT\$50,000,000 (included) ~ NT\$100,000,000 (excluded)	-	-
Over NT\$100,000,000	-	-
Under NT\$ 1,000,000	-	-
Total	7	7

Note 1: The names of the general manager and assistant general manager should be separately listed (institutional shareholders should list their names and their representatives separately), and disclose the total amount of each payment. If the director is also the general manager or assistant general manager, the above table and table 1 should be filled out.

Note 2: This table refers to the salary, professional allowance, severance pay of the general manager and assistant general manager.

Note 3: This table refers to the traveling expenses, special expenses, various allowances, housing expenses, car and other physical supplies of the general manager and assistant general manager in the most recent year. In the case of expenditures of housing, motor vehicles and other means of transport or for exclusive individuals, the nature and cost of the assets, the actual or fair market price, rents, fuel cost and other payments should be disclosed. If there is a driver, please note the company's payment for the driver without remuneration. The salary expenses recognized in accordance with the “Share-based payment” of IFRS 2, which includes obtaining employee stock option certificates, new restricted employee shares and participating in the subscription shares of cash capital increase, shall also be included in the remuneration.

Note 4: The amount of remuneration (including stocks and cash) of the general manager and assistant general manager distributed by the board of directors in the most recent year is included.

Note 5: The total amount of emoluments paid by all companies (including our company) to the general manager and assistant general manager of the company should be disclosed.

Note 6: The table shows the total amount of remuneration of the general manager and assistant general manager paid by the company, and exposes the name of the general manager and assistant general manager in the ownership rank.

Note 7: The total remuneration of the general manager and assistant general manager of all the companies (including our company) in the consolidated report should be disclosed, and the name of the general manager and assistant general manager should be exposed in the ownership rank.

Note 8: The “net profit after tax” is the after tax net profit of an individual or an individual financial report in the most recent year.

Note 9: a. This column should clearly state the amount of remuneration for the general manager and assistant general manager of the company to receive the remuneration from non-consolidated affiliates or parent company.

b. If the general manager and assistant general manager of the company receives remuneration from non-consolidated affiliates or parent company, the general manager and assistant general manager shall incorporate the remuneration into the “E” column of the remuneration scale, and change the name of the column to “all re-invested companies”.

c. Remuneration is the bonus (including bonuses of employees, directors and supervisors) and business execution expenses of the when the general manager and assistant general manager of the company serve as directors, supervisors or managers of the non-consolidated affiliates or parent company.

* The contents of the remuneration disclosed in this table are different from the concept of the Income Tax Act. Therefore, the purpose of this table is for information disclosure and is not taxable.

(3) The distribution of employees' compensation and the name of managers who are responsible: not applicable.

(4) The name, title and employee compensation of the top ten employees who have obtained employee compensation: not applicable.

C. Analysis of the proportion of the total remuneration of directors, supervisors, general managers and assistant general managers paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance

(1) Analysis of the proportion of the total remuneration of directors, supervisors, general managers and assistant general managers paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years :

Total remuneration as a percentage of net profit after tax of the directors, supervisors, general managers and assistant general managers of the company in 2023 and 2024 are as follows:

Year	The company	Companies in the consolidated financial statements
2023	16.54%	20.14%
2024	23.18%	29.79%

(2) Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

- i. The remuneration of the directors and supervisors of the company is stipulated in the company's regulations: the remuneration of directors and supervisors shall be paid in less than one percent.
- ii. In addition to the salary, the remuneration of the general manager and the assistant general manager are distributed according to the profit performance of the profit center. "Performance" is the most appropriate decision-making plan made under the risk factors that the company may

face. It refers to the performance of the operating sector and is also reflected in profitability. Thus the remuneration of the general manager and the assistant general manager are related to future risks.

- iii. The profit or loss after the tax in the denominator is the number in individual financial statements.

3. The state of the company's implementation of corporate governance

A. The state of operations of the board of directors

Board of directors held 7 meetings in the recent year, the attendance of the Committee are shown as follows:

Title	Name	Company name	In person attendance	By proxy	In person attendance rate (%)	Remarks
Chairman	CHANG JUI-SHUM	Wong's Kong King	6	0	86%	(Appointed on 2024.11.12)
Director	SENTA WONG	Wong's Kong King	0	1	0%	(Appointed on 2024.06.18)
Director	CHEN MEI-FEN	Wong's Kong King	7	0	100%	(Appointed on 2024.06.18)
Director	LIAO HUNG-YING	-	7	0	100%	(Appointed on 2024.06.18)
Director	TSUI YING-CHUN	Wong's Kong King	5	1	71%	(Appointed on 2024.06.18)
Director	HSU HUNG-CHIEH	Wong's Kong King	6	0	86%	(Resignation 2024.11.12)
Chairman	HO SHU-CHAN	Wong's Kong King	3	0	100%	(Dismissed on 2024.06.18)
Chairman	VINCI WONG	Wong's Kong King	4	0	100%	(Resignation 2024.11.12)
Independent Director	CHEN CHAO-HUANG	-	6	1	86%	(Appointed on 2024.06.18)
Independent Director	WEI HSING-HAI	-	7	0	100%	(Appointed on 2024.06.18)
Independent Director	SHEN SHYUE-REN	-	4	0	100%	(Appointed on 2024.06.18)
Independent Director	HUANG WEN-YUEAN	-	3	0	100%	(Dismissed on 2024.06.18)

Title	Name	Company name	In person attendance	By proxy	In person attendance rate (%)	Remarks
<p>Other mentionable items:</p> <ol style="list-style-type: none"> 1. During operations of the Board of Directors, the meeting date, period, content, the qualified opinions/resolutions made by any independent director shall be specified: <ol style="list-style-type: none"> (1) Matters specified in Article 14.3 of the Taiwan Securities and Exchange Act. (2) Unless otherwise stated, other Independent Directors who expressed opposition or qualified opinions that were recorded or declared in writing: <p>For matters of the board of directors that are subject to Article 14-3 of the Securities Exchange Act, please refer to page 71 for details; on the above-mentioned major issues and other matters, the three independent directors have not expressed any objection or reservation to the resolutions passed.</p> 2. To avoid conflict of interest among directors, the Director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded: None. 3. Strengthening the functions of the board in the current and recent fiscal years (e.g. establishing the Audit Committee, promoting information transparency, etc.) and conducting performance assessment: <ol style="list-style-type: none"> 1. The Company has formulated the "Regulations Governing Procedure for the Board of Directors Meetings of Public Companies" of the Company in accordance with the "Rules of Procedure for Board of Directors Meetings" to comply with. The members of the Board of Directors adhere to a high degree of self-discipline and abide by the relevant rules and regulations of corporate governance. 2. Set up the Remuneration Committee and the Audit Committee, and formulate the "Remuneration Committee Charter" and "Audit Committee Charter", independent directors make professional and objective suggestions to the Board of Directors for reference in decision-making, and strengthen corporate governance. 3. Establishment of independent directors: The Company has established three independent directors in accordance with the law to strengthen the independent and objective functions of professional directors the operation of the board of directors.No objections or reservations have been raised against the proposals. 4. Since July 28, 2017, there was at least one independent director who personally attended the board of directors' meeting. 5. Communication of related parties: The company has a spokesman and a deputy spokesman, which can be used as a way of communication by interested parties. Each year, the shareholders' meeting accepts the shareholder proposal according to the time schedule, and the shareholders who have the right to make the proposal can apply for it during the acceptance period. The company will convene the board of directors for review according to relevant regulations. In addition, the website has a shareholder Q & A section, which will answer on shareholder's problems. 						

[Note] the actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance (sit in) during his tenure.

B. The implementation of assessment of the board of directors

Frequency	Period	Scope	Method	Content
Yearly	Evaluation is made according to the performance of the board of directors from January 1, 2024 to December 31, 2024	Performance evaluation of individual directors	Self-assessment of directors	Performance assessment of individual directors: including management of the Company's goals and tasks, recognition of directors' responsibilities, level of participation in the operation of the Company, internal relationship management and communication, professional and continuing education of directors, and internal control.
		Overall Board of Directors' performance evaluation	Internal Self-Assessment by the Board of Directors	This includes the extent of participation in the Company's operations, the quality of decisions made by the Board of Directors, the composition and structure of the Board of Directors, the election and continuing education of directors, and internal control.
		Performance Evaluation of the Functional Committees	Self-Evaluation of the Functional Committees	Including the degree of participation in the Company's operation, the understanding of the responsibilities of the Functional Committee, improving the decision-making quality of the Functional Committees, the composition and selection of members of the Functional Committees, and internal control.

C. The state of the audit committee or the supervisor's participation in the operation of the board:

(1) Information on members of the Audit Committee

Identity	Name	Criteria	Professional qualification and Work Experience (Note1)	Indenpident Attribute	Number of Holding Concurrent Remuneration Committee in Other Public Companies
convener / Independent Director	WEI HSING-HAI	A Certified Public Accountant (CPA), or other professional or technical specialist who has passed a national certification and been awarded a certificate in a specific professional field, and with at leaset five years of CPA experience. Work Experience: Accountant of Auditing Department, KPMG	(Note2)	1	
Independent Director	CHEN CHAO-HUANG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Deputy General Manager/Director, AVISION INC.	(Note2)	0	
Independent Director	SHEN SHYUE-REN	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Consultant, National Innovation and Entrepreneurship Association	(Note2)	3	

Note1 : Please refer to page 4 for information on directors and supervisors for related content.

Note2 : Please refer to page 10 for information on directors and supervisors (II) for related content.

(2) The Audit Committee met 7 in the most recent year, and the attendance of independent directors is as follows:

Title	Name	Number of Attendance	Number of Attendance by	Actual attendance rate	Remarks
Independent Director	WEI HSING-HAI	7	0	100%	
Independent Director	CHEN CHAO-HUANG	6	1	86%	
Independent Director	SHEN SHYUE-REN	4	0	100%	Appointed on 2024.06.18
Independent Director	HUANG WEN-YUEAN	3	0	100%	Dismissed on 2024.06.18

Other mentionable items:

1. In case of any of the following circumstances in the operation of the Audit Committee, the date and period of the Audit Committee, the contents of the proposal, the objections, reservations or major suggestions of the independent directors, the resolution results of the Audit Committee and the Company's handling of the opinions of the Audit Committee shall be stated.

(1) Matters listed in Article 14.5 of the Securities and Exchange Act:

Meeting Date	Content of Motion	Resolution	The Company's response to the Audit Committee's The Company's handling of the Audit Committee's comments
2024.03.12	1. The company's 2023 annual individual and consolidated financial report 2. The 2023 Earnings Distribution 3. Proposal of the 2023 Internal Audit Statement	The committee agreed and approved.	The Board of Directors shall propose to the Board of Directors for approval by all Directors present. Approved by agreement of all directors present.
2024.05.09	Consolidated financial statements for the first quarter of fiscal 2024		
2024.08.12	1. Consolidated financial statements for the second quarter of fiscal 2024 2. Fund accommodation of the subsidiary, Headway Holdings Ltd. (Samoa)		
2024.11.12	1. Consolidated financial statements for the third quarter of fiscal 2024 2. Extension of banking facilities and application for such facilities in 2025 3. Formulation of audit plan for 2025		

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

2. The implementation of the withdrawal of interest related proposals by independent directors shall state the name of the independent director, the content of the proposal, the reasons for the withdrawal of interest and the voting situation: the Company does not have such situation.

3. The communication between the independent directors and the head of internal audit and the CPAs (including the major matters, methods and results of the communication on the Company's financial and business conditions).

(1) The communication between the independent director and the internal audit supervisor is as follows:

Meeting Date	Communication key points	Communication results
2024.03.12 Audit Committee	1. Internal audit business report 2. Proposal of the 2023 Internal Audit Statement	The Committee agreed and approved.
2024.05.09 Audit Committee	Internal audit business report	
2024.08.12 Audit Committee	Internal audit business report	
2024.11.12 Audit Committee	1. Internal audit business report 2. Formulate 202annual audit plan	

(2) The communication between independent directors and accountants is as follows: :

Meeting Date	Communication key points	Communication results
2024.03.12	<ol style="list-style-type: none"> 1. Report on the scope of audit and audit issues for the 4Q 2023 financial report 2. Reported the latest update of tax laws and regulations 3. Reported amendments to the Corporate Governance Evaluation System 	The committee agreed and approved.
2024.11.12	<ol style="list-style-type: none"> 1. Reported the scope of review and conclusion of the financial report for the Q3 of 2024 2. Reported audit plan for 2024 annual financial report 3. Reported recent legal updates 4. Report on recent IFRS updates 5. Report on latest Sustainability Disclosure Standards updates 	

[

[note] the actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance (sit in) during his tenure.

(3) Board of directors held __ meetings in the recent year, the attendance of the Committee are shown as follows: The company has replaced the supervisor with the audit committee since August 10, 2021.

D. The state of the company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies, and the reason for any such departure:

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
1. Does the company implement and disclose corporate governance in accordance with the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies?	V		The company has implemented corporate governance in accordance with the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies, and disclosed in the company’s website (www.tkk.com.tw).	No Difference
2. Company shareholding structure and shareholders' equity (1) Does the company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures? (2) Does the company have a list of the ultimate controllers of the major shareholders and major shareholders of the actual controlling company?	V V		(1) Taiwan Port Construction Company has a spokesman to deal with shareholders' rights. The remaining subsidiaries are dealt with by the chairman; if there is any dispute, they will be appointed by the legal counsel. Shareholders who have any shareholder issues (opening accounts, stock transfer, change of address, etc.) can contact the company's stock agency or the company's management office, and the contact information are disclosed in the company's website and annual report. (2) Wong’s Kong King International (Holdings)	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
<p>(3) Does the company establish, implement and control the risk control and firewall mechanism between the enterprises?</p> <p>(4) Does the company stipulate internal regulations to prohibit insiders from using the undisclosed information on the market to buy and sell securities?</p>	V		<p>Ltd., a major shareholder of the Company, holds 67.44% of the shares. The ultimate controller of this company is the director Mr. SENTA WONG and his family; subsidiary major shareholder details, special items - matters of related companies.</p> <p>(3) The management rights and responsibilities of personnel, assets and finance between the Company and its subsidiaries are clearly distinguished and controlled by relevant personnel such as the Management division and the Audit department.</p> <p>(4) The Company has established “Information and Rules for the Prevention of Insider Trading”.</p>	
<p>3. Composition and duties of the board of directors</p> <p>(1) Does the Board of Directors have a diversity policy, specific management objectives and implementation?</p>	V		<p>(1) The Company established “Corporate Governance Principles” on Oct. 27, 2014. The Company stipulated diversified strategies (disclosed in the Company’s website) in Chapter 3, “Strengthening the Competency of</p>	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>Board of Directors”. The nomination and election of members of the board are in compliance with the provisions in Articles of Incorporation. The Company adopted candidate nomination system. In addition to evaluating the academic background and experiences of each candidate, the Company also referenced the opinions from the stakeholders and complied with the “Rules for the Election of Directors and Supervisors” and “Corporate Governance Principles” to ensure the diversification and independency of members of the board.</p> <p>(2) The Company has considered the demands from all aspects for the composition of the board members. The composition of the board members is diversified and has at least one female participating in the board. Among the list of the 10 board members of the Company, foreign directors accounted for 30%; independent directors accounted for 30%;</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>directors with employee identity accounted for 30%; female directors accounted for 30%. 1 directors are above the age of 70, 4 directors are within the age of 60~70 and 5 director is below the age of 60.</p> <p>The Company values the professional knowledge and skills of the Board of Directors and has at least one director who is CPA. The Company also aims to have at least two independent directors who will not serve more than three consecutive terms.</p> <p>(3) Among the list of 10 board members, for skills in leadership, business judgement, business management, crisis handling, industrial knowledge and international market view, we have SENTA WONG, AVA WONG CHANG JUI-SHUM, LIAO HUNG-YING, CHEN MEI-FEN, LIAO DE-HSIANG and CHENG FU-WEN; for capabilities in accounting and financial analysis, we have CHEN MEI-FEN. Our 2 independent directors have industrial</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			knowledge and 1 has accounting speciality ; and LIAO HUNG-YING has contributed to TPCA Environment Foundation.	
(2) Does the company voluntarily set up other functional committees in addition to the remuneration committee and the audit committee?	V		In addition to setting up a Remuneration Committee and an Audit Committee according to law, the Company also voluntarily sets up a Corporate Governance Committee.	No Difference
(3) Does the Company establish the regulations and methods for the performance assessment of the board of directors, conduct performance assessment each year on a regular basis, report the results of the performance assessment to the board of directors, and apply it as a reference to individual directors' remuneration, nomination and reappointment?	V		On May 11, 2010, the Board of Directors approved the "Rules for Performance Evaluation of Board of Directors " and implemented the internal performance self-evaluation of the Board of Directors every year. The self-assessment has been completed by self-assessment questionnaire in 2024. The assessment included the mastery of the company's goals and tasks, the cognition of directors' duties, degree of participation in operations of the company, the internal relationship communication and management, director's professionalism and continuing education and internal control are all	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>aspects of the evaluation. The scores were 4.91 (each out of a total of 5). All the directors are competent and in compliance with the company's practical needs.</p> <p>The self-assessment has been completed by self-assessment questionnaire by the Board of Directors in 2024. The assessment included the extent of participation in the Company's operations, the quality of decisions made by the Board of Directors, the composition and structure of the Board of Directors, the election and continuing education of directors, and internal control. The scores were 4.73 (each out of a total of 5).</p> <p>In the year of 2024, the performance evaluation of the Functional Committee has been completed by means of Self-Evaluation Questionnaire, including the degree of participation in the Company's operation, the understanding of the responsibilities of the Functional Committee, improving the decision-making quality of the Functional</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>Committee, the composition and member selection of the Functional Committee, and internal control. The scores for the Audit Committee, the Remuneration Committee and the Corporate Governance Committee were 4.97, 4.93 and 4.95 respectively (each out of a total of 5).</p> <p>The Company has completed the evaluation of the performance of the Board of Directors, board members, the Remuneration Committee, the Audit Committee and the Corporate Governance Committee at the first quarter of 2025, and the results of the evaluation were presented at the Board of Directors' meeting held on May 12, 2025. The evaluation score for the year was positive.</p> <p>The Company's Board of Directors resolved to amend the "Overall Board of Directors' performance evaluation" on August 8, 2023, whereby the external Board of Directors' performance evaluation is to be carried out at least once every three years. The Company appointed Chainye Management Consultancy to carry out the</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			external Board of Directors' performance evaluation in February 2023 (for the period from 2023/1/1 to 2023/12/31), whereby the Firm and its executives have no business relationship with the Company and are independent. The firm evaluated the composition of the Board of Directors, the extent of participation in the Company's operations, the improvement of the quality of the Board's decision-making, internal control, the operation of functional committees, and sustainability by means of on-site audits, respectively, and Chainye Management Consultancy has issued an evaluation report of the Board of Directors' performance on December 25, 2023, and has been presented to the January 26, 2024 Board of Directors' meeting.	
(4) Does the company regularly assess the independence of the visa accountant?	V		The company shall review the independence of the accountant at least once a year by the audit office in accordance with the relevant provisions of the “CPA code of professional ethics No.10”, together	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>with the statement of the accountant's declaration of non-compliance with independence. The independence assessment process includes financial interests, guarantees, business relationships, personal and family relationships, and employment relationships. After comprehensive evaluation, no violations of independence have been found.</p> <p>The Board of Directors and the Audit Committee of the Company evaluate the independence and appropriateness of the Company's CPAs on an annual basis by requesting the CPAs to provide the "Statement of Independence" and the "(AQIs)" in accordance with the 13 AQI Indicators. It was confirmed that the CPAs and the Company have no other financial interests or business relationships except for the fees for certification and taxes, and that the family members of the CPAs are not in violation of the independence requirements. With reference to the AQI indicators, it was confirmed that the CPAs and the</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			Firm's audit experience and training hours are above the average of their peers, and that the Firm will continue to improve the quality of the audits by introducing digital auditing tools. On January 27, 2025, the Audit Committee discussed and approved the evaluation results for 2024, which was then submitted to and approved by the Board of Directors on January 17, 2025.	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
4. Do TWSE / TPEX listed companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to be in charge of corporate governance affairs, including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, disposition matters relating to board meetings and shareholders meetings according to laws and producing minutes of board meetings and shareholders meetings?	V		<p>The Company's Management Division is responsible for matters related to corporate governance. The Board of Directors approved Ms. CHOU TSUI-HSIA, senior manager of the Management Division, as the Director for corporate governance on January 17, 2025.</p> <p>The previously mentioned corporate governance related matters shall at least include the following:</p> <ol style="list-style-type: none"> 1. Handle matters related to meetings of the Board of Directors and shareholders in accordance with the law. 2. Prepare minutes of the Board of Directors and shareholders' meetings. 3. Assist directors in taking office and continuing education. 4. Provide the information required by the directors to carry out their business. 5. Assist directors to comply with laws and regulations. 	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>6. Other matters stipulated in the Articles of Association or contract of the Company.</p> <p>The 2024 executive items of the Company's corporate governance unit is as follows:</p> <ol style="list-style-type: none"> 1. Draft the agenda of the Board of Directors, the Audit Committee, the Remuneration Committee and the Corporate Governance Committee, and prepare the discussion materials. In 2024, it completed the convening of four meetings for board meetings, four meetings for Audit Committee meeting, two meetings for Remuneration Committee, and two meetings for Corporate Governance Committee. 2. Convene the shareholders' meeting on June 18, 2024 and assist in the convening of the shareholders' meeting. 3. Be responsible for the announcement of major information on important resolutions of the Board of Directors and the shareholders' meeting, and publish major information according to law. 	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>4. Arrange continuing education courses for directors and independent directors.</p> <p>5. Arrange for the independent directors to communicate with the internal audit director and the certified public accountant at the Audit Committee meeting. Please see the Company's website for a summary of the communication.</p> <p>6. Arrange to report the work plan of corporate social responsibility for the current year to the Board of Directors on January 26, 2024.</p> <p>7. Arrange to report to the Board of Directors on January 26, 2024 on the implementation of the Company's promotion of good faith operation in the current year and its plan to ensure the implementation of the code of good faith operation.</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
5. Does the company establish communication channels with related parties (including but not limited to shareholders, employees, customers and suppliers), set up regions for related parties on the company's website, and respond appropriately to important corporate social responsibility issues concerning related parties?	V		The company has a spokesman to handle matters related to the spokesman regulations, and the chairman is responsible for communicating with related parties of the subsidiary. A region for related parties is set up on the company's website and the ESG Report is exposed to respond to issues concerning related parties.	No Difference
6. Does the company appoint a professional stock agency to handle the proceedings of the shareholders' meeting?	V		It is appointed to SinoPac Securities Corporation to on handling the proceedings of the shareholders' meeting.	No Difference
7. Information disclosure				
(1) Does the company set up a website to expose financial business and corporate governance information?	V		(1) The Company has set up a website for investors to inquire about business and financial status.	No Difference
(2) Does the company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of	V		(2) The language of choice on the company's website includes Chinese, Japanese, English and Simplified Chinese. The designated person shall, according to the regulations of the competent authority, place the	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
<p>company information, implementing the spokesman system, and expose the legal person briefing process on the company website)?</p> <p>(3) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the financial reports of the first, second, and third quarter and the monthly operating situation in advance within the prescribed time limit?</p>	V		<p>information disclosed on the Market Observation Post System or irregularly on the company website for inquiry.</p> <p>(3) The Company has completed the announcement of the financial report and the monthly operating situation within the prescribed period.</p>	
<p>8. Does the company have other important information that helps to understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relationships, rights of related parties, director and supervisor training, risk management) The implementation of policy and risk measurement standards, the</p>	V		<p>(1)Employees' Rights and Interests: The Company has always treated employees with integrity and attached great importance to labor relations, and established good relationships with employees through various welfare measures, education and training.</p> <p>(2)Employee care: The company pays great attention to the safety and health of employees,</p>	No Difference

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)			<p>provides the most comfortable and safe working environment for employees, and regularly performs disinfection to improve the quality of the working environment. Provide free health checkups for employees every year and pays attention to the health of employees.</p> <p>(3)Investor Relations: The Company has a spokesman, an agent spokesman and the company's stock agent “Securities Trading Agency department of the SinoPac Securities Corporation” to provide consultation for shareholders and investors.</p> <p>(4)Supplier Relationship: The Company maintains a good relationship with its suppliers to maintain cost and supply stability.</p> <p>(5)Relevant information on the continuing education of directors is disclosed in detail in the Market Observation Post System and the annual report.</p> <p>(6)The Company formulated the "Risk Management Policy" on August 10, 2021, which</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>was approved by the Board of Directors as the highest guiding principle of risk management of the Company. The risk management team of the Company is under the President's Office, please refer to the Company's website for the organization structure.</p> <p>From the perspective of sustainable operation, the Company evaluates the risk situation that the Company may face in the short, medium and long term, and divides the risks into four categories: operational risk, financial risk, environmental risk and operational risk.</p> <p>The Company's risk management team reported its operation to the Board of Directors once a year and submitted a report to the Board of Directors on November 12, 2024, including the risks faced in the current year and response measures.</p> <p>(7)Succession planning and operation of board members and important management: The nomination and selection of members of the</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			<p>board of directors of the company is in compliance with the provisions of the "Articles of Association", adopts the nomination system for candidates, and follows the "Director Election Method", and in accordance with the "Corporate Governance Code of Practice", there is a policy of diversification of the composition of the board of directors. The professional knowledge and skills, experience, gender and age, nationality and other standards required by the board members to ensure the diversity and independence of the board members.</p> <p>The succession planning of the company's important management ranks, in addition to annual inventory of talents, and matching personal development plans and departmental goals, supplemented by training courses, including an irregular MTP corporate executive management ability development training course, to cultivate the talents needed in the future , and establish a sound backup</p>	

Items	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			preparation.	
9. Please explain the improvement of the company's corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year, and propose priorities and measures for those who have not yet improved. (Not required for companies not being evaluated).				
<u>Item No.</u>	<u>Improved Items</u>			<u>Improvement Status</u>
2.23	Does the Company's Board of Directors' performance evaluation plan have been approved by the Board of Directors? Does it specify that external evaluations are to be conducted at least once every three years and that the evaluations are to be conducted in accordance with the deadlines provided for in the regulations, and that the status of implementation and evaluation results are to be disclosed on the Company's website or in the annual report?			The Company appointed the external experts to conduct the performance evaluation of the Board of Directors in FY2023.
4.14	Did the company disclose on its website or in its annual report the identities, issues of concern to, channels of communication with, and means for responding to, stakeholders that it has identified?			The information has been made available on the Company's website and is updated regularly.
<u>Item No.</u>	<u>First Priority Improvement Items</u>			<u>First Priority Improvement Measures</u>
2.25	Did all of the company's independent directors complete the number of hours of continuing education required by the Directions for the Implementation of “Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies?” 【If all of the directors completed the required hours of continuing education, one additional point will be added to the total score】			To promote and plan for the completion of continuing education for all Directors in accordance with the regulations.

Note: Regardless of whether the implementation status is "Yes" or "No", it should be stated in the summary description column.

E. If the company has a compensation committee in place, the composition, duties, and operation of the compensation committee shall be disclosed:

(1) Information on members of the Compensation Committee

Identity	Criteria Name	Professional qualification and Work Experience (Note1)	Indenpident Attribute	Number of Holding Concurrent Remuneration Committee in Other Public Companies
convener / Independent Director	CHEN CHAO-HUANG	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Deputy General Manager/Director, AVISION INC.	(Note2)	None
Independent Director	WEI HSING-HAI	A Certified Public Accountant (CPA), or other professional or technical specialist who has passed a national certification and been awarded a certificate in a specific professional field, and with at least five years of CPA experience. Work Experience: Accountant of Auditing Department, KPMG	(Note2)	1
Independent Director	SHEN SHYUE-REN	Have work experience in the fields of Commerce, Law, Finance, or Accounting, and with at least five years work experience, or otherwise required by the Company Work Experience: Consultant, National Innovation and Entrepreneurship Association	(Note2)	3

Note1 : Please refer to page 4 for information on directors and supervisors for related content.

Note2 : Please refer to page 10 for information on directors and supervisors (II) for related content.

(2) Operation status of the Compensation Committee

- There are 3 members in the Company's Compensation Committee.
- Current Term: From June 18, 2024 to June 17, 2027.

2. Compensation Committee held 2 meetings in the recent year up to the date of printing of the annual report, the qualifications and attendance of the Committee are shown as follows:

Title	Name	In person attendance	By proxy	In person attendance rate (%) (Note)	Remarks
convenor	CHEN CHAO-HUANG	2	0	100%	None
members	WEI HSING-HAI	2	0	100%	None
members	SHEN SHYUE-REN	2	0	100%	None

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (note: the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): The board of directors passed all the recommendations of the remuneration committee.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. The discussion and resolution made by the Remuneration Committee in the most recent year, and the disposition of members' opinions made by the Company:

Date of meeting	Resolution content and subsequent disposition	Resolution	The Company's disposition of the opinions proposed by the Remuneration Committee
First meeting in 2024 2024.01.26	Report on the manager's remuneration and annual bonus payment standard	Approved by all members of the committee	Submitted to the board of directors, and approved by all attending directors
Second meeting in 2024 2024.03.12	1. 2023 allocation standard of director compensation and employee compensation. 2. The company's annual salary adjustment benchmark proposal		

[Note] the actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance (sit in) during his tenure.

F. Member information and operation information of Corporate Governance Committee:

(1) In order to strengthen corporate governance and improve the efficiency of the Board of Directors, the Company established a Corporate Governance Committee on August 10, 2021. The Committee shall consist of at least three directors, at least half of whom shall be independent directors, and the competence of the Committee is as follows:

- (1) Review of corporate governance code of practice, relevant regulations and implementation effectiveness.
- (2) Formulation, supervision and review of corporate social responsibility policies, systems or relevant management policies.
- (3) Formulation, supervision and review of integrity management policies and prevention plans.
- (4) Establishment, supervision and review of environmental sustainability system and objectives.
- (5) Formulation, supervision and review of risk management policies and management mechanisms.
- (6) Other matters directed by the Board of Directors to be handled by the Committee.

(2) Professional qualifications, experience and operation of the members of the Corporate Governance Committee :

- There are 4 members in the Company's Corporate Governance Committee.
- The term of office of the current member: from June 18, 2024 to June 17, 2027, the Corporate Governance Committee held 1 meetings in the recent year. The professional qualifications, experience, attendance and discussion items of the Committee members are as follows:

Title	Name	Professional qualification and Work Experience	In person attendance	By proxy	In person attendance rate (%)	Remarks
convenor	LIAO HUNG-YING	Operation Management Corporate Governance	1	0	100%	None
members	CHEN CHAO-HUANG	Operation Management	1	0	100%	None

		Corporate Governance				
members	SHEN SHYUE-REN	Operation Management	1	0	100%	None
members	WEI HSING-HAI	Financial Accounting	1	0	100%	None

Other mentionable items:

Date of meeting	Resolution content and subsequent disposition	Resolution	The Company's disposition of the opinions proposed by the Corporate Governance Committee
First meeting in 2024 2024.11.12	1. Information Security Report 2. Risk management report	Approved by all members of the committee	Submitted to the board of directors, and approved by all attending directors

G. The promotion of sustainable development and the differences with respect to the Principals of Practice for Sustainable Development of public companies and listed companies and the reasons::

Promotional Items	Implementation			Differences and reasons between the Principals of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
1. Has the Company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the Board of Directors reports on the supervision situation?	V		The Company's management office is responsible for promoting and executing the implementation of sustainable development. The Company established a Corporate Governance Committee in 2021, chaired by the President, to examine the Company's core operating capabilities with senior executives and directors from different areas and to formulate a medium to long-term ESG development plan. "The Corporate Governance Committee serves as a communication platform for top-down integration and horizontal coordination. The Committee identifies sustainability issues of concern to the Company's operations and stakeholders at each meeting, plans response strategies and work directions, prepares budgets for each organization related to its sustainable development, plans and implements annual programs, and follows up on the effectiveness of implementation to ensure that sustainable development strategies are fully implemented in the Company's daily operations. The Board of Directors reports quarterly to the Board of Directors on the results of the implementation of sustainable development and future work plans. The Board of Directors held seven meetings in FY2024, and the resolutions covered (1) the revision of goals and policies on sustainability-related issues; and (2) the monitoring of the implementation of sustainable development issues and the	No Difference

Promotional Items	Implementation			Differences and reasons between the Principals of Practice for Sustainable Development of listed and OTC companies.						
	Yes	No	Descriptions							
			<p>evaluation of the implementation performance.</p> <p>The Board of Directors receives quarterly reports from the operating team, and the management must propose the Company's strategies to the Board of Directors. The Board of Directors must evaluate the possibility of success of these strategies, and must regularly review the progress of the strategies and urges the operating team to make adjustments when necessary.</p>							
2. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the operation of the Company and establish relevant risk management policies or strategies based on the concept of materiality?	V		<p>This disclosure covers the Company's sustainability performance in key points of presence for this period from January 2024 to December 2024. The risk assessment boundary is based on the Company.</p> <p>Based on the communication with internal and external stakeholders and the integration of various assessment information to assess ESG issues of significance, the following strategies were developed after assessing the risks: .</p> <table border="1"> <thead> <tr> <th>Major Issues</th> <th>Risk Assessment Items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental Impact and Management</td> <td>Regular stocktaking of quantitative indicators related to climate, including electricity consumption, water consumption, waste and greenhouse gas</td> </tr> </tbody> </table>	Major Issues	Risk Assessment Items	Description	Environment	Environmental Impact and Management	Regular stocktaking of quantitative indicators related to climate, including electricity consumption, water consumption, waste and greenhouse gas	No Difference
Major Issues	Risk Assessment Items	Description								
Environment	Environmental Impact and Management	Regular stocktaking of quantitative indicators related to climate, including electricity consumption, water consumption, waste and greenhouse gas								

Promotional Items	Implementation			Differences and reasons between the Principles of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
			emissions.	
			<p>Social Occupational Safety</p> <p>Regularly conduct annual fire drills and industrial safety education training to develop employees' emergency response and self-safety management skills.</p>	
			<p>Corporate Governance Social Economy and Legal Compliance</p> <p>Ensure that all employees and operations of the Company comply with relevant laws and regulations by establishing a governance organization and implementing internal control mechanisms.</p>	
			<p>Enhancing the functions of directors</p> <p>1. Plan relevant training issues for directors and provide them with the latest regulations, system development and policies every year. 2. Insure directors' liability insurance to protect them from lawsuits or compensation claims.</p>	
			<p>Communication with</p> <p>Establish various communication channels,</p>	

Promotional Items	Implementation			Differences and reasons between the Principles of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
			Stakeholders communicate actively, and reduce confrontation and misunderstanding. Set up an investor mailbox, which will be handled and responded to by the spokesperson.	
3. Environmental issues				
(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(1) There is no large amount of waste generated by the company's related products, and the remaining wastes are classified according to the relevant regulations of the Management Committee of the Building.	No Difference
(2) Does the Company is committed to improving energy efficiency and using recycled materials that have a low impact on the environment	V		(2) The company improves resource utilization efficiency and reduces environmental load by comprehensively replacing energy-saving lighting T5 and LED lamps, promoting waste sorting, oil subsidies to encourage energy-saving vehicles, and promoting comprehensive resource recovery and rewarding employees' energy-saving proposals.	No Difference
(3) Does the Company assess the potential risks and opportunities of climate change for the company now and in the future, and take response measures for issues?	V		(3) The management office is responsible for environmental maintenance and management of electricity 、 water 、 waste and greenhouse gas used by the company to achieve energy conservation,	No Difference
(4) Does the Company make statistics of greenhouse gas emissions, water consumption and total weight of waste in the past two years, as well as establish Company strategies for carbon	V			No Difference

Promotional Items	Implementation			Differences and reasons between the Principles of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
reduction, greenhouse gas reduction, reduction of water consumption or other waste management.			carbon reduction and greenhouse gas reduction. (4) Each year, the Company regularly takes stock of quantitative indicators related to climate, including electricity consumption, water consumption, and greenhouse gas emissions, and has also set medium- and long-term reduction targets.	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Does the Company establish and implement reasonable employee benefit plans (including compensation, vacation and other benefits), and appropriately reflect the operating performance or results in the compensation of employees? (3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? (4) Does the company setup a communication	V V V		(1) The company's management office pays attention to the update of labor regulations and provides the latest information to the subsidiaries. (2) The Company has established "Regulations for Merit Management" and "Regulations for Class Table and Salary Structure Management". The employee performance assessment system shall be combined with the Company's Social Responsibility Best Practice Principles. The company's year-end and performance bonus system is based on business interests. After considering their seniority and annual performance appraisal, they are allocated to all colleagues to motivate everyone to work hard for the company's	No difference

Promotional Items	Implementation			Differences and reasons between the Principles of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?			goals.	
(5) Does the Company follow relevant laws and regulations and international standards, and has a policy and complaint procedure to protect the rights of consumers or customers regarding customer health and safety, customer privacy, marketing and labeling of products and services?	V		Employee remuneration is calculated based on the company's annual profit of not less than 1% in accordance with the Articles of Association. Realize that men and women have equal pay for equal work and equal opportunities for promotion, and maintain more than 6% of female executive positions to promote sustainable and inclusive economic growth. In 2024, the average proportion of female employees was 31%, and the average proportion of female supervisors was 7%.	
(6) Does the Company establish supplier management policies to require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and how was the implementation?	V		The company refers to the market salary survey every year, and adjusts the salary according to the market salary level, economic trend and personal performance, in order to maintain the overall salary competitiveness. In 2024, the company's Taiwan region includes supervisory and non-supervisory positions, and there are salary adjustments in 2024. (3) A staff for labor and environmental safety are set up in responsible for planning, education, training and supervision. In addition, employee health checks are regularly implemented and group insurance is insured	

Promotional Items	Implementation			Differences and reasons between the Principles of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
			<p>for each employee. In 2024, the company had no employee occupational accidents or fires.</p> <p>(4) Regularly evaluate the educational training needs of each department, and find internal and external lecturers to train according to the needs to promote the development of staff capabilities.</p> <p>(5) As an equipment agent, the Company introduced the ISO system to implement the sales and service processes, and provided customer message service on the website for customers to leave comments or complaints.</p> <p>(6) All products sold by the Company have been approved by relevant product certifications, and all the labels comply with relevant regulations.</p> <p>(7) Before signing contracts with suppliers, the company would collect relevant information and make annual assessment to suppliers.</p> <p>(8) Contracts made between the Company and the suppliers are annual contracts, and the relevant terms on the left will be noted when renewing contracts; in addition, the Company also signs a Corporate Social Responsibility Statement with suppliers.</p>	

Promotional Items	Implementation			Differences and reasons between the Principals of Practice for Sustainable Development of listed and OTC companies.
	Yes	No	Descriptions	
5. Does the Company refer to the internationally-prepared reporting standards or guidelines for preparing Sustainability Reports and other reports which disclose the Company's non-financial information? Did the said reports obtain the assurance or assurance opinion of the verification unit of a third-party?	V		Timely disclosure of company information on the MOPS and company website and compilation of corporate social responsibility reports. The report was also disclosed in the investor section of the company's website (www.tkk.com.tw).	No Difference
6. If the Company has established the Principals of Practice for Sustainable Development based on “the Principals of Practice for Sustainable Development for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: No difference.				
7. Other important information to facilitate better understanding of the critical information on the implementation of sustainable development: In addition to the regular donation charity group (Youth Care Foundation), the company's general manager also serves as the standing director of the TPCA Environment Foundation, and actively participate in related public welfare projects.				

G-1 Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. The company will adopt the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate risks.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. The company's climate risk management will be supervised by the board of directors as the highest governance body.
3. Describe the financial impact of extreme weather events and transformative actions.	3. The company will introduce the TCFD climate risk assessment framework to formulate risk response and emergency response management measures for the potential impacts that climate change may bring.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. In the future, environmental safety, factory affairs, procurement and other departments will be integrated to implement integrated risk assessment, mitigation and adjustment actions.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	5. In view of the increase in electricity charges that will increase operating costs, we will implement power-saving operations in the future to reduce carbon emissions and reduce operating costs.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6. In the future, low-carbon transformation will be the main axis to formulate climate change response strategies and set climate-related strategies and goals.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. N/A
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits	8. N/A

or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	9. N/A

H. Fulfillment of ethical corporate management and the differences and causes with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
1. Establishment of ethical corporate management policies and programs				
(1) Does the Company establish its ethical corporate management policies approved by the board of directors and declare them in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		(1) Since the establishment of the company, we have adopted the "Honest" and "Trust" policies and signed an "Integrity Letter of Commitment" with our suppliers. We also promoted the management of "Honest" and "Trust" in various conferences and education training policies.	No Difference
(2) 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,	V		(2) For the Directors and Managers, there is the "Ethical Corporate Management	No Difference

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
<p>and establish appropriate precautions against unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the Company clearly and thoroughly prescribe the specific operational procedures, guidelines, penalty and complaint system for violations to forestall unethical conduct ("prevention programs"), and review the said program on a regular basis?</p>	V		<p>Best-Practice Principles" and the "Internal Major Information Processing and Prevention of Internal Transactions Management Regulations" to prevent conflicts of interest from avoiding self-interest and fair trade. The company is committed to providing a safe and healthy working environment, a fair opportunity, and will strive to maintain a fair and legal long-term relationship between customers and suppliers to achieve a win-win partnership.</p> <p>(3) The company has established an "Ethical Behaviour Principles" (the full text of the guidelines, please refer to the company's website http://tkk.com/tw), the "Ethical Corporate Management Best-Practice Principles" and the "Practice principles for Corporate Social Responsibility" as an employee. Guidelines and specifications for performing company</p>	No Difference

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			operations. The employees of the Company and its subsidiaries comply with this standard regardless of their position, rank and location. To prevent all illegal activities inside and outside the company.	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(1) The company signs the " Letter of Commitment for Social Responsibility and Code of Conduct " with the supplier °	No Difference
(2) Does the Company set up a specific unit under the board of directors to promote the ethical corporate management, and report its ethical corporate management policies and plans to prevent unethical conducts and the supervision of its implementation to the board of directors on a regular basis (at least once a year)?	V		(2) The Management Division of the Company is responsible for promoting the concept and policy of the Company's good-faith operation, promoting the good faith operation, prohibiting bribery and accepting bribes, abiding by laws and regulations, signing commitments with suppliers and customers and other corporate governance matters, and regularly reporting the implementation to the Board of Directors. In 2024, the	No Difference
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V			No Difference
(4) Has the Company established an effective accounting system and internal control system for the implementation	V		implementation of good faith operation in this	No Difference

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
<p>of ethical management, and the internal audit unit has establish relevant audit plans in accordance with the assessment results of being involved in unethical conducts, and checked the compliance with the plan to prevent unethical conducts or entrust an accountant to perform the audit?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>year was reported to the Board of Directors on January 26, 2024.</p> <p>(3) If the directors are interested in the proposals listed in the board of directors, they should be able to make comments and answer questions, and should be avoided in discussions and votings. When employees encounter conflicts of interest in the execution of their business, they should report to the supervisor directly.</p> <p>(4) The Company has established an accounting system and an internal control system in accordance with relevant laws and regulations, including paying attention to related party transactions, establishing a bargaining system, and a multiple authorization review system. The Audit Office also regularly reviews the compliance of the accounting system and the internal control system and reports to the Board of Directors.</p>	No Difference

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
			(5) The Company regularly educated the employees on integrity management during supervisors' meetings and staff meetings, and published this information on the electronic bulletin board to all employees, with a total of 140 visitors. In addition, to facilitate directors, managers and employees' understanding of integrity and ethical standards, the Company signed the "Statement of Integrity Management" at the end of 2024, which includes compliance with laws and regulations, prohibition of accept any improper benefits, customer commitment and confidentiality, etc. The sign-up rate was 100% in 2024.	
3.Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The company has an integrity hotline and a mailbox, and any complaints can be directly submitted to the head of the management department and receive a reply.	No Difference

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
(2) Has the Company established the standard operating procedures for the investigation of the whistle-blowing, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V		(2) A specific reporting and reward system has been established in the Ethical Corporate Management Best-Practice Principles, and if applicable, it will be handled in accordance with the regulations.	No Difference
(3) Does the company provide proper whistleblower protection?	V		(3) The complaints mailbox can be chosen to be undisclosed. This can prevent the prosecutor from being improperly disposed of due to incorrect accusations.	No Difference
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		(1) On the company's website (http://www.tkk.com.tw), a designated person regularly collects and update information related to the Ethical Corporate Management Best-Practice Principles on the website.	No Difference
5. the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No Difference, descriptions are in the company’s website.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (such as review and revision of				

Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Descriptions	
<p>regulations): In line with the amendments to the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies, the contents of the Ethical Corporate Management Best-Practice Principles were revised in early 2016, and the ethics-related clauses was added in accordance with regulations in 2019.</p>				

- I. The Company has established “Information and Rules for the Prevention of Insider Trading” and its announcement methods:

The “Information and Rules for the Prevention of Insider Trading” are approved by the Board of Directors on April 30, 2009. The Board of Directors announced the procedures to all the directors and supervisors, and requests them to abide by the relevant provisions of the Regulation. For internal aspects of the company, after the board of directors is acknowledged, this procedure and precautions are placed on the company's internal network announcement area and the company website, available for company's managers and colleagues, in order to avoid violations or internal transactions.

- J. Other important information that is sufficient to enhance the understanding of the operation of corporate governance must be disclosed as follows:

(1)The Company’s new incumbent directors, managers and other internal personnel have allotted the latest edition of “The relevant laws and regulations and the precautions for the internal ownership of GTSM Listed Companies and Unlisted Companies”.

(2)MOPS: <http://newmops.tse.com.tw>

(3)Company Website: <http://www.tkk.com.tw/>, for investors.

K. Internal Control System Execution Status:

(1) The method for querying the internal control system statement is as follows:

Public Information Observatory Index Path: Public Information Observatory > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement

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

(2) If CPA was engaged to conduct a Special Audit of Internal Control System, its Audit Report should be provided: None.

L. Material resolutions of a shareholders meeting or a board of directors meeting from 2024 to the date of publication of the annual report:

(1) Stockholders' meetings

Date of meeting	Major Resolutions
2024.6.18	<ol style="list-style-type: none"> 1. Business Report and Financial Statements of 2023. 2. Appropriation of 2023 earnings.

(2) Board of Directors' meetings

Date of meeting	Major Proposals	Resolutions
2024.01.26	<ol style="list-style-type: none"> 1. To reconfirm the agreed process, general policies and list of non-assurance services for Ernst & Young and its affiliates. 2. To review the reference on (AQIs) for evaluating the independence and appropriateness of CPAs 3. Audit of the Company's CPA fees 4. The change of CPA by Ernst & Young for the Company's financial statements audit 5. Compensation and annual bonus payout criteria for managers 	Approved by all attendees with no objection.
2024.03.12	<ol style="list-style-type: none"> 1. Approval of the company's 2023 annual individual and consolidated financial report (subject to Article 14 paragraph 3 of The Securities Exchange Act) 2. Approved the 2023 compensation distribution plan and annual salary benchmark for employees and directors. 3. Proposal of the 2023 Internal Audit Statement 4. Approved the 2023 Earnings Distribution. 5. Cash dividend distribution proposal and determination of ex-dividend base date 6. Full re-election of directors upon expiry of directors' term 7. The Board of Directors nominated and considered candidates for election as directors (including independent directors) 8. Release of the Company's new directors and their representatives from the prohibition of working in competing companies 9. Approval of the date and matters of the Company's 2024 annual shareholders' meeting. 	

Date of meeting	Major Proposals	Resolutions
2024.05.09	<ol style="list-style-type: none"> 1. Approval of the consolidated financial report for the first quarter of 2024 (subject to Article 14-3 of the Securities and Exchange Act) 2. Business Report of 2023. 	Approved by all attendees with no objection.
2024.06.18	<ol style="list-style-type: none"> 1. Election of the Chairman of the Company. 2. Appointment of members of the sixth remuneration committee. 3. Appointment of members of the second corporate governance committee 	
2024.07.02	<ol style="list-style-type: none"> 1. Approved the office purchase plan of the subsidiary, Kong King Technology(Suzhou) Co., Ltd. 	
2024.08.12	<ol style="list-style-type: none"> 1. Approval of the consolidated financial report for the second quarter of 2024 (subject to Article 14-3 of the Securities and Exchange Act) 2. Fund accommodation of the subsidiary, Headway Holdings Ltd. (Samoa) (subject to Article 14-3 of the Securities and Exchange Act) 3. Amendments to the Audit Committee Charter 4. Amendments to the Rules of Procedure for Shareholder Meetings 5. Sustainability Report of 2023 	Approved by all attendees with no objection.
2024.11.12	<ol style="list-style-type: none"> 1. Election of the Chairman of the Company. 2. Release of the Company's Directors from Restrictions on Non-Competition Clause is hereby submitted for discussion 3. Approval of the consolidated financial report for the third quarter of 2024 (subject to Article 14-3 of the Securities and Exchange Act) 4. 2025 Budget and Annual Operation Plan (subject to Article 14-3 of the Securities and Exchange Act) 5. Extension and application of banking facilities in 2025. 6. Establishment of the Sustainability Information Management Regulations. 7. Establishment of 2025 annual audit plan 	Approved by all attendees with no objection.
2025.01.17	<ol style="list-style-type: none"> 1. Release of the Company's Directors from Restrictions on Non-Competition Clause is hereby submitted for discussion 2. To reconfirm the agreed process, general policies and list of non-assurance services for Ernst & Young and its affiliates. 3. To review the reference on (AQIs) for evaluating the independence and appropriateness of CPAs 4. Approved the 2025 manager annual bonus payment standard 5. Alternate the Company's accounting and finance managers 6. Alternate the Company's corporate governance manager and vice spokesperson 	
2025.03.11	<ol style="list-style-type: none"> 1. Approval of the company's 2024 annual individual and consolidated financial report (subject to Article 14 paragraph 3 of The Securities Exchange Act) 2. Proposal of the 2024 Internal Audit Statement 3. Approved the 2024 Earnings Distribution. 4. Cash dividend distribution proposal and determination of ex-dividend base date 5. Amend some of the provisions of " Articles of Incorporation " 6. Approved the 2024 compensation distribution plan and annual salary benchmark for employees and directors. 7. Approved the 2024 manager performance bonus, 2025 annual salary benchmark, 2025 long term incentive retention bonuses for employees and directors, and the Chairman's remuneration 8. Approval of the date and matters of the Company's 2025 annual shareholders' meeting. 	

M. From the most recent fiscal year to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material

resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:
None

N. From the most recent fiscal year to the date of publication of the annual report, an independent director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:
None

4. Information on CPA professional fees

Audit Fee Information

Units: NT\$ Thousand

CPA Firm	Name of accountant		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Ernst and Young	CHANG, CHIH-MING	YANG, HUNG-BIN	Jan 01, 2024~ Dec 31, 2024	2,310	300	2,610	

Note : Non-audit service content: Tax Compliance Audit: NT\$300,000.

- A. The non-audit fee paid to certified CPA, certified Office of CPA and affiliated companies accounts for over 1/4 to audit fee: Tax Compliance Audit: NT\$300,000.
- B. Alter the CPA Firm and the audit fee in altering year is less than that in the previous year: None
- C. The audit fee is reduced by over 10% compared with the previous year, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None

5. Information on replacement of certified public accountant

- A. About the Former CPA: None.
- B. About Successor CPAs: None.
- C. The Reply of Former CPAs on Article 10.5.1 and Article 10.5.2.3 of the Standards: None.

6. Information on Service of the Company's Chairman, President, and Financial or Accounting Managers at the Accounting Firm or Its Affiliates : None
7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the period from the most recent fiscal year to the date of publication of the annual report:

The query method is as follows:

A. transfer of equity interests :

Public Information Observatory Index Path: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Equity Transfer Information Query > Post-Facto Report Form for Insider Shareholding Change

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

B. pledge of or change in equity interests :

Public Information Observatory Index Path: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Internal Personnel Pledge Dissolution > Internal Personnel Pledge Dissolution Announcement

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

8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

April 19, 2025; Units: Shares, %

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The names and relationships of the top ten shareholders who are related to each other or who are related to each other as spouses or second degree relatives.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Wong's Kong King	97,895,344	67.44	0	0.00	0	0.00	-	-	
Wong's Kong King Representative :	4	0.00	0	0.00	0	0.00	Wong's Kong King	Chairman	

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The names and relationships of the top ten shareholders who are related to each other or who are related to each other as spouses or second degree relatives.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
SENTA WONG							Wong's Kong King Representative : AVA WONG	Daughter	
							Wong's Kong King Representative : CHANG JUI-SHUM	Son in law	
Wong's Kong King Representative : CHANG JUI-SHUM	0	0.00	0	0.00	0	0.00	Wong's Kong King Representative : SENTA WONG	Father in law	
							Wong's Kong King Representative : AVA WONG	Wife	
Wong's Kong King Representative : AVA WONG	0	0.00	0	0.00	0	0.00	Wong's Kong King Representative : SENTA WONG	Father	
							Wong's Kong King Representative : CHANG JUI-SHUM	Husband	
Wong's Kong King Representative : CHEN MEI-FEN	994,140	0.68	1,864	0.00	0	0.00	-	-	
Wong's Kong King Representative : LIAO DE-HSIANG	576,360	0.40	58,048	0.04	0	0.00	-	-	
Wong's Kong King Representative : CHENG FU-WEN	0	0.00	0	0.00	0	0.00	-	-	
Top Range Machinery	1,513,936	1.04	0	0.00	0	0.00	-	-	
Top Range Machinery Representative : KEN CHOU	0	0.00	0	0.00	0	0.00	Top Range Machinery	Chairman	

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The names and relationships of the top ten shareholders who are related to each other or who are related to each other as spouses or second degree relatives.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
SinoPac Securities Co., Ltd. was entrusted with LIAO HUNG-YING 's trust property	1,000,000	0.69	0	0.00	0	0.00	-	-	
CHEN MEI-FEN	994,140	0.68	1,864	0.00	0	0.00	-	-	
Chainye Management Consulting Co., Ltd.	765,000	0.53	0	0.00	0	0.00	-	-	
Chainye Management Consulting Co., Ltd. Representative : CAI ZHI WEI	372,000	0.26	0	0.00	0	0.00	-	-	
LIAO HUNG-YING	733,000	0.50	32,448	0.02	0	0.00	-	-	
SinoPac Securities Co., Ltd. was entrusted with LIAO HUNG-YING 's trust property	712,000	0.49	0	0.00	0	0.00	-	-	
HSU HUNG-CHIEH	693,000	0.48	18,864	0.01	0	0.00	-	-	
GU MAN-QIN	587,000	0.40	0	0.00	0	0.00	-	-	
LIAO DE-HSIANG	576,360	0.40	58,048	0.04	0	0.00	-	-	

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company:

Dec. 31, 2024; Units: Shares, %

Affiliated Enterprise (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
TKK Precision Co., Ltd. (Note 2)	6,237,000	100.00%	0	0.00%	6,237,000	100.00%
Hong Kong Taiwan Kong King Ltd.	26,210,000	100.00%	0	0.00%	26,210,000	100.00%
Headway Holdings Ltd.	1,100,000	100.00%	0	0.00%	1,100,000	100.00%
THT Technology Co., Ltd.	5,000,000	100.00%	0	0.00%	5,000,000	100.00%

Note 1: Company's long-term equity investment by the equity method

Note 2: Renamed after the share buyback, the original name is 「TKK Precision Co., Ltd.」

III. Capital Raising Activities

1. Capital and Shares

A. Source of capital stock

April 19, 2025; Units: Shares/NT\$

Year/month	Par Value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital (NT\$1,000)	Capital Increased by Assets Other Than Cash	Others
1977/06	10	200,000	2,000,000	200,000	2,000,000	established	-	-
1985/12	10	210,000	2,100,000	210,000	2,100,000	Capital increase 100 by cash	-	-
1986/05	10	1,000,000	10,000,000	1,000,000	10,000,000	Capital increase 7,900 by cash	-	-
1988/10	10	1,450,000	14,500,000	1,450,000	14,500,000	Capital increase 4,500 by cash	-	-
1995/12	10	2,175,000	21,750,000	2,175,000	21,750,000	Capital increase 7,250 by cash	-	-
1995/12	10	2,900,000	29,000,000	2,900,000	29,000,000	Capital increase 7,250 by cash	-	-
1997/10	10	4,350,000	43,500,000	4,350,000	43,500,000	Capital increase 14,500 by capital reserve	-	-
1998/11	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase 27,800 by capital reserve. Capital increase 28,700	-	-
2000/08	10	13,000,000	130,000,000	13,000,000	130,000,000	Capital increase 30,000 by earnings	-	-
2001/01	10	30,000,000	300,000,000	17,500,000	175,000,000	Capital increase 45,000 by cash	-	-
2001/10	10	30,000,000	300,000,000	20,125,000	201,250,000	Capital transfer 26,250 by earnings	-	-
2002/10	10	30,000,000	300,000,000	22,137,500	221,375,000	Capital transfer 20,125 by earnings	-	-
2003/10	10	30,000,000	300,000,000	24,351,250	243,512,500	Capital transfer 22,137 by earnings	-	-
2004/09	10	30,000,000	300,000,000	27,273,400	272,734,000	Capital transfer 29,221.5 by earnings	-	-
2005/09	10	38,000,000	380,000,000	30,000,740	300,007,400	Capital transfer 27,273.4 by earnings	-	-
2006/09	10	38,000,000	380,000,000	34,560,852	345,608,520	Capital transfer 45,601.12 by earnings	-	-
2009/09	10	45,000,000	450,000,000	36,288,894	362,888,940	Capital transfer 17,280.42 by earnings	-	-
2022/12	2.5	180,000,000	450,000,000	145,155,576	362,888,940	The change in par value	-	-

Type of Stock	Authorized Capital			Remarks
	Issued Shares (Note 1)	Un-issued Shares	Total	
Common Stock	145,155,576	34,844,424	180,000,000	

Note 1: Shares of GTSM Listed Companies.

General information about the reporting system:

Type of Stock	Estimated Issuance		Issued Shares		Purpose and expected benefits of issued shares	Estimated issue date for un-issued shares	Remarks
	Total Shares	Authorized Amount	Shares	Price			
None							

B. Major Shareholders

April 19, 2025

Shareholder's Name	Shareholding	Shares	Percentage
Wong's Kong King International (Holdings) Ltd.		97,895,344	67.44
Top Range Machinery Co., Ltd.		1,513,936	1.04
SinoPac Securities Co., Ltd. was entrusted with LIAO HUNG-YING 's trust property		1,000,000	0.69
CHEN MEI-FEN		994,140	0.68
Chainye Management Consulting Co., Ltd.		765,000	0.53
LIAO HUNG-YING		733,000	0.50
SinoPac Securities Co., Ltd. was entrusted with LIAO HUNG-YING 's trust property		712,000	0.49
HSU HUNG-CHIEH		693,000	0.48
GU MAN-QIN		587,000	0.40
LIAO DE-HSIANG		576,360	0.40

Note: List of names of the top ten shareholders, specifying the number of shares and stake held by each shareholder on the list.

C. Company's dividend policy and implementation thereof

(1) Dividend Policy provided in the Articles of Incorporation

Article 18:

- a. If the company is profitable, it should be deducted from the employee's remuneration and the remuneration of the directors and supervisors in advance of the pre-tax profit, and the employee's remuneration shall be 1% to 8% and the director and supervisor's remuneration shall be less than 1%. However, when the company still has accumulated losses, the amount of compensation should be retained in advance.
- b. The company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. The balance is calculated by accumulating undistributed earnings, and after accumulating or reversing the special reserve, it is the accumulated distributable earnings. The preceding accumulated distributable earnings is used to measure the necessity of the earnings to support the capital demand. According to the basic principles of the company's dividend policy, the amount of earnings reserve or distribution and the distribution are determined. According to the plan, the earnings distribution is proposed and submitted to the shareholders' meeting for resolution.
- c. The company's dividend policy is based on the consideration of the best capital budget and the dilution of earnings per share. The amount of dividend from shareholders should be 50%~100% of the distributable earnings for the year. And in the dividends for the year, cash dividends are issued at a rate of not less than 30%. The cash dividend distribution rate depends on the profit and capital status of the year. After the board of directors proposes a distribution plan, it will be adjusted after the resolution of the shareholders' meeting.

(2) 2024 Distribution of stock dividends at the Shareholders' Meeting

2024 Earnings Distribution

Units: NTS

2024 net profit	
2024 after-tax net profit	154,011,820
Less: Legal reserve	(15,913,721)
Plus: Reverse special reserve	14,119,735
Plus: Other consolidated profit or loss (Actuarial profit or loss on the defined benefit) plan)	5,125,389
2024 distributable earnings	157,343,223
Plus: Beginning distributable earnings	102,919,628
Accumulated Distributable Earnings	260,262,851
Distributable items	
Less: Shareholder bonus - cash (NTD 1.08/shares)	(156,768,022)
Unappropriated retained earnings	103,494,829

Chairman: CHANG JUI-SHUM , General Manager: LIAO HUNG-YING, Accountant Manager: HUNG, CHING-I

- D. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

The company does not need to disclose the 2024 annual financial forecast according to the regulations, so the changes in business performance, the proposed earnings per share and the P/E ratio are not applicable.

- E. Compensation of employees, directors, and supervisors

- (1) Ratio or scope of compensation for employees, directors, and supervisors, as set forth in the Company's Articles of Incorporation: If there is a balance, it will be handled in accordance with the following arrangements for employees' compensation and directors' reward:

- a. Tax Payment.
- b. Make up for past losses.
- c. After deducting paragraphs (A) and (B), a 10% is required for legal reserves and, if necessary, a special reserve is required in accordance with the Securities Exchange Act.
- d. After deducting paragraphs (A) to (C), the compensation of the directors and

supervisors is less than 1%, employees' compensation is 1% to 8%, and the remaining proportion is for shareholder dividends.

Note: Employees' compensation is distributed according to the performance bonus system of the Company and its subsidiaries, performance bonus is based on the recent year's profit and loss and the contribution of each profit center, and the bonus is distributed according to the employee performance appraisal.

- (2) The estimated amount of compensation for employees, directors, and supervisors for the current period shall be calculated based on number of employee shares of stock considering any accounting discrepancy between the actual distributed amount of employee stock dividend and estimated figure: Employee compensation and rewards of directors and supervisors are based on the amount of money that may be disbursed based on past experience and are calculated by multiplying net profit (after deducting the employee's remuneration and rewards of directors and supervisors) by 1%. After the end of the year, if there is a significant change in the amount of the resolutions of the board of directors, the change will be adjusted to the original annual cost. If the amount still changes at the resolution date of the shareholders' meeting, it will be handled according to the accounting estimates and adjusted in the resolution of the shareholders' meeting. If the shareholders' meeting decides to distribute stock as employee compensation, the bonus shares are determined by dividing the amount of dividends by the fair value of the stock. The fair value of the stock refers to the closing price at the day before resolution of the shareholders' meeting (after considering the impact of the ex-right and ex-dividend).
- (3) Information on the amount of compensation for distribution as approved by the Board of Directors:

The compensation of employees, directors is distributed in the form of cash dividend or stock dividend. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed. The amount of employees' compensation approved by the Board of Directors was NT\$2,014,769, and compensation to directors was NT\$2,014,769. There was no discrepancy with the actual amount in 2024.

The amount of stock dividend and ratio of the total net profit after-tax and individual employee compensation or separate financial report for the current period: The company's current employee compensation is all in cash, thus it is

not applicable.

In consideration of the proposed distribution of employee compensation and the earnings per share of the directors after the remuneration: The employee compensation and the rewards of directors have been expensed, thus they have no impact on earnings per share.

- (4) The actual distribution of compensation for employees and directors in the previous fiscal year (including number of shares, monetary amount, stock price, shares distributed) and any discrepancy between the actual distributed amount and amount of compensation for employees or directors. The discrepancy, cause, and response should be stated:

Unit: NT\$Thousand

	2024			
	Number of distributed shares according to the resolution of the shareholders meeting	Number of distributed shares according to the approval of the board of directors meeting	Diff	Reasons for diff.
Distribution status :				
a.Employee cash bonus	2,015	2,015	-	-
b. Employee stock bonus				
(a)Share (Thousand Shares)	-	-	-	-
(b)Amount	-	-	-	-
(c)Percentage of total outstanding company shares %	-	-	-	-
c.Compensation to directors and supervisors	2,015	2,015	-	-

F. Share repurchases: None.

2. Corporate Bonds: None
3. Preferred Shares: None
4. Global Depository Receipts (GDR) : None
5. Employee Stock Warrants: None.
6. New Restricted Employee Shares: None.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None
8. The Status of Implementation of Capital Allocation Plans:
 - A. Plan: Previously issued or privately held securities that have not been completed or have been completed in the last three years but planned benefits have not yet been revealed in the latest quarter to the date of publication of the annual report: None.
 - B. Implementation: For the purposes of the various plans in the preceding paragraph, the analysis and comparisons of the implementation situation and the original expected benefit as of the first quarter to the date of publication of the annual report: None.

IV. Operational Highlights

1. Business Activities

A. Scopes of the business:

- (1) The main operational categories of the company
 - a. Electronic parts and their products (except pipe products), garments, textiles, hardware machinery, etc. and the import and export business.
 - b. Sales and the import and export of electroplating chemicals (excluding pipe products), electronic printing materials (except pipe products), and electronic printing machinery (excluding pipe products).
 - c. Factory automation computer software and computer integration design, manufacturing, sales and service.
 - d. Production of negative films for industrial printed circuit boards.
 - e. Test computer program and fixture manufacturing for automated test equipment of printed circuit boards.
 - f. The quotation and bidding of the products of Local and foreign manufacturers before the agency.
 - g. Electronic assembly processing and sales (except pipe products).
 - h. CB01010 Machinery and equipment manufacturing.
 - i. CB01020 Office Machines Manufacturing.
 - j. CC01030 Electrical appliance manufacturing.
 - k. CC01050 Data Storage Media Units Manufacturing.
 - l. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
 - m. CC01070 Wireless Communication Equipment and Apparatus Manufacturing.
 - n. CC01080 Electronic Parts and Components manufacturing.
 - o. CD01050 Manufacture of Bicycles and Parts.
 - p. CE01010 Precision Instruments Manufacturing.

q. C802120 Industrial Catalyst Manufacturing.

r. C802030 Paints and Varnishes Manufacturing.

(2) Sales proportion

UNIT: NT\$ thousand

Business Item	Sales in 2024	2024 (%) of Total Sales
Electronic components, equipment and materials	1,181,826	87.92%
Service revenue + Maintenance revenue	68,868	5.12%
Commissions revenue	93,485	6.96%
Total	1,344,179	100.00%

(3) The company's current product (service) collections

The business model of the Company and its subsidiaries is to introduce new process equipment and application technology sales to the electronic technology industry and to provide customer service, electronic parts production, machine equipment manufacturing and assembly.

Main business items: Printed circuit board equipment and technical services, chemical materials, semiconductor packaging test equipment, electronic assembly equipment, optoelectronic production equipment, solar energy industry related equipmen. Also, the assembly, production, sales and customer service of the above equipment and components. The main commodities and related industries of the company and its subsidiaries of the end of the year are described as follows:

a. Printed circuit board

AOI automatic optical inspection machine, AVI automatic visual inspection machine, Exposure machine, Wet film coating (inner layer/anti-welding), Vacuum Laminator 、Laminator 、Mylar Peeler, Belt sander, Scrubber machine and other wet process equipment, Ceramic brush, Inductive bonding machine, Hot press, Short/Break tester, High-density test fixture, Solder ball inspection equipment, Short circuit/open circuit test OEM and patent and IC Analysis services, Chemical liquid analysis equipment, Clean & non-oxidation automation oven, Thermal Analyzer / XRF Elements

Analyzer, etc.

b. Semiconductor package

Transfer type hot plate reflow/baking equipment, circulating electroplating liquid analyzer, near-infrared light concentration monitor, wafer surface cleaner, wafer coater, wafer surface contaminant inspection machine, X-Ray inspection equipment, wafer surface organic inspection machine, chip package inspection machine, high-end package die bonding machine, automated wafer transfer arm, high-end package precision printer, high-end package precision ball mounter, Short/Break tester, SMD Chip Counter, dust-free and oxygen-free ovens, Cassette cleaning machine, atomic force microscope, dispensing machine and tape crystal grain rework machine, Wafer Cleaner, BG Tape Laminator, Wafer Moulder, LC Tape Laminator , BG Tape Remover.

c. Optical communication

Precision placement machine, automatic coupling equipment, photoelectric test equipment, optical lens.

d. Solar industry

Fully automatic screen printer line.

e. SMT electronic assembly

Selective soldering furnace, reflow oven, placement machine, fully automatic solder paste printer, automatic optical inspection machine, X-RAY inspection machine, solder paste inspection equipment, Automated IC Programming System.

(4) New product (services) development projects:

High-end packaging process equipment.

Green energy and industrial automation related equipment.

New process and high-end process equipment that meet customer needs.

Materials that meet customer needs.

Continuous tracking of new products in the market (not limited to the electronics industry)

B. Brief description on industries of the company's main products:

The business model of the Company and its subsidiaries introduces new process equipment and application technology to Taiwan's electronic technology industry. With the printed circuit board as the main axis, it will be extended upwards and downwards to form a complete sales service system. It will also span the semiconductor packaging and testing equipment, electronic assembly industry, optoelectronic industry and solar energy industry related equipment. Current status and development of industries of the company's main products (the printed circuit board industry, semiconductor industry and optical communication industry) are as follows:

1. **Printed circuit board industry**

Industry overview

(1) Global PCB industry

High-tech wave drives PCB demand growth.

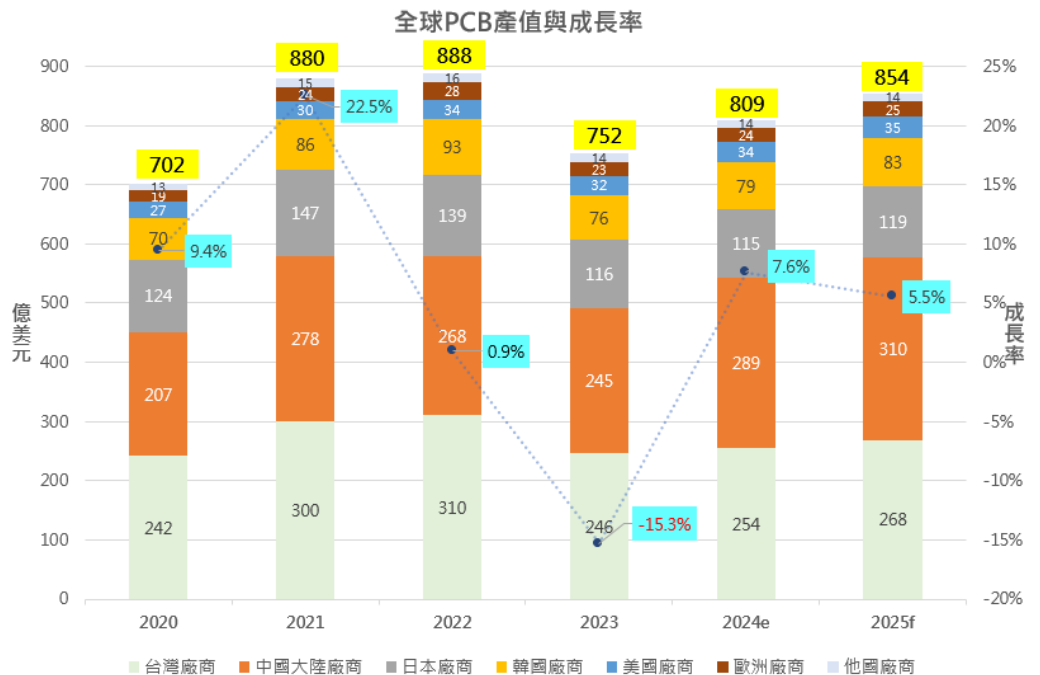
1. The 2024 global PCB market is experiencing significant growth due to technological advancements.

As illustrated in Figure 1, the worldwide PCB output value has exhibited fluctuations in recent years due to various factors that have influenced its growth trajectory. From 2021 to 2022, the global economic recovery following the epidemic led to increased demand in the consumer, industrial, and automotive industries, contributing to the rapid rebound of the PCB market. This rebound can be attributed to the large-scale deployment of 5G base stations and smartphone technology upgrades, resulting in surges in demand for HDI, high-frequency, and high-speed PCBs, as well as carrier boards. In response to this market demand for significant expansion of factories to increase production capacity, the outlook for major PCB manufacturers is quite optimistic. The global economic then slowed down in 2023, significant demand declined in major economies such as the United States, Europe, and mainland China, and a worsening of economic uncertainty have had a negative impact on the market demand for electronic products. These factors have led PCB companies to become more cautious in their

investment and production decisions.

By 2024, the global PCB industry had become diversified and technology-driven. The application market, driven by high-end applications such as AI servers and electric vehicles, as well as the gradual recovery of the cell phone and memory markets, has begun to recover overall. The demand for AI-related applications was the most significant. Regarding PCB products, the rebound in market demand and the lower base period in 2023 have led to an improvement in overall performance, particularly in HDI and HLC, which have shown significant growth due to the increased demand in the AI server market and the upgrading of specifications. Preliminary statistics indicate that the global PCB output value increased by 7.6% in 2024, reaching an output value of approximately US\$80.9 billion. The industry is poised for continued growth and market expansion, driven by the ongoing demand for AI servers and electric vehicles. It is estimated that the global PCB industry will grow by 5.5% in 2025, with a projected scale of 85.4 billion U.S. dollars.

Figure 1: Global PCB Production Value and Growth Rate from 2020 to 2025



Source: TPCA; Industrial Economics & Knowledge Center

Note: Global production statistics are denominated in U.S. dollars and categorized according to the source of capital of the parent company.

However, the global PCB supply chain is expected to face more complex regionalization and restructuring due to the double impact of geopolitical tensions and intensifying trade barriers, which will add uncertainty to the industry. Despite the challenging external environment, the PCB industry's core competitiveness will continue to be driven by technological innovation. Enterprises must find the optimal balance between globalization and regionalization by cultivating high-end markets, expanding into emerging markets, and seizing the opportunities of industrial upgrading and technological change in order to enhance their competitive edge and flexibly adapt to industry changes.

2. The recovery of the semiconductor and PCB industries is being driven by increased demand for high-end products.

The semiconductor industry's growth is poised to significantly propel the PCB industry forward, as the two sectors are closely intertwined, sharing technological advances and responding to market demands. In essence, the enhancement of end products fueled by semiconductors can be regarded as the primary catalyst for the expansion of PCB markets.

In 2023, weak end demand and supply chain inventory depletion led to lower fab capacity utilization and declining output value. However, in 2024, the demand for AI and HPC high-performance computing, along with a low base period, is expected to drive explosive growth, with a projected growth rate of 17.8%. However, it has further been observed that the growth of fabs in 2024 primarily stemmed from a select group of companies that possess both scale and technological advantages. This indicates that the recovery of semiconductors is not a random phenomenon, but rather a selective process that favors companies with leading technological capabilities. This trend is also evident in the field of PCBs and carrier boards, where the demand for high-end products has become a driving force in market development. The ability of enterprises to remain competitive in the future will depend on their proficiency in the layout of advanced manufacturing processes and

high-value-added applications.

3. China's PCB industry has solidified its position as a global leader in the industry, significantly contributing to the transformation of the industry landscape.

China is the world's largest electronics manufacturing industry, and it is also the world's largest PCB production base. The China PCB industry is thriving due to the significant market demand and the presence of local brands. This has led to the development of a robust one-stop supply chain system, facilitating the production of high-quality products and the advancement of technology. In recent years, the industry has made notable progress in terms of production value and technological innovation. The PCB industry in China is poised to experience significant growth in 2024, driven by the increasing demand for AI servers and automotive electronics.

Take the server market as an example. Huawei, Wave, and other Chinese companies are actively promoting "de-Americanize" due to technology control, accelerating the introduction of the local supply chain, and driving Victory Giant Technology, Kuang Ho, and other relevant PCB companies to actively expand the production capacity of high-end server PCBs to meet the local market demand and reduce dependence on foreign countries. According to Global NEVS statistics, the first half of 2024 saw global automobile sales of approximately 26.06 million vehicles. Of these, approximately 5.8 million were new energy vehicles, accounting for 22.2% of the total automobile sales. In terms of countries, China ranked first in the world in terms of new energy vehicle sales, with 4.11 million vehicles sold, far ahead of other countries. China PCBs have become the most prominent group to benefit from the rapid growth of the new energy vehicle market due to their global leadership position in new energy vehicles. Furthermore, the memory market's gradual recovery, in conjunction with the implementation of China's policy of nationalizing chips, is poised to further propel the growth of its board

business. A summary of the aforementioned positive factors indicates that preliminary statistics show China's PCB output growth rate will exceed the global average in 2024. Furthermore, it is anticipated that the global market share will rise to 35.7%, positioning the company as a leading competitor in the global market.

4. Due to fluctuations in the price of copper and the state of the global economy, the electronics industry is facing a potential crisis.

In recent years, international copper prices have experienced significant fluctuations, which has had a substantial impact on the electronics manufacturing industry. In 2020, the global economy experienced a slowdown due to the outbreak of the Covid-19. This led to a decline in copper prices, reaching a low point. However, the introduction of stimulus policies by governments and supply chain disruptions resulted in a rapid rebound in copper prices. In 2021, the global electric vehicle industry experienced significant growth, leading to a surge in demand for copper. This increase in demand resulted in a price exceeding US\$10,000 per metric ton. From 2022 to 2023, the price of copper decreased due to slower end-market demand and global economic uncertainty, remaining in the range of US\$8,000 to US\$9,000 per metric ton. In 2024, copper prices began to recover, reaching US\$11,000 per tonne due to the government's revitalization policy in China and the slowdown in the US federal interest rate hike. However, following this period, copper prices stabilized, with the international price remaining at a high level.

The significant and rapid fluctuations in the price of copper will certainly have a substantial impact on the cost of producing copper foil. For instance, Nippon Denkai, a professional Japanese copper electrolytic foil manufacturer, announced in November 2024 that it had filed for bankruptcy protection, with a debt amount of approximately ¥14.7 billion. The company has experienced a number of challenges in recent years, including fluctuating international copper prices, equipment failures, production shutdowns, and a

shortage of production personnel. The implementation of the U.S. "Inflation Reduction Act" has led to a significant reduction in exports of domestically manufactured batteries, resulting in consecutive years of turnover losses and the closure of the business to the outside world. The price of copper, the core material of PCBs, is subject to fluctuations that have ramifications for both copper foil suppliers and the cost structure in general.

2025 Key Issues of Global PCB Industry

1. AI from cloud to edge computing will lead to significant changes in electronic products.

As artificial intelligence (AI) continues to permeate, from the cloud to edge computing (also known as Edge AI), it is anticipated that this will lead to a significant upgrade in consumer products following the advent of 5G technology. As artificial intelligence technology continues to advance, the enhancement of data processing, machine learning, and automation technologies will stimulate the growth of related hardware equipment and key components, such as semiconductors, packaging, and PCBs. The renovation of functions generated by the introduction of AI into consumer products will also have the opportunity to drive sales growth, especially for end products such as smartphones, computers, and wearable devices, which have a significant impact on the PCB industry.

The key technology of Edge AI, sLLM (Small LLM), is distinct from the LLM (Large Language Model) used in Cloud AI. sLLM offers several advantages, including its lightweight nature, low training and reasoning costs, ease of deployment, and high flexibility. This technology is particularly suited for cost-sensitive vertical applications that require fast response times, significantly optimizing the user experience and providing efficient solutions.

While LLM and sLLM are still in development and have different strengths and markets, AI technology for Edge will be the most

interesting target in 2025. DeepSeek's emergence has significantly impacted and elevated the AI industry. While the primary focus remains on large language modeling, the implications for application are significant. The acceleration of new product launches and the surge in demand for high-end devices will significantly boost Edge AI, creating new opportunities for electronic component manufacturers, including PCB, to enter the mid- and high-end markets.

2. The relocation of EMS factories to the United States has the potential to disrupt global trade patterns.

Trump's second election as President of the United States and his dominance of Congress have led to speculation about how the U.S. government's policy on tariffs will develop in the future. The U.S. government has announced plans to increase tariffs on all imported products by 10 to 20%, with some products being subject to tariffs as high as 60%. This initiative is aimed at reducing U.S. dependence on overseas commodities and improving the trade deficit. A key objective of these measures is to encourage the production of goods in the United States, with a focus on products that can be labeled as "Made in the U.S."

While semiconductors represent the primary focus of this wave of U.S. tariff policies, EMS should be the group that most actively responds to the "Made in the U.S." initiative, particularly in the upstream and downstream sectors of the electronics industry. The selection of production sites for EMS directly impacts the export orientation of upstream components. Historically, the majority of EMS factories have relocated to emerging markets such as Southeast Asia, India, and Mexico. However, after 2025, the U.S. will emerge as another significant production base. While the current scale of production capacity in the U.S. has yet to be determined, this trend will reshape the trade pattern of the upstream industry, forcing the supply chain to adjust its export strategy to adapt to the market changes brought about by U.S. manufacturing policies.

According to statistics on global PCB production value, more than half of the production capacity is located in China. However, China is also the first country to be affected by the U.S. tariffs. It is likely that manufacturers will respond by diverting production or customers. Thailand has recently attracted significant attention as a PCB hot production place. Although it is not currently on the tariff list, the potential risk is not low. PCB enterprises should prepare for this possibility by considering the worst-case scenario. This will allow them to be more flexible in adjusting their production base, optimizing their supply chain, enhancing the added value of the product, and actively developing new market strategies. Carrier boards and other high-end PCBs directly related to semiconductors are also facing similar challenges, and the movement of customers will be a key issue to address.

3. Thailand's shortage of labor is emerging as a hidden challenge, which is likely to hinder the progress of mass production.

Beginning in 2023, Taiwan and China's PCB enterprises have relocated their production bases to Thailand, including Taiwan-invested manufacturers such as Unimicron Technology Corp. Ltd., Unitech PCB, Zhen Ding Technology, and GOLD CIRCUIT ELECTRONICS LTD have constructed new factories in Thailand and intend to commence operations in 2025. China enterprises such as Shennan Circuits Co., Ltd., Aoshikang Technology Co., Ltd., Kinwong Electronic Co., Ltd., and Victory Giant Technology Co., Ltd. are also actively investing in Thailand. By the end of 2024, 30 PCB manufacturers from Taiwan and China will be investing in Thailand. For a single company, this can satisfy customer demand, increase the layout of overseas production sites, which is conducive to a more flexible response to environmental fluctuations and industrial policy adjustments, and reduce the potential risks caused by changes in the pattern of international trade. However, the short-term influx of a large number of enterprises will place a significant strain on local

resources.

According to the schedule announced by the manufacturers, most PCB manufacturers will initiate mass production in Thailand at the end of the second half of 2025 to 2026. During this period, the supply of raw materials, manpower demand, process stability, and product yield quality will present short-term challenges. The issue of human resources, influenced by supply and demand, is an external factor that manufacturers must address. Thailand's local labor force is currently constrained, which poses a significant challenge in meeting the demand for employees generated by the rapid expansion of the PCB industry. Consequently, businesses are compelled to augment salaries and benefits to compete for talent, which will further intensify industry-wide competition for skilled professionals. This dynamic will not only affect production stability but also present significant challenges to effective human resource management.

(2) Taiwan Circuit board industry

2024 Taiwan PCB Material Production and Sales Analysis and Trend Outlook

1. 2024 Major PCB Materials Production and Sales Analysis

In 2024, Taiwan's production of PCB materials is projected to reach NT\$346.3 billion, with an estimated annual growth rate of 13.4%. Regarding industry structure, hardboard materials account for the largest share (52.6%), followed by raw materials (resin, copper foil, fiberglass cloth, etc.) at 38.7%, flexible board materials at 4.3%, and other special materials at 4.4%.

The PCB market has shown signs of growth, prompting an increase in orders and contributing to the synchronized development of the materials industry. However, the raw material market experienced challenges due to intense price competition within the industry, leading to suppressed growth. However, the intense competition has also compelled the industry to expedite its transformation, actively

developing high-end applications to enhance the added value and competitiveness of their products.

Among them, the performance of high-end CCLs was the most impressive, as the strong demand for AI servers, coupled with the high specification requirements for high-speed transmission of 800G switches, drove the shipment of high-end CCLs to grow significantly. Taiwanese manufacturers dominate the AI server dedicated high-speed CCL market, with a leading market share. They are operating at full production capacity, and with advancements in material technology, they are able to synchronize product prices, promoting market growth with rising sales volume and price. Conversely, flexible board materials are experiencing growth due to the recovery of the consumer electronics market, such as cell phones, and the launch of new products by U.S. brand customers.

Looking ahead to 2025, with the further expansion of AI computing demand, the development of high-frequency and high-speed materials will remain the focus of market attention. Taiwan's technological advantage in the high-end CCL market will continue to play a key role in further boosting demand for high-frequency and high-speed materials. It is estimated that Taiwan's PCB material output value will continue to grow to NT\$375.7 billion in 2025, with an annual growth rate of 8.5%.

2. 2024 Major PCB Equipment Production and Sales Statistics

In 2024, Taiwan's PCB equipment output value reached NT\$59.5 billion, with an annual growth rate of 6.3%. The primary products include mechanical drilling, laser drilling, and molding machines (19.2%), wet process equipment (15.0%), needles and tools (12.2%), and transportation and automation equipment (11.3%).

As the revenue recognition of the equipment industry is influenced by the processes of shipment, assembly, and acceptance, there may be short-term deviations from the market boom in revenue performance. Therefore, the relevant production and sales statistics are for reference

only. However, the industry has experienced a general growth, which can be attributed to an increase in upstream PCB manufacturing orders and a surge in demand for equipment, driven by a wave of plant expansions in Southeast Asia.

As previously stated, the primary driver of market expansion is AI servers. The HLC and HDI used in AI servers are mostly high-level thick board designs, which significantly increases the demand for high-aspect-ratio through-hole processing. Concurrently, the demand for PCB back drilling has risen to reduce noise interference and ensure signal integrity, thereby driving the growth of the drilling equipment market. Additionally, the more challenging process of drilling thicker boards leads to accelerated needle wear and drives market demand for advanced coating drills, which are designed to improve the needle breakage rate and enhance processing stability. Due to the concurrent rise in product upgrades and market demand, drilling machines, back drilling machines, and other tooling equipment have emerged as the most prominent items in the market, driving the steady growth of drill orders.

The PCB equipment market is poised for growth in 2025, driven by the expanding demand for AI servers. As PCB factories in Southeast Asia transition to the pilot production stage, they are expected to increase their equipment purchases. In 2025, Taiwan's PCB equipment output is projected to demonstrate consistent growth, reaching NT\$63.9 billion with a growth rate of 7.4%.

2. Semiconductor industry

Industry Overview

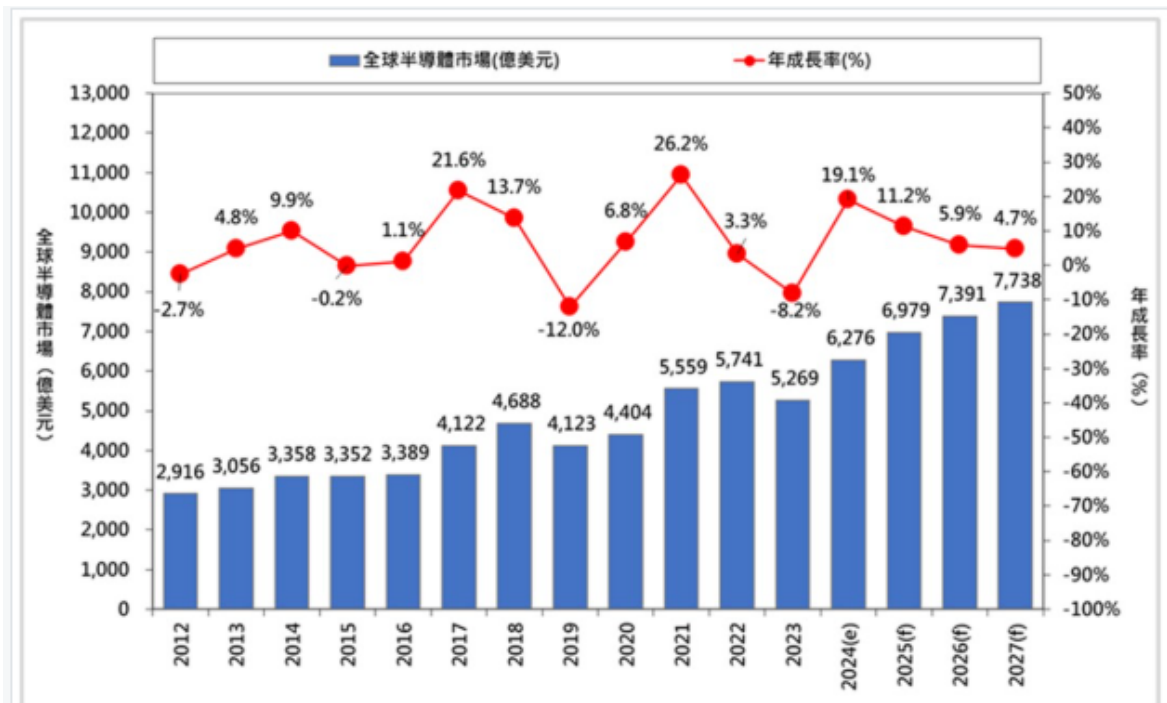
(1) Global semiconductor industry

According to the latest statistics from the WSTS, the global semiconductor market is expected to grow by 19.1% to US\$627.6 billion in 2024. This growth is driven by several factors, including the increasing demand for artificial intelligence semiconductors, the recovery of memory prices, and the gradual

recovery in the production of end-use electronic products. Memory ICs are projected to experience the most significant growth, with an annual growth rate of 81%.

Looking ahead to 2025, the continued expansion of AI applications will drive the upgrading of related electronic products, with logic and memory expected to be the main growth drivers. This will further drive the technological R&D and market development of the semiconductor industry. The global semiconductor market is expected to grow at an annual rate of 11.2% in 2025, with an overall market size of US\$697.9 billion.

Global Semiconductor Market Trends



註：數據源自於 WSTS 於 2024 年 12 月及 2025 年 02 月發布之全球半導體市場預測數據
資料來源：工研院產科國際所

(2) The Taiwan IC Industry

IEK estimates that the output value of Taiwan's IC industry will reach NT\$5,315.1 billion (US\$165.6B) in 2024, representing a 22.4% growth from 2023. The IC design industry is expected to reach an output value of NT\$1.2721 trillion (US\$39.6B), representing a 16.0% growth from 2023. Similarly, the IC manufacturing industry is projected to achieve an output value of NT\$3.4195 trillion (US\$106.5B), marking a 28.4% growth from 2023. The output value of the foundry industry is expected to reach

NT\$343.8 billion (US\$101.1 billion), representing a 30.1% growth from 2023. Similarly, the output value of the IC manufacturing industry is projected to reach NT\$1,000.3 billion (US\$105.6 billion), marking a 30.1% growth from 2023. The output value of the IC design industry is anticipated to reach NT\$5,315.1 billion (US\$165.6 billion), indicating a 22.4% growth from 2023. The total revenue of the wafer foundry industry was NT\$3.438 trillion (US\$101.1 billion), representing a 30.1% increase compared to 2023 figures. The memory and other manufacturing industry reported a total revenue of NT\$175.7 billion (US\$5.5 billion), marking a 3.3% increase from the previous year. The IC packaging industry's total revenue stood at NT\$423.3 billion (US\$13.2 billion), indicating a 7.7% increase from 2023. The IC testing industry's total revenue was NT\$200.2 billion (US\$6.2 billion), showing a 5.0% increase from the prior year. The IC testing industry's revenue reached NT\$200.2 billion (equivalent to USD\$6.2 billion), marking a 5.0% increase compared to 2023 figures. The exchange rate of NTD to USD is calculated at 32.1.

Taiwan IC Industry Output Value, 2021~2025(e)

億新臺幣	2021	2021 成長率	2022	2022 成長率	2023	2023 成長率	2024	2024 成長率	2025 (e)	2025 (e) 成長率
IC 產業產值	40,820	26.7%	48,370	18.5%	43,428	-10.2%	53,151	22.4%	61,785	16.2%
IC 設計業	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,721	16.0%	14,155	11.3%
IC 製造業	22,289	22.4%	29,203	31.0%	26,626	-8.8%	34,195	28.4%	40,827	19.4%
晶圓代工	19,410	19.1%	26,847	19.1%	24,925	-7.2%	32,438	30.1%	38,960	20.1%
記憶體與其他製造	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,757	3.3%	1,867	6.3%
IC 封裝業	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,233	7.7%	4,608	8.9%
IC 測試業	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,002	5.0%	2,195	9.6%
IC 產品產值	15,026	44.0%	14,676	-2.3%	12,666	-13.7%	14,478	14.3%	16,022	10.7%
全球半導體市場(億美元)及成長率(%)	5,559	26.2%	5,741	3.3%	5,269	-8.2%	6,276	19.1%	6,979	11.2%

資料來源：工研院產科國際所

說明：

(e)表示預估值(estimate)

IC 產業產值=IC 設計業+IC 製造業+IC 封裝業+IC 測試業

IC 產品產值=IC 設計業+記憶體與其他製造

IC 製造業產值=晶圓代工+記憶體與其他製造

上述產值計算是以總部設立在臺灣的公司為基準

Future trend

The latest statistics from WSTS indicate that the global semiconductor market is projected to expand at a compound annual growth rate of 11.2% and reach US\$697.9 billion by 2025. The global semiconductor market is expected to continue growing over the next two years, with projected increases of 5.9% in 2026 and 4.7% in 2027.

In terms of the terminal electronic products, the PC market is expected to be driven by the demand for Windows 11 replacement, as well as the gradual maturation of the AI PC application scenario and the increase in business value. It is estimated that PC demand will rebound in 2025, and the market will show steady growth. Regarding the smartphone market, IDC anticipates sustained growth in 2025, though the growth rate is projected to decelerate slightly due to the prolongation of the smartphone replacement cycle and the gradual fulfillment of previously suppressed demand. Additionally, the performance of the end markets is subject to uncertainty due to the potential implementation of tariff policies by the new U.S. administration. These policies will also have an impact on the industry.

In terms of the Taiwan IC industry, the output value amounted to NT\$1,494.2 billion in the fourth quarter of 2024, representing an 8% growth from the previous quarter and an annual growth of 24.2%. The growth in Q4 was driven primarily by increased demand for high-end manufacturing processes and the expansion of AI applications. High-end mobile phone sales were robust, the utilization rate of advanced manufacturing processes increased, and the recovery of consumer electronics also supported the packaging and testing business. However, the memory market experienced seasonal fluctuations, with weak demand and price pressure constraining growth. Despite challenges in specific areas, the industry as a whole is experiencing steady growth. For the full year of 2024, Taiwan's IC industry is expected to experience significant growth in demand for chips, driven by the release of new products such as high-end smartphones and AI PCs. The expansion of AI applications is projected to further stimulate the advanced process and packaging business, which is poised to become the primary growth driver. However, the growth of the memory

market was constrained by the limited adoption of mid- to low-end cell phones and AI PCs, and price pressure also hindered the expansion of production capacity. For the year as a whole, the development of the industry was driven by artificial intelligence applications and advanced manufacturing processes. The output value of Taiwan's IC industry amounted to NT\$5,315.1 billion, representing an annual growth of 22.4%.

For the first quarter of 2025, Taiwan's IC industry is projected to reach NT\$1,440.4 billion, marking a 3.6% decrease from the previous quarter and an annual growth rate of 23.5%. In the first quarter, due to the traditional low season, the overall output value is expected to be lower than the previous quarter, including in the foundry and packaging and testing sectors, all of which will show a quarterly decline. However, the impact of the seasonal downturn is expected to be partially offset by the continued shipment of high-end handset chips and the upgrading of terminal hardware driven by AI applications. While the traditional off-season does impact performance and output value, showing a decline, AI-related demand continues to offer support for the industry.

3. Optical Communication Industry

Overview

The rise of super mega data centers has prompted enterprises to pursue the demand for high-speed data transmission. With the introduction of INTC's silicon photonic transceiver, the data exchange bottleneck and energy consumption can be effectively solved by its miniature, high-speed and low-power features. Current products can transmit information at speeds of up to 400GB per second, which will solve the bottleneck that has put data centers in a difficult position in terms of transmission capacity. Gartner estimates that the share of silicon photonics in high-bandwidth data center communication channels will increase from less than 5% in 2020 to more than 20% in 2025, with an overall potential market size of \$2.6 billion. The growing demand for low-power, high-bandwidth and higher-speed data transmission is driving the demand for silicon photonics to support data centers and other further applications.

According to industry research firm Yole, silicon photonics chips are forecast to be

worth approximately US\$151 million in 2021 and grow to US\$972 million in 2027, representing a compound annual growth rate (CAGR) of nearly 36%, with applications ranging from 5G, data centers, bio-sensing, quantum computers or consumer healthcare.

According to Yole's report, data center transceivers will still dominate the silicon photonic chip market in 2021, with an output value of US\$148 million. However, with the future development of silicon photonics technology, the share of data centers is expected to decline to less than half of US\$468 million by 2027, to be replaced by the rise of photonic processing and consumer healthcare. Due to the sheer scale of data processing required for machine learning, photonic processing can collect, process and store data at a much faster rate, and with the combination of 5G and edge computing, can be more efficient than normal processors. It is estimated to reach US\$244 million by 2027. In the health care segment, silicon photonics can be used to monitor, detect and quantify biomarkers by shining light on tissues and blood vessels, creating non-invasive medical monitoring solutions for low-cost, small-size medical devices and wearables, with an estimated production value of US\$240 million by 2027.



Optical computing is a new attraction

Since the late 1970s, fibre optic infrastructure has been used for long-distance communications signals because of its greater bandwidth capacity, higher data rates and lower latency than copper-based cables. Since then, energy-efficient optical interconnects have continued to penetrate critical telecommunications networks, right through to rack-to-rack data connections in data centre environments. But more and more research has since shown that silicon photonic chips can be used not only for optical communications, but also in computing areas such as neural network computing and quantum computing, which are becoming the arena of their appeal.

Silicon photonics for neural networks

Much like silicon photonics for communication transmission, all-optical computing can also be used to achieve much faster computing at a fraction of the power budget of traditional digital computing architectures.

Today's digital computers are based on transistors, which turn electronic signals on and off to form a basic logic gate circuit. But transmitting data and computing data through light is completely different, as optical components are so linear that by cascading different levels of linearly integrated photonic components, the corresponding layers of an Optical Neural Network (ONN) can be formed. In this way, a sequential matrix can be multiplied or transposed simply by the light flowing from one end of the ONN to the other.

Silicon photonics for quantum information processing

Quantum technology is now developing into a new field of application. The possibility of encoding, then processing, storing and transmitting information in quantum mechanics systems will lead to huge breakthroughs in various technological fields such as computing, communication, metrology, sensing and even manufacturing technology. At the same time, a large number of quantum solution start-ups, as well as industry giants such as Google, IBM,

Intel, Microsoft and Toshiba, are investing in quantum technology in tandem.

Collaborative packaging and wafer integration

Silicon photonic chips have the potential to become one of the most important technological innovations of our time, and high power efficiency, low latency and high throughput are keys to the continued growth of optical matrix computing beyond Moore's Law. The core challenges for silicon photonic chips today are mainly in the industry chain and process standards. For example, the design, mass production and packaging of silicon photonic chips have not yet been standardized and scaled up, resulting in a lack of productivity, cost and yields. The challenge in the field of optical computing is that its accuracy is lower than that of electronic chips, which limits its applications.

If these bottlenecks are to be removed as soon as possible, the future of silicon photonic components will be characterized by two major trends: synergistic packaging and wafer integration. The former is the integration of CMOS wafers with optical wafers in the form of TSV packages, while the latter is a complete single-chip solution that does not require any copper connections and is mainly used for optical input and output applications.

Of course, not every company has the ability to "Integrate Silicon Photonics and CMOS on the same chip in one step", so the use of co-packaged optics (CPO) technology to integrate silicon photonic modules with CMOS chips has become a more preferred option.

Prior to the rise of CPO technology, the current conventional technology was to separate the silicon photonic module and the CMOS chip into two separate modules, which were then linked together on a PCB board. The advantage of this was that the design was more modular and could be replaced if there was a problem with the CMOS chip or the silicon photonics module alone, but the power consumption, size and cost were all unfavorable and CPO solved these problems. Currently, companies such as Nvidia, AMD, Intel, Ranovus, Broadcom, Marvell, etc. are all working on CPO technology.

C. Relevance of upstream, midstream and downstream companies

In the agency equipment industry, the upstream is the supplier, and the function of the agent is to study the equipment needed for the manufacturing process of downstream terminal customers in each industry. TTK's main business is similar to the above.

It would find the most suitable equipment specially designed for the downstream customers' manufacturing process, and introduce new equipment for the customer's new manufacturing process or introduce the next-generation processing equipment for the industry to enhance the customer's competitiveness.

D. Various development trends and competition of products

Electronic products continue its development towards light, thin, short, and small products, the quality requirements are further improved, and advanced countries are more demanding for green energy and lead-free environmental protection processes. This would again promote equipment upgrades.

The entry barrier of the agency equipment industry is not very strong, and the ability of Taiwanese manufacturers to make their own equipment gets better day by day. In the case of fierce competition and reduced demand, the life cycle of agent equipment would continue to shorten. And in this highly competitive industry, TTK would continue to grow with the introduction of higher-order and new-process technologies and equipment to enhance its competitiveness.

E. Technology and R & D Overview:

- a. Successfully developed technologies or R & D products from the most recent year to the end of publication of the annual report:

With the technical support by suppliers, the products represented, manufactured or assembled by TTK and its subsidiaries are committed to developing new process equipment, materials and technologies for the existing electronics industry according to the needs of customers. In addition, TTK is also actively developing new products in the semiconductor, solar energy, optoelectronics, and chemical materials industries. The company provides customers with the most advanced future technologies and demonstrate its channel distribution system through the technical support by suppliers.

- b. Expected future R&D plans and expenses from the most recent year to the end of publication of the annual report:

The subsidiary has many years of practical experience in R & D, production and assembly of electrical test fixtures and equipment, and has independently trained a R & D team with innovation and improvement capabilities. This team is highly competitive in the market. The R & D expenses in 2024 are close to NT\$3.70million, and it is expected that there will continue to be 0.1%~0.5% of R & D expenses this year and next year.

R & D expenses from the most recent year to the end of publication of the annual report:

Item \ Year	For Year Ending Mar. 31, 2025	2024	2023
R & D expenses (A)	1,074	3,695	3,252
Net Operating Revenue (B)	572,537	1,344,179	1,802,085
(A)/(B) %	0.19%	0.27%	0.18%

F. Long-term and short-term business development plans:

(1) Short-term plan

- a. Enhance the quality and efficiency of existing customer support services and improve customer satisfaction.
- b. Introduce more advanced equipment and materials depending on customer and industry needs.
- c. Develop agency for new products with high added value.
- d. Increase the number of foreign strategic alliance partners to enter new technology fields.
- e. Improve production and assembly processes and shorten delivery times.

(2) Long-term plan

- a. Introduce advanced and sophisticated process equipment, materials and technologies from all industries based on the customer and industry needs.

- b. Continue to develop universal electronic components.
- c. Develop a low-pollution and high-performance product line.
- d. Introduce high-end products targeted at the High End product line.
- e. Improve the professional quality of employees and increase the efficiency of business operations.
- f. Stabilize credit, reduce the possibility of bad debts, and cooperate with the Group's long-term business development plan to make sound planning and control of funds.

2. TKK Market and Sales Overview

A. Market analysis:

(1) Sales areas of TKK's main product

Year	2024		2023	
	Sales	%	Sales	%
Local sales	872,525	64.91	857,585	47.59
Export sales	471,654	35.09	944,500	52.41
Net Operating Income	1,344,179	100.00	1,802,085	100.00

(2) Market share

Due to the success in capturing market trends and the R & D of advanced processes, the company has established a good reputation in the market for more than 40 years and has built up the excellent ability as an agent, thus it has priority to be the agent of high-end products. After obtaining the agency rights, these advanced equipments or technologies will be actively introduced to the electronics industries in Taiwan through exhibitions, technical seminars and new product briefings, which would enhance the technical level of customers, increase competitiveness and create a win-win solution on creativity for Taiwan's electronics industry.

Although the highly competitive industry would reduce the market share of the TKK's agency products, the company continues its strategy on introducing high-end products and to become the professional agent with the highest market

share in high-tech products in the Greater China Region.

(3) Competitive niche, favorable development prospects, unfavorable factors and countermeasures

a. Competitive niche and favorable factors:

■ Continuous development of quality products

Over the years, the electronics industry has been continuously upgraded and transformed. The company has penetrated the industry and accurately grasped the transformation of the industry. Its agent products have been closely related to the development of the industry and market trends.

■ Experience in establishing a channel marketing network

Since the company was established in 1977, it has adapted sales channels to Taiwan, China, Japan, Hong Kong, Philippines, Singapore, Thailand and other countries, and has formed a stable marketing network with excellent international competitiveness.

■ Long-term customer and supplier relationships

The company's business philosophy is "integrity". TKK has an intimate relationship with its customers and suppliers as they have grown together over the years, and experienced the difficult times and development of the Taiwan's electronics industry.

■ Excellent and experienced service team

In addition to having a deep understanding of the industry, the company also cooperates with professional technical and logistics personnel to form a strong service team, so it can provide customers with high efficiency and high quality professional services.

■ Stable financial policy

The company adopts a stable financial policy that does not expand credit and does not invest in industries that are unfamiliar or unrelated to the industry.

b. Unfavorable factors and countermeasures

■ Short technology life cycles:

The process or technology of the electronics industry is progressing rapidly, with a short life cycle on equipment or technology. In addition, the improvement of the ability of Taiwanese manufacturers on self-made products is also a major problem for the company.

Countermeasures:

Continuously improve the technical capabilities of the new product development team, and quickly collect market intelligence and negotiable agency contracts through the alliance of companies that set up subsidiaries in the United States and Japan.

In addition, the company has also established subsidiaries in Taiwan and China, reducing the geographical restrictions and time differences in providing services. At the same time, through the recruitment of consultants from the United States, Germany and Japan, we regularly provide the latest developments in the industry and market information, so that the company can keep abreast of the latest technological pulse and grasp the opportunities of market development.

■ Offshore migration of the manufacturing industry:

Since China and Vietnam have relatively low-cost labor and land resources, manufacturers who want to reduce production costs will set up factories in these countries.

Countermeasures:

Establish a subsidiary in China to build a complete technical support service network, in order to provide services to existing customers, and have the opportunity to serve customers in China. The assessment on whether to establish service centers in Vietnam and other regions is based on the needs of downstream customers.

B. TKK Market and Sales Overview

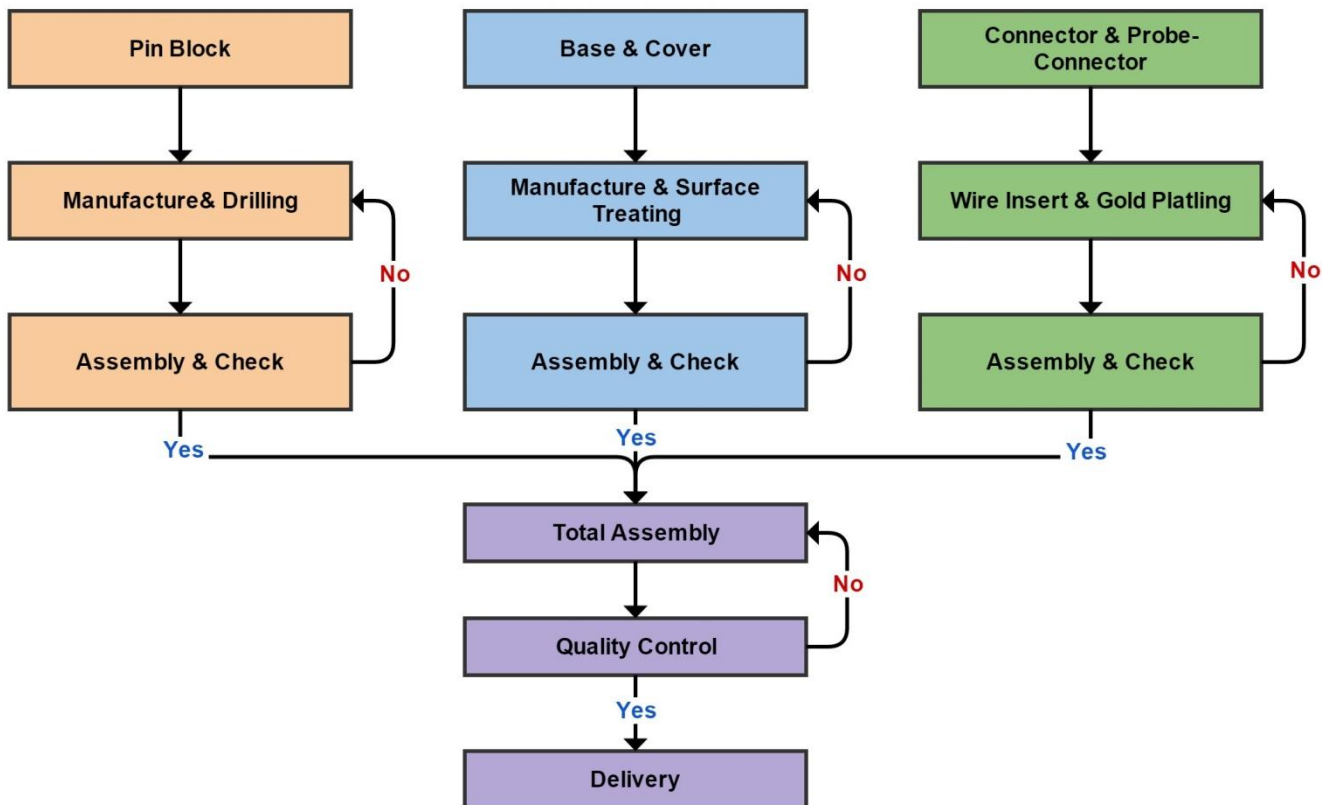
(1) Main products' important functions

Main product type	Main products	Functions
Electronic components, equipment and materials	AOI automatic optical inspection machine, AVI automatic visual inspection machine, Exposure machine, Wet film coating (inner layer/anti-welding), Vacuum Laminator 、 Laminator 、 Mylar Peeler, Belt sander, Scrubber machine and other wet process equipment, Ceramic brush, Inductive bonding machine, Hot press, Short/Break tester, High-density test fixture, Solder ball inspection equipment, Short circuit/open circuit test OEM and patent and IC Analysis services, Chemical liquid analysis equipment, Clean & non-oxidation automation oven, Thermal Analyzer / XRF Elements Analyzer, etc.	Printed circuit manufacturing
Semiconductor package and manufacturing equipment, and electronics assembly.	Transfer type hot plate reflow/baking equipment, circulating electroplating liquid analyzer, near-infrared light concentration monitor, wafer surface cleaner, wafer coater, wafer surface contaminant inspection machine, X-Ray inspection equipment, wafer surface organic inspection machine, chip package inspection machine, high-end package die bonding machine, automated wafer transfer arm, high-end package precision printer, high-end package precision ball moulder, Short/Break tester, SMD Chip Counter, dust-free and oxygen-free ovens, Cassette cleaning machine, atomic force microscope, dispensing machine and tape crystal grain rework machine, Wafer Cleaner, BG Tape Laminator, Wafer Moulder, LC Tape Laminator , BG Tape Remover.	Semiconductor package and manufacturing, and electronics assembly.
Assembly equipment, components and materials for optical communications module	Precision placement machine, automatic coupling equipment, photoelectric test equipment, optical lens.	Optical communication industry, high-power laser module, precision optical assembly, extreme sensor assembly
Solar energy production process	Fully automatic screen printer line.	Solar industry

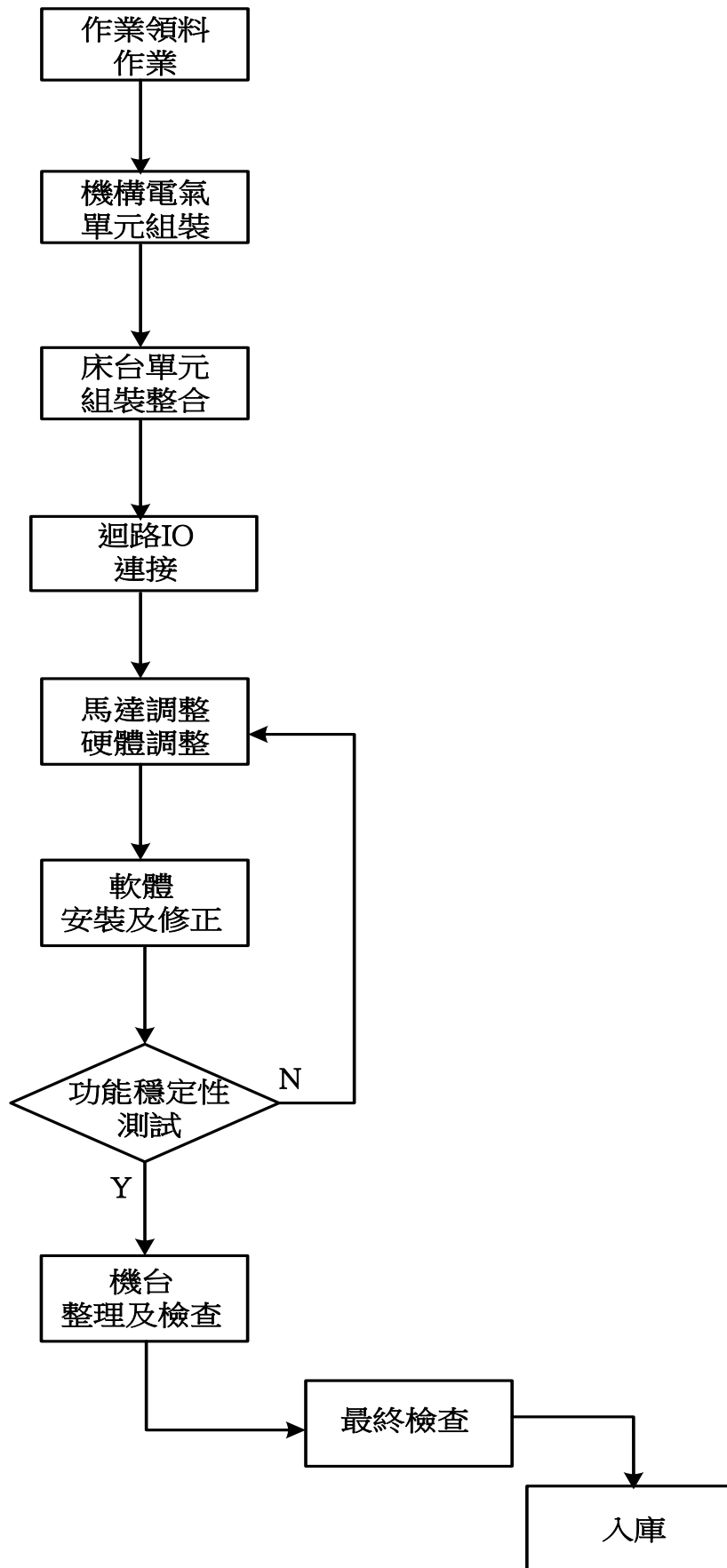
SMT electronic assembly	Selective soldering furnace, reflow oven, placement machine, fully automatic solder paste printer, automatic optical inspection machine, X-RAY inspection machine, solder paste inspection equipment, Automated IC Programming System.	SMT assembly
Others	Export business for Taiwan's sophisticated equipment products, Electrical testing of the generation of processing	

(2) Main products' production process

Production process of the electrical test fixture:



Equipment assembly process:



C. Primary raw materials of main products

(1) Primary raw materials

Most of the raw material suppliers of the Company and its subsidiaries are well-known domestic and foreign manufacturers. The source of supply is quite stable with little price fluctuations. The company developed a close relationship with various suppliers and established a high level of cooperation.

Domestic suppliers mainly provide processing of metal raw materials, and the supply is sufficient.

(2) List of major suppliers

Supplier name	Main shipping items
WKK JAPAN LTD.	Printed circuit board processing equipment and components.
F supplier	Semiconductor electronic equipment and components
A supplier	Semiconductor electronic equipment and components

D. The number of clients and their purchase amount and ratio that accounted for more than 10% of the total sales in the last two fiscal years:

(1) The clients that accounted for more than 10% of the total sales in the last two fiscal years:

	As of end of Q1 2025(Note 2)				2024				2023			
Item	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	B customer	347,925	60.77	-	B customer	296,200	22.04	-	E customer	156,878	8.71	-
2	I customer	66,803	11.67	-	-	-	-	-	F customer	148,911	8.26	-
	Others	157,809	27.56		Others	1,047,979	77.96		Others	1,496,296	83.03	
	Net Total Supplies	572,537	100.00		Net Total Supplies	1,344,179	100.00		Net Total Supplies	1,802,085	100.00	

Reasons for change: The difference between the two years is mainly due to the large reduction in the purchase of PCB inspection devices by customer E and the large increase in the purchase of semiconductor equipment by customer B.

Note 1 : The number of clients and their purchase amount and ratio that accounted for more than 10% of the total sales in the past two years is listed in the above table. However, due to the contractual agreement, the name of the supplier or the counterparty may be disclosed as an individual and non-related party.

Note 2 : Up the date of publication of the annual report, the companies that have been listed or whose stocks have been traded in the securities firm's business premises should be disclosed if they have the most recent financial information verified or reviewed by the accountant.

(2) The suppliers that accounted for more than 10% of the total purchases in the last two fiscal years

Item	As of end of Q1 2025(Note 2)				2024				2023			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	F supplier	177,692	41.44	-	WKK JAPAN LTD.	170,030	22.92	Interested Party	WKK JAPAN LTD.	295,996	31.65	Interested Party
2	WKK JAPAN LTD.	63,909	14.90	Interested Party	F supplier	102,502	13.81	-	C supplier	181,193	19.38	-
3	D supplier	62,247	14.52	-	D supplier	97,286	13.11	-	D supplier	101,574	10.86	-
4	B supplier	59,867	13.96	-	-	-	-	-	-	-	-	-
	Others	65,116	15.18		Others	372,231	50.16		Others	356,384	38.11	
	Net Total Supplies	428,831	100.00		Net Total Supplies	742,049	100.00		Net Total Supplies	935,147	100.00	

Reasons for change: The difference between the two years is mainly due to the decrease in the purchase of printed circuit board equipment from WKK JAPAN LTD.

Note 1 : The number of suppliers and their purchase amount and ratio that accounted for more than 10% of the total sales in the past two years is listed in the above table. However, due to the contractual agreement, the name of the supplier or the counterparty may be disclosed as an individual and non-related party.

Note 2 : Up the date of publication of the annual report, the companies that have been listed or whose stocks have been traded in the securities firm's business premises should be disclosed if they have the most recent financial information verified or reviewed by the accountant.

3. Information on the employees employed (during the current quarter up to the date of publication of the annual report)

Item/Year		For Year Ending Mar. 31, 2025	20204	2023
Number of Employees	Managers	38	39	38
	Technical service	118	118	119
	Business Marketing	29	29	29
	Administrative	53	53	58
Total		238	239	244
Average Age		41.42	41.41	41.32
Average Years of Service		11.79	11.51	11.35
Education (%)	Masters	7.76%	7.74%	6.33%
	Bachelor's Degree	81.47%	81.55%	83.43%
	Senior High School	10.32%	10.26%	9.80%
	Below Senior High	0.45%	0.45%	0.44%

4. Disbursements for environmental protection

As of the latest fiscal year and the date of printing and publishing the annual statement, all losses caused by polluted environment (included liability and the audit result of the environmental protection bureau showed violation of related laws and regulations) and disclosure of potential estimates and countermeasures currently and in the future.: Not applicable

5. Labor Relations

A. Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures.

(1) Employee benefits:

- a. Labor insurance, health insurance and group insurance.
- b. Organize employee travel depending on business conditions.
- c. Employee's birthday reward.
- d. Three bonuses or rewards for employees.
- e. Gifts or condolence money for employees' wedding or mourning ceremonies.
- f. Organize recreational and group activities for employees.

(2) Continuing education and training

The Company and its subsidiaries provide staff education and training to enhance their professional competence and reserve technical and management talents, and to cooperate with the company's business development and seek effective labor utilization. The Company and its subsidiaries have established educational training management methods.

In the year of 2024, 1,859 people participated in internal training, with a total expenditure of NT\$158,000 and 317 people participated in external training, with a total expenditure of NT\$1,193,000.

(3) Retirement system and its implementation

The company has established a retirement management regulation, and employees can apply for their own retirement when the following conditions are met:

- a. Employed for more than 15 years and is over 55 years old.
- b. Employed for more than 25 years.
- c. Employed for more than 10 years and over 60 years old

The method of providing pensions is clearly set out in the management method and is described as follows:

i. Old pension allocation systems

In accordance with relevant laws and regulations, the company allocates no more than 2% every month employee's pension reserve based on the total salary of employees.

ii. New pension allocation systems

The new Labor Pension Regulations went into effect on July 1, 2005, and the company allocates no less than 6% of the monthly salary of employees who are deemed qualified base on relevant laws and regulations. This amount shall be deposited to the employee's pension account, which was appointed by the central competent authority.

In addition, the Company also holds quarterly pension management committee meetings to review the status of pensions and implementation. The participants in

the meeting include representatives of management and the employees within the company. Since the beginning of 2024, a total of 5 meetings have been held:

Date of Meeting	Attendance (4 employees representatives and 2 management representatives)	New pension allocation %	Old pension allocation	Calculation end date of old pension allocation
Feb 23, 2024	5	6%	54,787,186	113/01/01
May 22, 2024	7	6%	60,317,885	113/03/31
Aug 20, 2024	7	6%	61,162,859	113/06/30
Nov 20, 2024	6	6%	62,011,199	113/09/30
Feb 20, 2025	5	6%	63,605,933	114/01/01

(4) Mngers' annual participation of education and training related to corporate governance

Title	Name	Training Date	Organizer	Training Course	Training Hours
General Manager	LIAO HUNG-YING	Nov 27, 2024	Corporate Operating and Sustainable Development Association	Analysis of practical disputes in the board of directors	3.0
Deputy General Manager of the Management Division	CHEN MEI-FEN	March 28, 2024	Taipei Foundation Of Finance	Corporate Governance: Stakeholder Orientation Strategies for Enhancing the Relationship between Listed Companies and the Capital Markets	3.0
		Sep 26, 2024	Corporate Operating and Sustainable Development Association	Promoting Sustainable Development through Risk Management	3.0
		Oct 22, 2024	Chung-Hua Institution for Economic Research	Challenges and Responses in the New World Order	2.0
		Nov 27, 2024	Corporate Operating and Sustainable Development Association	Analysis of practical disputes in the board of directors	3.0

- (5) Relevant certifications of the personnel involved in the transparency of the company's financial information:

Certification	Number of people	
	Financial Personnel	Auditor
Taiwan's Certified Public Accountant CPA	0	0
Certified Internal Auditors CIA	0	0

- (6) Retirement system and its implementation: Provide monthly pension preparations in accordance with the Labor Retirement Regulations, and apply for a pension according to the provisions of the Labor Standards Act in order to encourage long term services of employees and professionals. The company regularly holds meetings of the Organization of Supervisory Committee of Business Entities.

- (7) Labor agreements: TKK holds labor meetings on a regular basis, and discuss the resolution of employee opinions in a timely manner in order to maintain harmonious labor relation. Since it is established in 1977, it has not suffered any losses due to labor disputes, and will continue to maintain a more harmonious labor relationship in the future. The subsidiary also communicates with staff member maintain a good relationship between the management and employees.

Additionally, the Company does not have any labor union established under the Labor Union Act. Consequently, the Company has not entered into any group agreement with a labor union.

B. Working environment and employee safety protection measures

The establishment of the group for planning and promoting the safety and health policies and management systems of the Company and its subsidiaries, and auditing the relevant implementation results, their main tasks are as follows:

- (1) Conduct labor safety and health education and training according to the Occupational Safety and Health Act to prevent occupational disasters and ensure the safety and health of employees.
- (2) In order to prevent occupational disasters, the company conducts an annual employee health check to ensure the physical and mental health of employees.
- (3) Conduct water quality testing of drinking water at least once a year to ensure water sanitation and employee health.

- (4) Test the carbon dioxide concentration of the indoor office environment at least once a year to ensure a comfortable working environment and employee health.
- (5) Purchasing protective equipment for work safety according to the operational needs of the department to prevent occupational disasters and ensure the safety and health of employees.
- (6) Provide employees with at least 3 hours of labor safety and health education and training twice a year to establish the correct occupational safety and health knowledge of employees to avoid occupational disasters.
- (7) Strengthen the training of first-aid personnel and strengthen the initial first-aid knowledge and technology of the company's colleagues, so as to be able to play the role of self-saving and saving others in the event of a disaster.
- (8) Coordinate with the relevant contracting requirements of the customer and the management requirements of the factory to make appropriate publicity to ensure the safety and health of the relevant colleagues in the customer's workplace to prevent occupational disasters.

C. Employee behavior or ethical rules:

In order to let all employees understand employee behavior and ethics, the relevant regulations are set up for the management of the company and all employees to follow. It is announced in the company's internal network announcement area to provide all colleagues with any inquiries at any time. The rules are briefly described as follows:

- (1) Rules of Employee Ethics: The “TKK&YOU” Employee Ethics Rules are summarized as follows:
 - a. The core values are integrity, professionalism, diligence, unity and harmony.
 - b. Adhere to the Company with integrity, diligence, unity and professionalism. °
 - c. Service the Company with a spirit of enthusiasm.
 - d. The Company's intellectual property and business secrets should be protected, and the information obtained in the professional relationship should be kept confidential.
 - e. Professional skills should be continuously enriched to improve service quality.

- f. Abiding by the law and taking the best interests of the company as a priority.
- g. Never seek personal interests or personal matters to influence the company.
- h. Treat colleagues with respect, courtesy and sincerity.
- i. Abide by the Company's regulations and fulfill the powers and responsibilities assigned by the company.
- j. Commitment to improving the Company's policies, service procedures and service effectiveness.

(2) Establish relevant rules to conduct for the safety and health management of the work environment and the personal safety protection of employees to ensure the safety and sustainable development of the company and enhance the corporate image:

- k. Establish rules for safety and health working.
- l. Establish a checklist for general safety and health facilities.
- m. Establish traffic safety rules.
- n. Establish rules of office safety and health.
- o. Establish electrical safety rules.
- p. Establish computer operating safety rules.
- q. Establish rules of safety and hygiene for hand tools.
- r. Establish fire safety rules.
- s. Establish material handling and storage rules.
- t. Establish safety rules for overhead operations.
- u. Establish practice rules for hazardous chemicals.
- v. Establish practice rules for organic solvents.
- w. Set up a fire extinguisher checklist.
- x. Set up an automatic inspection schedule.

D. As of the latest fiscal year and the date of printing and publishing the annual statement, all losses caused by polluted environment (included liability and the audit result of the environmental protection bureau showed violation of related laws and regulations) and disclosure of potential estimates and countermeasures currently and in the future:

The labor relations between the company and its subsidiaries are harmonious, and no

labor disputes have occurred. The Company and its subsidiaries attach great importance to the welfare of employees, and always pay attention to changes in the main and objective environment and revise various welfare measures to meet the needs of employees. It is estimated that there will be no losses due to labor disputes in the coming year.

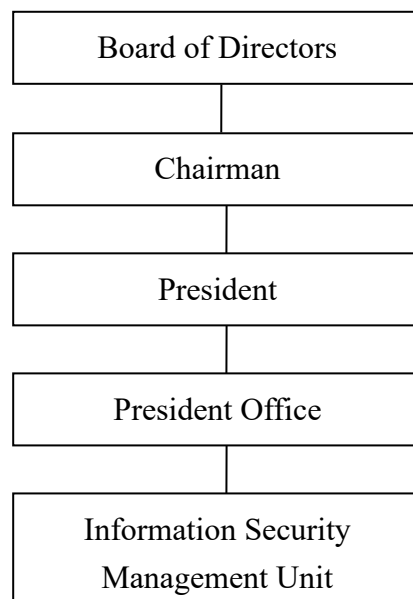
6. Information Security Management

In order to ensure the continuous operation of the Company, establish a safe and reliable operating environment, ensure the security of data, systems, equipment and networks, and protect the rights and interests of customers, the Company has formulated information security management measures as the basis for the implementation of various information security measures.

A. Information Security Risk Management structure, Information security policy, specific management scheme and resources invested in Information security management:

(1) Information Security risk management framework

In order to improve information security management, the Company's colleagues in the information department are responsible for the information security governance, planning, supervision and implementation of the whole company, so as to build a comprehensive asset security defense ability and good information security awareness of colleagues. The organization chart of information security management is as follows:



(2) Information security policy

The Company is committed to operational security to achieve the goals of reducing the impact of information security risks on our operations, avoiding internal negligence that could harm our reputation and image, insisting on high quality information security requirements, and maintaining customer trust and protecting customer rights.

(3) Specific management plan

a. Computer system security management:

- The server & client service pack needs to be updated to the latest.
- All connected computers need to install anti-virus software and update the virus code every day.
- Do not arbitrarily select files with unknown execution origin.
- It is prohibited to install any unauthorized copyrighted software.

b. Access control:

- Access to the Company's resources must join the Company's domain and be subject to authority control.
- Controls access rights on the file server.
- Financial data and company data are stored on different hosts and controlled with authority.
- The internal wireless environment of the Company is managed by network card number + password.
- The network must be separate from the company's internal network and must not be connected to each other.

c. External threats:

- The Company signs a maintenance contract for the firewall every year, updates the firmware and pays attention to the attack alarm at any time.
- External e-mail attacks are increasing every year, and whether there are better spam improvement schemes will still be evaluated every year.
- Outside the firewall, bind specific IP and specific port numbers for domestic needs to prevent attacks. Other port numbers are not open to the outside world.

- For internal and external abnormal attacks, IP will be intercepted and blocked.
- A separated line is provided for visitors to use the wireless network, which is not mixed with the company network.

d. Back-ups:

- Use more than one ISP (line provider) for external lines.
- DNS is managed by IPS to avoid intrusion and attacks on your own DNS.
- File server and database data are backed up offsite once a week.
- Annual off-site data recovery exercise.

(4) Resources devoted to information and communications security management

a. Manpower: Including one chief information security officer and one information security officer.

b. Costs: Prepare a budget every year to invest in information security expenses

c. Education and training: The staff of the information department has attended external information security. In addition, the information department conducts information security publicity, education and training for colleagues throughout the company every year.

d. A total of 4 related information security meetings in 2024.

B. List down the losses, possible impacts and countermeasures suffered by major information security incidents in the most recent year and as of the date of publication of the annual newspaper, and if it is impossible to reasonably estimate them, the facts that they cannot reasonably estimate should be explained: there were no major information security incidents in 2024.

7. Important sales contracts and sales agency agreements

Agreement	Counterparty	Period	Major Contents	Restrictions
Sales Agency	Cedatec srl (Italy)	2016.01.20~2017.01.19 (Automatic extension)	High-frequency hot melt machine and press equipment sales agent	Restricted to: Taiwan, China
Sales Agency	ficonTEC Service GmbH (Germany)	2015.02.01~2024.03.31 (Automatic extension)	Distributor of Optical Component Laminating Machine	Restricted to: Taiwan, China
Sales Agency	Furnace Co., Ltd. (Japan)	2005.12.20~2006.12.19 (Automatic extension)	Roller Coater & Oven's sales agent	Restricted to: Taiwan, Hong Kong, China
Sales Agency	HIOKI E.E. Corporation (Japan)	1999.06.30~2021.12.31 (Automatic extension)	Sales agent of flying needle testers	Restricted to: Taiwan, China
Sales Agency	SEMTEK CORPORATION	2019.12.23~2021.12.22 (Automatic extension)	Sales agent for semiconductor etching and cleaning equipment	Restricted to: Taiwan, China
Sales Agency	Kamitsu Co., Ltd. (Japan)	2013.10.07~2015.10.06 (Automatic extension)	Ceramic brush sales agent	Restricted to: Taiwan, China
Sales Agency	Suzhou Maxwell Technologies Co., Ltd.	2016.06.01~2018.05.31 (Automatic extension)	Solar Screen Printing Line Sales Agency	Restricted to: Taiwan, China
Sales Agency	Nidec Advance Technology Corporation (Japan)	2017.10.19~2022.03.25 (Automatic extension)	High density substrate testing machine sales agent	Restricted to: Taiwan, China
Sales Agency	Rorze Technology Incorporated (Taiwan)	2009.11.25~2011.11.24 (Automatic extension)	Japan automatic wafer transfer machine sales agent	Restricted to: Taiwan, Hong Kong, China
Sales Agency	SIKAMA International, Inc. (USA)	2004.06.04~Indefinite Date	Wafer bump reflow oven sales agent	Restricted to: Taiwan, China
Sales Agency	Technopro Marugen Co., Ltd. (Japan)	2014.02.25~2017.02.24 (Automatic extension)	Brush mill and belt mill sales agent	Restricted to: Taiwan, China
Sales	WKKJ (Japan)	2007.01.01~2013.04.30 (Automatic extension)	testing machine and other products sales agent	Restricted to: Taiwan, China
Sales Agency	YKT Corporation (Japan)	2016.04.22~2018.04.21 (Automatic extension)	Distributor of Panasonic Laminating Machine	Restricted to: Taiwan, China
Sales Agency	Comet Yxlon GmbH (Germany)	2009.04.01~2023.05.31 (Automatic extension)	X-ray equipment sales agent	Restricted to: Taiwan, China

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Analysis of Financial Status in the most recent 2 fiscal years

A. Analysis of Financial Status : (difference up to 20% and up to NT\$10,000,000)

Units: NT\$Thousands

Item \ Year	2024	2023	Difference		Remarks
			Amount	%	
Current Assets	1,220,018	1,338,848	(118,830)	(8.88)	Note 1
Fixed Assets	341,535	267,192	74,343	27.82	
Other noncurrent assets	50,373	61,642	(11,269)	(18.28)	
Total Assets	1,611,926	1,667,682	(55,756)	(3.34)	
Current Liabilities	532,745	489,647	43,098	8.80	Note 2
Total Non-Current Liabilities	9,182	20,013	(10,831)	(54.12)	
Total Liabilities	541,927	509,660	32,267	6.33	
Capital stock	362,888	362,888	-	-	
Capital surplus	44,670	44,670	-	-	Note 3
Retained Earnings	695,720	797,863	(102,143)	(12.80)	
Other components of equity	(33,279)	(47,399)	14,120	(29.79)	
Total Stockholders' Equity	1,069,999	1,158,022	(88,023)	(7.60)	
Analysis of changes in financial ratios (Consolidated)					
Note 1. Fixed Assets increased mainly due to the increase in houses and buildings.					
Note 2. Total Non-Current Liabilities decrease mainly due to the decrease in liabilities provision - non-current.					
Note 3. Other components of equity increase mainly due to the increase in exchange differences in the translation of financial statements of foreign operating entities.					

2. Analysis of Operating Status

A. Analysis of Financial Status: (difference up to 20% and up to NT\$10,000,000)

Units: NT\$ Thousands

Item	2022		2023		Difference	Diff %	Remarks
	Amount	Total	Amount	Total			
Gross Sales	1,344,824		1,802,085		(457,261)	(25.37)	Note 1
Less: Sales Returns		2		-	2	100	
Sales Allowances		643		-	643	100	
Net Sales		1,344,179		1,802,085	(457,906)	(25.41)	Note 2
Cost of Sales		(845,614)		(1,112,556)	266,942	(23.99)	Note 3
Gross Profit		498,565		689,529	(190,964)	(27.69)	Note 4
Affiliated company realized benefits							
Operating Expenses		(311,286)		(335,661)	24,375	(7.26)	
Operating Income		187,279		353,868	(166,589)	(47.08)	Note 5
Non-oper. Inc. and exp.		12,853		13,073	(220)	(1.68)	
Pre-tax profit of continuing business units		200,132		366,941	(166,809)	(45.46)	Note 6
Income tax paid		(46,120)		(74,359)	28,239	(37.98)	Note 7
Net profit after tax of continuing business units		154,012		292,582	(138,570)	(47.36)	Note 8
Analysis of changes in financial ratios: (Consolidated)							
Note 1. Gross Sales decreased mainly due to the decrease in sales and service revenue.							
Note 2. Net Sales decreased mainly due to the decrease in sales and service revenue.							
Note 3. Cost of Sales decrease mainly due to the decrease in sales.							
Note 4. Gross Profit decrease mainly due to the decrease in sales.							
Note 5. Operating Income decreased mainly due to the decrease in sales.							
Note 6. Pre-tax profit of continuing business units decrease mainly due to the decrease in sales.							
Note 7. Income tax decrease mainly due to the decrease in operating Income.							
Note 8. Net profit after tax of continuing business units decrease mainly due to the decrease in sales.							

B. Analysis of changes in operating gross profit :

	The amount of increase/decrease compared to the previous period	Reasons for difference			
		Sales Price	Cost Price	Sales mix	Quantity
Operating gross profit	(190,964)	(457,906)	266,942	-	-
Analysis	Operating gross profit decreased mainly due to the decrease in operating income.				

3. Cash Flow:

A. Liquidity analysis in the most recent 2 fiscal years (difference up to 20%)

Item	Year	Dec 31, 2024	Dec 31, 2023	Diff%
	Cash Flow Ratio (%)		23.95	41.92
Cash Flow Adequacy Ratio		107.99	128.93	(16.24)
Cash Reinvestment Ratio		(9.66)	(15.79)	(38.82)

Analysis of financial ratio change: (Consolidated)

- Cash Flow Ratio : Mainly due to the decrease in operating net cash inflow in 2024.
- Cash Reinvestment Ratio : Mainly due to the decrease in operating net cash inflow and increase in cash dividend distribution in 2024.

B. Cash flow forecast analysis

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
746,093	100,000	195,000	651,093	-	-

Note: The cash flow from operating activities is expected to be 100,000,000 in the coming year. It is estimated that the cash outflow of investment activities in the coming year will be NT\$38,000,000 and the cash outflow from financing activities will be NT\$157,000,000.

- Major capital expenditures during the most recent fiscal year : None.
- Reinvestment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year: None.

6. Risk analysis of the following matters in the most recent year and the up to date of publication of the annual report:

A. The organizational structure of the company's various risk management, its implementation and responsible units are as follows:

- (1) Board of Directors: Keep in line with relevant government laws and regulations, review the company's relevant management measures, and ensure the effectiveness of the company's operating rights and operational risk management.
- (2) General Manager's Room: Mainly responsible for the decision-making risk, network information security and operational risk assessment and implementation of the responsible strategy, supervising and coordinating the relevant matters of each department.
- (3) Audit Division: Mainly focused on the company's objectives, risk tolerance and strategy, and actively assists the company's managers to deal with all the risks associated with the entire enterprise.
- (4) Management Division: Responsible for the company's legal risk, company and employee crisis management, asset management risk assessment and implementation strategy.
- (5) Finance Division: Mainly responsible for the assessment and control of interest rate, exchange rate and financial risk, liquidity risk and credit risk. It is the responsible unit for the assessment and execution of relevant financial risk management of the Company.

B. 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: None.

- (1) The change in interest rate has no impact on the Company as the Company has no short-term and long-term borrowings.
- (2) Measures to avoid exchange rate fluctuations are as follows:
 - Open a foreign currency deposit account and adjust the foreign currency

position at any time to avoid exchange rate risk.

- Keep track of exchange rate changes and keep close contact with current banks to fully understand the trend of exchange rates.
- Consider the foreign exchange rate factor when selling the goods to protect the company's reasonable profits.

(3) Effect of inflation on the Company's profit/loss: None.

- C. Research and development work to be carried out in the future, and further expenditures expected for research and development work: The Company has none of the above situations.
- D. 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: Important domestic and international policies and legal changes did not have a significant impact on the financial aspects of the company in 2024 and the up to the date of publication of the annual report.
- E. Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response: The external transfer of the industry will have an impact on the company's performance. Hence, the company has gradually expanded its services to Chinese Taiwanese companies and introduced high-end products to serve Taiwanese customers in order to create barriers to entry.
- F. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.
- G. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: Not applicable, as the Company did not conduct any M & A activity in 2024.
- H. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Not applicable, as the company has not expanded its plant in 2024.
- I. Risks associated with any consolidation of sales or purchasing operations, and

mitigation measures being or to be taken: The Company's sales or purchasing operations is not consolidated in the case of a specific customer or manufacturer.

J. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None of the above-mentioned personnel has a major quantity of shares being transferred.

K. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: The major shareholders of the Company holds 67.44% of total shares and there are no plans on share transfers, hence the Company's management rights are stable.

L. For litigious and non-litigious matters, the directors, supervisors, general managers and substantial principals of the company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non-litigation or administrative litigation results may have a significant effect on the company's shareholders' equity or securities price: None.

M. Other important risks, and mitigation measures being or to be taken:

Information security risk evaluation and analysis: For the purposes of carrying out information security management, we have developed a managerial approach named "Electronic Data Processing Cycle" to specify safe operation policy. Our information server room has set up an access control device to ensure confidentiality of data. Furthermore, we also set up applicable fire service equipment and independent air-conditioners to maintain appropriate temperature and humidity, along with voltage regulator and uninterrupted power system to maintain stable operation of information center. We have backup and remote backup for internal system, along with disaster recovery exercises for servers every year to reduce risks of interrupted operation due to unexpected natural disaster or intentional negligence. Besides, we execute information communication security checks pursuant to the "electronic data processing cycle" by setting firewall and antivirus software to avoid hacker or virus attack, also, our Information Technology

Department test and maintain network on a regular basis. We have never encountered any information security risk event that caused material negative impact on operation and business in 2024 and as of the date of printing the financial statement in 2025.

7. Other important matters:

A. Basis for evaluation of the method of listing the assets and liabilities assessment, the basis and the main reasons for its occurrence:

(1) Basis for the assessment of the provision for bad debts, the basis and the main reasons for its occurrence: Based on the experience of bad debts in the past, the aging of the receivables on the balance sheet date and the assessment of the possibility of recovery are presented.

(2) Basis for the assessment of the provision for impairment of inventories, the basis and the main reasons for the inventories: The inventories are evaluated on each basis for the cost and net realizable value.

(3) Basis for the assessment of financial assets allowance and the main reasons for its occurrence:

- The financial assets and liabilities included in the profit and loss of changes in the fair value of the Company are derivative financial products that fail to meet the hedge accounting. When it is initially recognized, it is measured by fair value, and in the subsequent evaluation, the change in fair value is recognized as the profit and loss for the current year. When purchasing or selling financial assets in accordance with trading practices, the settlement date is used for accounting. The fair value of derivative financial products is estimated by the evaluation method; if the fair value is positive, it is classified as financial asset, whereas if the fair value is negative, it is classified as financial liabilities.

- There is no reason due to no occurrence of the aforementioned situation.

B. Financial products other than stocks and depositary receipts are determined by the fair value of purchase price or the selling price.

C. Hedge accounting: not applicable.

VI. Special Disclosure

1. Information related to the company's affiliates

The method for inquiring the Consolidated Business Report of affiliate companies、Relational Business Consolidated Financial Statements and Relational Report：

Public Information Observatory Index Path: Public Information Observatory > Single Company > Electronic Document Download > Three Books and Tables for Related Enterprises

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

2. Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

3. Other matters that require additional description:

Incompleted commitments on the OTC market: None.

VII. Matters that have Significant Impact on Shareholder's Equity or on Share Prices

【If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.】

TAIWAN KONG KING CO., LTD.

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TKK

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