

Stock Code: 5498

keyware KEY WARE ELECTRONICS CO., LTD.

2024 Annual Report

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw/mops/web/index>

Company's website: <https://www.key-ware.com.tw>

Printed on April 26, 2025

I. Spokesperson

Name: Chu, Tsung-Wei

Title: Special Assistant to President's Office

Tel: (03)366-0667

E-MAIL : eric-chu@key-ware.com.tw

Deputy Spokesperson

Name: Lee, Yun-Ting

Title: Assistant Manager of the Financial Center

Tel: (03)366-0667

E-MAIL : sabrina-lee@key-ware.com.tw

II. Headquarters, Branches and Plant

<u>Unit:</u>	<u>Address</u>	<u>Telephone</u>
Headquarters	No. 32, Xingbang Rd., Taoyuan Dist., Taoyuan City	(03)366-0667
Yangmei Plant	No. 100, Ln. 796, Sec. 1, Minfu Rd., Yangmei Dist., Taoyuan City	(03)485-4899

III. Stock Transfer Agent

Name: Stock Agency Unit, Horizon Securities Corp.

Address: 3F., No. 236, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City

Tel: (02)7719-8899

Website: <http://www.honsec.com.tw>

IV. Auditors of the most recent annual financial statements

Auditors: Li, Kuan-Hao, Lin, Wang-Sheng

Accounting Firm: Deloitte & Touche

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City 11016

Tel: (02)2725-9988

Website: <http://www.deloitte.com.tw>

V. Name of Overseas Securities Exchange and Information Access Method:

N/A.

VI. Company Website: <http://www.key-ware.com.tw>

Table of Contents

Chapter 1 Letter to Shareholders	1
Chapter 2 Corporate Governance Report	5
I. Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units	5
II. Implementation of Corporate Governance	18
III. Information on CPA Professional Fees	46
IV. Information on Replacement of CPAs	46
V. The company’s chairman, president, or managerial personnel responsible for financial or accounting matters have not been employed by the attesting CPA’s firm or its affiliates within the past year	47
VI. Changes in shareholding transfers and share pledges by directors, managerial officers, and shareholders holding more than 10% of the shares during the most recent fiscal year and up to the publication date of the annual report	47
VII. Relationship information, among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another	49
VIII. 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.....	50
Chapter 3 Capital Overview	51
I. Capital and Shares	51
II. Corporate Bonds	54
III. Preferred Shares	54
IV. Global Depository Receipts	54
V. Employee Stock Options	54
VI. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies	56
VII. Implementation of Capital Allocation Plans	57
Chapter 4 Operational Highlights	58
I. Business Activities	58
II. Market and Sales Overview	63
III. Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date	69

IV. Disbursements for Environmental Protection	69
V. Labor-Management Relations.....	70
VI. Cyber Security Management	71
VII. Important Contracts	72

Chapter 5 Review and Analysis of the Company's Financial Position and Financial

Performance, and Listing of Risks	73
I. Financial Position	73
II. Financial Performance	74
III. Cash Flows	75
IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year	76
V. Recent Annual Investment Policy, Main Reasons for Profit or Loss, Improvement Plan, and Investment Plans for the Coming Year	76
VI. Risk Analysis and Assessment for the Most Recent Year and up to the Date of the Annual Report Publication	76
VII. Other Important Matters	79

Chapter 6 Special Disclosure

I. Information on Affiliates	80
II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report	84
III. Other Necessary Supplementary Explanations.....	84
IV. During the most recent fiscal year and up to the publication date of the annual report, the Company has experienced events that fall under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which could have a significant impact on shareholders' equity or the market price of securities (including any events requiring a press conference as stipulated in Article 11, Paragraph 1 of the Procedures for Verification and Public Disclosure of Material Information of OTC Companies).....	84

Chapter 1 Letter to Shareholders

Dear Shareholders,

Thank you very much to all the shareholders for taking time out of their busy schedules to attend the 2025 Annual General Meeting of our company. Looking back at the overall market conditions of 2024, with the continuous rise in demand for AI servers and AI-related products, the overall industry has shown a mild recovery. According to figures released by the Taiwan Printed Circuit Association (TPCA), the total annual output value of Taiwanese PCB manufacturers reached NT\$816.8 billion, a 6.1% year-over-year increase. The product structure was as follows: multilayer boards (30.5%), flexible boards (24.4%), HDI boards (20.1%), IC substrates (15.5%), and others (9.5%); the main end-user applications were communications (34.2%), computers (22.5%), semiconductors (15.5%), automotive (12.9%), consumer electronics (9.9%), and others (5%). In particular, the demand for AI servers and satellite communications has significantly increased, driving the demand for high-end HDI boards.

With the overall market demand recovering, the company's operational performance has also improved significantly. In 2024, the company's total operating revenue was NT\$1,163,052 thousand, an 8.87% increase compared to 2023. Although the company still experienced an operating loss of NT\$9,436 thousand, it was a significant improvement over the previous year. This improvement was due to the recognition of relocation benefits related to the plant in Kunshan, China. As a result, the pre-tax net profit for the year was NT\$654 thousand. Below is the report on the 2024 operating results and the 2025 operational plan.

I. 2024 Operating Results

(I) Results of the business plan:

Unit: NT\$ thousand

Item/Year	2024	2023	Amount Increase (Decrease)	Increase (Decrease) % Ratio
Operating Revenue	1,163,052	1,068,270	94,782	8.87
Gross Profit	107,095	(40,120)	147,215	366.94
Operating Income	(9,436)	(184,04	174,607	94.87
Pre-tax Net Profit	654	148,621	(147,967)	(99.56)
After-tax Net Profit	1,051	4,939	(3,888)	(78.72)

(II) Budget execution:

The Company did not prepare public financial estimates for 2024.

(III) Financial income and expenditure and profitability analysis:

1. Financial income and expenditure:

In 2024, the consolidated net cash outflow from operating activities was NT\$65,595 thousand, the net cash inflow from investing activities was NT\$50,195 thousand, and the net cash inflow from financing activities was NT\$104,427 thousand. After accounting for the impact of exchange rate changes on cash and cash equivalents, which was NT\$574 thousand, the net cash inflow for the period amounted to NT\$89,601 thousand. The primary use of funds was the allocation of financing through bank loans for operational and investment activities.

2. Profitability analysis:

Item		2024	2023
Profitability	Return on assets (%)	0.69%	0.77%
	Return on equity (%)	0.05%	0.24%
	Ratio of operating income to paid-in capital (%)	(0.49)%	(9.57)%
	Ratio of income before tax to paid-in capital (%)	0.03%	7.73%
	Net profit margin (%)	0.09%	0.46%
	Earnings per share	(0.01)	0.06

(IV) Research and development:

1. We will continue to work with customers to address various production technology and capacity bottleneck issues, and we will collaborate with them on the future direction of product development to find the corresponding and optimal PCB drilling solutions.
2. In conjunction with material and process technologies, we will continue to develop a series of products, including drill bits, milling cutters, and special tool coatings. Additionally, we are developing new products for ABF substrates, automotive electronics, low Earth orbit satellites, and AI servers.

II. Overview of Business Plan for 2025

(I) Strategy and Key Policies:

1. Continuously invest in niche product development and actively expand the market share of drill bits.
2. Precisely control production costs to strengthen cost competitiveness and deepen strategic cooperation with key suppliers.
3. Flexibly allocate equipment and production area configurations to enhance nearby service efficiency and meet customers' one-stop needs.

4. Actively implement ESG-related standards to ensure compliance with regulations and fulfill corporate social responsibility.

(II) Expected Sales Volume and Basis:

Looking ahead to 2025, global cloud service providers are continuing to increase capital expenditures, and countries are actively building sovereign AI. It is expected that demand for AI servers and AI Edge applications will continue to grow, driving the demand for high-end HDI boards. The low Earth orbit satellite market is optimistic, as the launch costs continue to decrease. However, changes in U.S. policies remain a major uncertainty, and adjustments to tariffs and electric vehicle policies may impact global inflation trends and overall market momentum.

The company expects a 20% to 30% growth in drill bit tool sales in 2025, with contract manufacturing services expected to grow by 30% to 50% based on a high comparison base in 2024. The shipment volume of various board materials will maintain a high sales level.

(III) Key Production and Sales Policies:

Diversified operations, integrating upstream, midstream, and downstream raw materials, consumables, and contract manufacturing services:AsdfaOptimize production and sales scheduling for full production and sales; shorten production cycles to meet customers' urgent needs.

1. Optimize production and sales scheduling for full production and sales; shorten production cycles to meet customers' urgent needs.
2. Develop high-tech products to enhance product advantages.
3. Actively explore and seek cooperation to create opportunities..

III. Future Company Development Strategy

According to the "World Economic Outlook" report by the International Monetary Fund (The International Monetary Fund (IMF) released the World Economic Outlook in January 2025, forecasting global economic growth rates of 3.3% for 2025 and 2026, slightly lower than the past average of 3.7%. Inflation is expected to decrease to 4.2% and 3.5%, with developed countries expected to return to target levels more quickly. The report also highlighted that uncertainties around trade policies and geopolitical risks remain significant, suggesting that countries should strike a balance between controlling inflation and stabilizing growth, while promoting structural reforms to enhance medium-term growth potential. Looking ahead to 2025, shipments of major end products are expected to show slight growth, though there is no significant recovery in demand. A review of the development trends of various product types, including advanced packaging and AI servers, will be key drivers influencing global PCB output value. As such, our company will focus

on future product demand, continuously investing in R&D efforts to enhance product competitiveness.

IV. Impact of External Competitive, Regulatory, and Macroeconomic Environments

Our company will continue to deepen its presence in Taiwan, maintain stable operations in Mainland China, and actively expand into Southeast Asia. Through efficient cost control, we will strengthen our R&D capabilities to maintain product competitiveness. At the same time, we will fulfill our corporate social responsibility by actively promoting ESG initiatives, ensuring compliance with regulations, and advancing toward sustainable development goals to create stable and outstanding business results for all shareholders.

We sincerely thank all shareholders for their long-term support and encouragement. The management team will continue to act with firm conviction and practical actions, striving for better performance to reward our shareholders.

Key Ware Electronics Co., Ltd.

Chairman: Chow, Pong-Chi

President: Chu, Tsung-Wei

Accounting Manager: Lee, Yun-Ting

Chapter 2 Corporate Governance Report

I. Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units :

(I) Information of directors: 1. Information of directors-1

Aril 21, 2025

Title	Nationality/ Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note 1)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Chairman	R.O.C.	Jia Ju Investment Co., Ltd.	-	2024.06.21	3 years	2000.03.30	11,169,353	5.80	11,169,353	5.80	-	-	-	-	-	Director, Savior Lifetec Corporation	-	-	-	None
Chairman	R.O.C.	Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	Male 71-80	2024.06.21	3 years	2000.03.30	-	-	4,603,714	2.39	873,074	0.45	-	-	M.B.A., School of Business, Columbia University Chairman, Concord Financial Co., Ltd.	Chairman (Legal Representative), Key Ware Electronics Co., Ltd. Chairman (Legal Representative), Concord Financial Co., Ltd. Chairman (Legal Representative), Silicon Motion Technology Corp. Chairman (Legal Representative), Qbic Technology Co., Ltd. Director, Ruize Biotechnology Co., Ltd. Chairman (Legal Representative), Laserware Laser Technology Co., Ltd.	Corporate Director Representative	Chow, Chia-Chu	Father and Son	None
Director	R.O.C.	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	Male 41-50	2024.06.21	3 years	2017.06.16	-	-	-	-	-	-	-	-	M.B.A., College of Management, National Taiwan University, B.S., College of Business, New York University	Vice President, Investment Department, Concord Financial Co., Ltd. Director (Legal Representative), Key De Precise Industries Co., Ltd. Vice President, Savior Lifetec Corporation Director (Legal Representative), Qbic Technology Co., Ltd. Chairman, Director, Ruize Biotechnology Co., Ltd. Great Harvest Construction Co., Ltd. Director (Legal Representative), Huanpin Construction Co., Ltd. Director (Legal Representative), Laserware Laser Technology Co., Ltd.	Corporate Director Representative	Chow, Pong-Chi	Father and Son	None
Director	R.O.C.	Concord Financial Co., Ltd.	-	2024.06.21	3 years	2012.06.13	6,347,063	3.30	6,347,063	3.30	-	-	-	-	-	-	-	-	-	None
Director	R.O.C.	Concord Financial Co., Ltd. Representative: Chao, Yuan-Chi	Male 71-80	2024.06.21	3 years	2006.05.16	-	-	1,586,055	0.82	3,654,068	1.90	-	-	M.B.A. in Finance, New York University President, First Financial Holding Co., Ltd. Independent Director, Taipei Fubon Commercial Bank Co., Ltd.	Chairman, Concord Asia Finance Ltd. Independent Director, Mercuries & Associates Holding, Ltd. Independent Director, Primasia Securities Co., Ltd.	None	None	None	None
Director	R.O.C.	Concord Financial Co., Ltd. Representative: Li, Hsiang-Yun	Female 51-60	2024.06.21	3 years	2006.05.16	-	-	-	-	-	-	-	-	M.S. in Accounting, University of Houston Auditor, Deloitte Taiwan Vice President, Concord Financial Co., Ltd.	Vice President, Concord Financial Co., Ltd. Director, Walkgame Corporation Director (Legal Representative), Qbic Technology Co., Ltd. Representative of Chairman (Legal Representative), Savior Lifetec Corporation Chairman (Legal Representative), Sjeng Dany Enterprise Co., Ltd. Director (Legal Representative), Concord Financial Co., Ltd. Chairman, Ruize Biotechnology Co., Ltd. Supervisor (Legal Representative), SLC BioPharm Co., Ltd. Independent Director, Dynapack International Technology Corp. Chairman (Legal Representative), Pengrui Construction Co., Ltd.	None	None	None	None
Director	R.O.C.	Concord Consulting Inc.	-	2024.06.21	3 years	2006.05.16	7,734,118	4.02	7,734,118	4.02	-	-	-	-	-	Chairman, Savior Lifetec Corporation Director, Qbic Technology Co., Ltd. Director, Han Yu Entrepreneurship Investment Co., Ltd.	-	-	-	None
Director	R.O.C.	Concord Consulting Inc. Representative: Cheng, Chung	Male 61-70	2024.06.21	3 years	2012.06.13	-	-	-	-	-	-	-	-	M.S. in Computer Science and Electrical Engineering, University of California, USA Master of Business Administration, Santa Clara University, USA B.S., Department of Electron Physics, National Chiao Tung University	Chairman, China Real Estate Management Co., Ltd. Chairman, China Development Asset Management Corporation Director, Chien Kuo Construction Co., Ltd. Chairman, Kang Ning Industrial Co., Ltd. Director, Vivasolis Biotechnology Co., Ltd.	None	None	None	None
Director	R.O.C.	Concord Consulting Inc. Representative: Chu, Tsung-Wei	Male 51-60	2024.06.21	3 years	2012.06.13	-	-	228,019	0.12	-	-	-	-	Feng Chia University, Department of Accounting Manager, Administration Department, Asia Sunrise Company	President, Key Ware Electronics Co., Ltd. President, Kunshan Laserware Laser Technology Co., Ltd. President, Wuhan Laserware Laser Technology Co., Ltd. President, Shenzhen Laserware Laser Technology Co., Ltd.	-	-	-	None

Note 1: If the Chairman and President or equivalent positions (the highest managerial positions) are held by the same individual, are spouses, or are first-degree relatives, the reasons, rationale, necessity, and corresponding measures should be explained: There is no such situation.

Title	Nationality/Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Independent Director	R.O.C.	Lin, Tsung-Tan	Male 61-70	2024.06.21	3 years	2015.06.17	-	-	-	-	-	-	-	-	Master of Business Administration, Santa Clara University, USA Master of Science in Electrical Engineering, University of Florida, USA Vice Chairman, Concord Financial Co., Ltd.	Executive Director, PineBridge International Asset Management Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Hsieh, Han-Ping	Male 71-80	2024.06.21	3 years	2018.06.13	-	-	-	-	-	-	-	-	Doctor of Electrical and Computer Engineering, Carnegie Mellon University, USA Vice President, National Chiao Tung University Dean, School of Electrical Engineering Lifetime Chair Professor, National Yang Ming Chiao Tung University	Director (Legal Representative), FocalTech Systems Co., Ltd. Externa Director, Silicon Motion Technology Corp. Independent Director, Dynapack International Technology Corporation Director, Coretronic Corporation	-	-	-	None
Independent Director	R.O.C.	Cheng, Wen-Chung	Male 61-70	2024.06.21	3 years	2018.06.13	-	-	-	-	-	-	-	-	Doctor of Electrical Computing, Carnegie Mellon University, USA Professor, Department of Electrical Engineering, National Chiao Tung University	Professor, Department of Information Engineering, Asia University Independent Director, Promise Technology, Inc.	-	-	-	None

2. Major Shareholders of Corporate Shareholders

April 21, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
Jia Ju Investment Co., Ltd.	D.J. AMC Inc. Shareholding ratio: 95.24%
Concord Consulting Inc.	Norwich Finance Corp. Shareholding ratio: 100%
Concord Financial Co., Ltd.	BVI Shang Hua You Financial Management Co. Shareholding ratio: 99.99%

3. Major Shareholders of the Company's Major Corporate Shareholders

April 21, 2025

Name of Institutional Shareholder	Major Shareholder
D.J. AMC Inc.	Shareholding held by Blissmore Holdings Limited: 100%
Norwich Finance Corp.	Shareholding held by Walpac Inc.: 30% Shareholding held by Chow, Pong-Chi: 30% Shareholding held by Liu, Lien-Chun: 10% Shareholding held by First Trophy International Limited: 10% Shareholding held by Lee, Shu-Juan: 8% Shareholding held by Chiao, Tzu-Yi: 7% Shareholding held by Lee, Hsiang-Yun: 5%
BVI Shang Hua You Financial Management Co.	Shareholding ratio held by D.J. AMC Inc.: 41% Shareholding held by Lee, Shu-Juan: 19% Shareholding held by Liu, Fen-Jo: 19% Shareholding held by Yu, Hui-Yi: 3% Shareholding held by Kathmund Limited: 10% Shareholding held by First Trophy International Limited: 8%

4. Information on Directors -2

(1) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualifications Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chairman/ Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	Having work experience in commerce and finance. He served as the Chairman of the Company, Chairman of Concord Financial Co., Ltd., Chairman of Silicon Motion Technology Corporation Not under any of the categories stated in Article 30 of the Company Act.	-	0
Director/ Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	Having work experience in commerce and finance. He served as a director of the the Company, Vice President of Investment Department of Concord Financial Co., Ltd., Assistant Manager of Savior Lifetec Corporation. Not under any of the categories stated in Article 30 of the Company Act.	-	0
Director/ Concord Financial Co., Ltd. Representative: Chao, Yuan-Chi	Having work experience in commerce, finance and banking. He served as a director of the Company, President of First Financial Holdings Co., Ltd., and Independent Director of Taipei Fubon Commercial Bank, Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	-	2
Director/ Concord Financial Co., Ltd. Representative: Li, Hsiang-Yun	Having work experience in commerce and finance. She served as a director of the Company, Vice President of Concord Financial Co., Ltd., Chairman of Savior Lifetec Corporation. Not under any of the categories stated in Article 30 of the Company Act.	-	1
Director/ Concord Consulting Inc. Representative: Cheng, Chung	Having work experience in commerce. He served as a director of the Company, the Chairman of the Board of Directors of China Real Estate Management Co., Ltd., and Chairman of the China Development Asset Management Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	-	0
Director/ Concord Consulting Inc. Representative: Chu, Tsung-Wei	Having work experience in commerce and corporate business. He served as a director of the Company, President of Key Ware Electronics Co., Ltd., and President of Kunshan Laserware Laser Technology Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	-	0

<p>Independent Director/ Lin, Tsung-Tan</p>	<p>Having work experience in commerce and finance He served as an Independent Director of the Company, Executive Director of PineBridge International Asset Management Co., Ltd., and Vice Chairman of Concord Financial Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act</p>	<p>Is an independent director, in compliance with the criteria for independence: not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives: not holding shares of the Company; not a director, supervisor, or employee of the Company's affiliates; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.</p>	<p>0</p>
<p>Independent Director/ Hsieh, Han-Ping</p>	<p>Having work experience as a professor in national university related to the corporate business He served as an independent director of the Company, Dean of the School of Electrical Engineering, Vice President of National Yang Ming Chiao Tung University, and Lifetime Chair Professor of National Yang Ming Chiao Tung University. Not under any of the categories stated in Article 30 of the Company Act</p>	<p>Is an independent director, in compliance with the criteria for independence: not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives: not holding shares of the Company; not a director, supervisor, or employee of the Company's affiliates; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.</p>	<p>1</p>
<p>Independent Director/ Cheng, Wen-Chung</p>	<p>Having work experience as a professor in national and private university related to the corporate business. He served as an Independent Director of the Company, Professor of the Department of Electrical Engineering of National Yang Ming Chiao Tung University, and Head of Department of Information Engineering of Asia University. Not under any of the categories stated in Article 30 of the Company Act</p>	<p>Is an independent director, in compliance with the criteria for independence: not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives: not holding shares of the Company; not a director, supervisor, or employee of the Company's affiliates; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.</p>	<p>1</p>

5. Board Diversity and Independence

(1) Board Diversity

To achieve sustainable and balanced development and to enhance the diversity of the Board of Directors, the company considers multiple aspects when determining the composition of its board members. These aspects include, but are not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. All board appointments are based on the principle of meritocracy, with objective criteria applied to ensure the importance of board diversity is fully taken into account.

Areas of Board Diversity:

Title	Name	Basic Composition							Diversification Field											
		Nationality	Gender	Currently holds a dual role as a company employee	Age			Seniority of Independent Director			Operational Judgement	Accounting and Finance	Business Management	Crisis Management	Industry Knowledge	Perspective	International Market	Leadership	Decision Making	
					30 - 50 years old	50 - 70 years	Over 70 years	Less than 3 years	3 - 9 years	Over 9 years										
Director	Chow, Pong-Chi	R.O.C.	Male			V				V	V	V	V	V	V	V	V	V	V	
	Chow, Chia-Chu		Male		V					V	V	V	V	V	V	V	V	V	V	V
	Chao, Yuan-Chi		Male			V				V	V	V	V	V	V	V	V	V	V	V
	Li, Hsiang-Yun		Female		V					V	V	V	V	V	V	V	V	V	V	V
	Cheng, Chung		Male		V					V		V	V	V	V	V	V	V	V	V
	Chu, Tsung-Wei		Male	V		V					V	V	V	V	V	V	V	V	V	V
Independent Director	Lin, Tsung-Tan			Male		V				V		V	V	V	V	V	V	V	V	V
	Hsieh, Han-Ping			Male			V			V		V	V	V	V	V	V	V	V	V
	Cheng, Wen-Chung			Male		V				V		V	V	V	V	V	V	V	V	V

(2) Independence of the Board of Directors:

There are 6 directors and 3 independent directors in the 10th session of the Board of Directors, with 33.33% independent directors; 1 director who is an employee of the Company (11.11%); 1 female director (11.11%); and 2 directors who are related to each other within the second degree of kinship, and there are no matters specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(3) Reasons for Not Meeting the One-Third Gender Representation Requirement on the Board and Measures to Enhance Gender Diversity:

A. Explanation:

According to the company's Articles of Incorporation, the Board consists of nine seats—eight male directors and one female director. Although this complies with relevant regulations, the proportion of female directors still falls short of one-third. This is primarily due to the characteristics of the industry, where it is challenging to identify suitable candidates within a short timeframe.

B. Measures Taken:

The current directors were elected at the shareholders' meeting on June 21, 2024. Before the next board re-election, the company will proactively seek talent recommendations through industry and academic channels to enhance corporate governance effectiveness and implement the board diversity policy.

(II) Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units :

April 23, 2024; Unit: Share

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relationship	
Acting President	R.O.C	Chu, Tsung-Wei	Male	2023.06	228,019	0.12	-	-	-	-	Feng Chia University, Department of Accounting Manager, Administration Department, Asia Sunrise Company	President, Key Ware Electronics Co., Ltd. President, Kunshan Laserware Laser Technology Co., Ltd. President, Wuhan Laserware Laser Technology Co., Ltd. President, Shenzhen Laserware Laser Technology Co., Ltd.	None	None	None	None
President for the China Region	R.O.C	Wang Zhi-Wei	Male	2023.12	-	-	-	-	-	-	National Taiwan University of Culture, Department of Chemical Engineering President, Huizhou Sanqiang Circuit Co., Ltd.	None	None	None	None	None
Special Assistant to President's Office	R.O.C.	Chen, Po-Ying	Male	2016.01	99,770	0.05	-	-	-	-	Institute of Electrical and Mechanical Research, National Sun Yat-sen University Sales Director, Wellink Technology Co., Ltd.	President, Kunshan Key Ware Electronics Co., Ltd. Chairman and President, Key De Precise Industries Co., Ltd.	None	None	None	None
Vice President of Sales	R.O.C.	Kang, Po-Yao	Male	2021.11	-	-	-	-	-	-	Department of Marine Engineering, Taipei University of Marine Technology Director of Sales and Marketing, Greater China, Taiwan Union Tool Corp.	Kunshan Key Ware Electronics Co., Ltd. Vice President of Sales	None	None	None	None

											Special Assistant to President, Topoint Technology Co. Ltd.					
Chief Financial Officer	R.O.C.	Li, Yung-Ting	Female	2021.11	13,253	0.01	-	-	-	-	Department of Accounting, Chung Yuan Christian University Associate, PricewaterhouseCoopers Taiwan	None	None	None	None	None
Assistant Manager	R.O.C.	Chien, Ju-Hung	Male	2016.01	2,946	0.00	-	-	-	-	Department of Industrial Management, Vanung University Manager, Key Ware Electronics Co., Ltd.	None	None	None	None	None
Assistant Manager	R.O.C.	Chen, Liang-Chi	Male	2021.11	-	-	-	-	-	-	Department of Mechanical Engineering, Taipei Institute of Technology Vice President, Shin Feng Li Enterprise Co., Ltd.	None	None	None	None	None

(III) Remuneration to Directors, President, and Vice Presidents for the Most Recent Year

1. Remuneration to Directors (Including Independent Directors)

(1) Remuneration to Ordinary Directors and Independent Directors

Unit: NT\$ thousand/ %

Title	Name	Remuneration to directors				Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee				Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		Base compensation (A)	Retirement pay and pension (B)	Director compensation (C)	Expenses and perquisites (D)	The Company	All Companies in Consolidated Financial Statements	Salary, rewards, and special disbursements (E)	Retirement pay and pension (F)	Employee compensation (G)		The Company	All Companies in Consolidated Financial Statements		
										The Company	All Companies in Consolidated Financial Statements				Amount in cash

Chairman	Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Director	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Director	Concord Financial Co., Ltd. Representative: Chao, Yuan-Chi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Director	Concord Financial Co., Ltd. Representative: Li, Hsiang-Yun	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Director	Concord Consulting Inc. Ltd./Representative: Cheng, Chung	240	240	-	-	-	-	-	-	240 (16.24)	240 (16.24)	-	-	-	-	-	-	-	-	240 (16.24)	240 (16.24)	None
Director	Concord Consulting Inc. Ltd./Representative: Hsu, Wei-Chieh (Note2)	-	-	-	-	-	-	-	-	-	-	1,772	2,309	108	108	-	-	-	-	1,880 (127.27)	2,417 (163.61)	None
Independent Director	Lin, Tsung-Tan	240	240	-	-	-	-	-	-	240 (16.24)	240 (16.24)	-	-	-	-	-	-	-	-	240 (16.24)	240 (16.24)	None
Independent Director	Hsieh, Han-Ping	240	240	-	-	-	-	-	-	240 (16.24)	240 (16.24)	-	-	-	-	-	-	-	-	240 (16.24)	240 (16.24)	None
Independent Director	Cheng, Wen-Chung	240	240	-	-	-	-	-	-	240 (16.24)	240 (16.24)	-	-	-	-	-	-	-	-	240 (16.24)	240 (16.24)	None

1. Independent Directors' Compensation Policy, System, Standards, and Structure, and the Relationship Between Compensation and Factors Such as Responsibilities, Risk, and Time Commitment:
The compensation for the Company's directors is paid in fixed amounts on a regular basis. The compensation is not linked to the Company's profit or loss after tax.

2. Aside from the disclosures in the above table, in the most recent fiscal year, no director of the company received any compensation for providing services (such as serving as a consultant for the parent company, any entity included in the financial statements, or non-employee roles in investee companies) to any entity included in the financial statements.

Note: It was resolved by the Board of Directors on March 7, 2025, not to distribute employee compensation and director remuneration for the year 2024. This will be reported at the 2025 Annual General Shareholders' Meeting.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities H	The Company	All consolidated entities I
Less than NT\$1,000,000	Concord Consulting Inc. Ltd./Representative: Cheng, Chung, Lin, Tsun-Tan, Hsieh, Han-Ping, Cheng, Wen-Chung	Concord Consulting Inc. Ltd./Representative: Cheng, Chung, Lin, Tsun-Tan, Hsieh, Han-Ping, Cheng, Wen-Chung	Concord Consulting Inc. Ltd./Representative: Cheng, Chung, Lin, Tsun-Tan, Hsieh, Han-Ping, Cheng, Wen-Chung	Concord Consulting Inc. Ltd./Representative: Cheng, Chung, Lin, Tsun-Tan, Hsieh, Han-Ping, Cheng, Wen-Chung
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	-	-	Concord Consulting Inc. Ltd./Representative: Chu, Tsung-Wei	-
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)	-	-	-	Concord Consulting Inc. Ltd./Representative: Chu, Tsung-Wei
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	-	-	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	-	-	-	-
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	-	-	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	-	-	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	4	4	5	5

Note 1: Hsu, Wei-Chieh, the legal representative and concurrently President of Concord Venture Capital Group, passed away in June 2023.

(2) Remuneration to Supervisors

Not applicable (The Company has established the Audit Committee).

2. Remuneration President(s) and Vice President(s)

(1) Remuneration to President, and Vice Presidents

Unit: NT\$ thousand/ %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Acting President	Chu, Tsung-Wei	3,374	6,564	216	216	277	440	0	0	0	0	3,867 (261.76)	7,220 (488.64)	None
President for the China Region	Wang Zhi-Wei													
Vice President of Sales	Kang, Po-Yao													

Note 1: It was resolved by the Board of Directors on March 7, 2025, not to distribute employee compensation and director remuneration for the year 2024. This will be reported at the 2025 Annual General Shareholders' Meeting.

Note 2: The actual payment of retirement benefits for the fiscal year 2024 amounted to NT\$0, with provisions and allocations for retirement benefits totaling NT\$216 thousand.

Range of Remuneration

Range of Remuneration Paid to the President and Vice Presidents	Name of President and Vice President	
	The Company	All consolidated entities E
Less than NT\$1,000,000	-	-
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	Chu, Tsung-Wei, Kang, Po-Yao	Kang, Po-Yao
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)	-	Chu, Tsung-Wei, Wang, Zhi-Wei
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	-	-
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	-	-
Over NT\$100,000,000	-	-
Total	2	3

(2) Remuneration to the Five Highest Remunerated Management Personnel

Unit: NT\$ thousand; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries	
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements		
								Amount in cash	Amount in stock	Amount in cash	Amount in stock				
President for the China Region	Wang, Zhi-Wei	-	2,712	-	-	-	103	-	-	-	-	-	0.00	2,815 (190.53)	None
Acting President	Chu, Tsung-Wei	1,574	2,052	108	108	198	258	-	-	-	-	-	1,880 (127.27)	2,417 (163.61), 616 (2,616.61)	
Special Assistant to President's Office	Chen, Po-Ying	1,440	1,787	87	87	180	180	-	-	-	-	-	1,707 (115.54)	2,054 (139.04)	None
Vice President of Sales	Kang, Po-Yao	1,800	1,800	108	108	79	79	-	-	-	-	-	1,987 (134.50)	1,987 (134.50)	None
Finance Manager	Li, Yun-Ting	1,258	1,258	76	76	250	250	-	-	-	-	-	1,584 (107.18)	1,584 (107.18)	None

(3) Names of Managers Receiving Employee Compensation and Details of the Distribution:

None

(IV) Analysis of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only Financial Statements, Paid by the Company and All Companies in Consolidated Financial Statements during the Past 2 Fiscal Years to the Directors, President, and Vice Presidents, Along with Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure

Unit: NT\$ thousands

Payment recipient	The Company		All companies included in the consolidated financial statements	
	2024	2023	2024	2023
Total remuneration to the Directors, President, and Vice Presidents	4,828	9,738	8,180	11,121
The proportion of the total amount paid to the after-tax net income of the individual financial report (%)	(326.74)	82.16	(553.61)	93.83

The policy, standards, and composition of remuneration, the procedure for setting remuneration, and the correlation with operational performance and future risks are as follows:

1. Remuneration for directors, presidents, and deputy presidents of the company are paid by the company group, including director remuneration such as fees and profit distribution.
2. Regarding director remuneration for profit distribution, it is handled in accordance with Article 31 of the company's articles of association. If the company has profits in its annual financial statements, it shall first pay taxes and donations, offset losses, and then set aside 10% of the remaining balance as legal surplus reserves. However, if the legal surplus reserves reach the company's capital amount, they may be exempted from further provision. After making provisions for special reserves or reversing special reserves according to the law, if there are still profits, along with undistributed profits from the beginning of the period, the board of directors shall propose a profit distribution proposal, which shall be submitted to the shareholders' meeting for resolution. If the company makes a profit in the fiscal year, it shall allocate 1% to 10% for employee compensation and no more than 1% for director remuneration, which shall be distributed in the form of stocks or cash as determined by the board of directors; the distribution plan for employee compensation and director remuneration shall be reported to the shareholders' meeting. However, when the company still has accumulated losses, an amount for offsetting the losses shall be reserved first, and then employee compensation and director remuneration shall be allocated in accordance with the above proportions. Director remuneration determined by the shareholders' meeting shall be further distributed according to the number of director positions and the average tenure of the directors.
3. The compensation for the President and Vice President, which includes salary, bonuses, and employee compensation, is determined based on the positions held, the responsibilities assumed, and benchmarked against the standards for similar positions in the industry.

II. Implementation of Corporate Governance

(I) Operation of the Board of Directors

1. A total of 7 (A) board meetings were held in the most recent year. The attendance of the directors is as follows :

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) [B/A]	Remarks
Chairman	Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	7	0	100%	Re-elected on June 21, 2024
Director	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	6	0	85.71%	Re-elected on June 21, 2024
Director	Concord Financial Co., Ltd. Representative: Chao, Yuan-Chi	6	1	85.71%	Re-elected on June 21, 2024
Director	Concord Financial Co., Ltd. Representative: Li, Hsiang-Yun	7	0	100%	Re-elected on June 21, 2024
Director	Concord Consulting Inc. Representative: Cheng, Chung	7	0	100%	Re-elected on June 21, 2024
Director	Concord Consulting Inc. Representative: Chu, Tsung-Wei (Note)	4	0	100%	Re-elected on June 21, 2024
Independent Director	Lin, Tsung-Tan	6	1	85.71%	Re-elected on June 21, 2024
Independent Director	Hsieh, Han-Ping	5	1	71.43%	Re-elected on June 21, 2024
Independent Director	Cheng, Wen-Chung	6	0	85.71%	Re-elected on June 21, 2024

Note: The representative of the corporate director, Concord Consulting Inc., Chu, Tsung-Wei, was newly appointed on June 21, 2024, and is required to attend 4 board meetings.

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors: None. (Please refer to pages 30-31: Major Resolutions of the Board of Directors)

(I) Any matter under Article 14-3 of the Securities and Exchange Act.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: None.

III. Information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete the table of Implementation of Evaluations of the Board of Directors.

Evaluation cycle	Once a year
Evaluation period	2024.01.01~2024.12.31
Scope of evaluation	Performance evaluation of the entire Board of Directors, individual Board members and functional committees (including Audit Committee and Remuneration Committee)
Method	Self-evaluation of the entire Board of Directors, individual Board members and functional committees (including Audit Committee and Remuneration Committee)
Content	Evaluation of the performance of the board: Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control. Evaluation of the performance of Board member: Alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. Evaluation of the performance of functional committee: Participation in the operation of the company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.

Evaluation result	The evaluation results indicate that the overall performance of the board of directors and functional committees is satisfactory. In the fiscal year 2025, efforts will continue to be made to coordinate meeting dates and allow attendance via video conferencing to enhance the attendance rates of directors at board meetings and shareholders' meetings.
Date of submission to the Board of Directors	2025.03.07

IV. Evaluation of the current and most recent year's objectives for strengthening the Board of Directors' functions (e.g., establishing the Audit Committee, enhancing information transparency, etc.) and their implementation:

- (I) The Company established the Remuneration Committee in December 2011 and the Audit Committee in June 2018.
- (II) In addition to setting up three Independent Directors, the Company has adopted the "Rules of Procedure for Board of Directors Meetings" and the "Code of Ethical Conduct for Directors and Managerial Personnel" as the basis for the implementation of the Board of Directors Meeting to enhance the operational efficiency and decision-making ability of the Board of Directors. In addition, all directors actively attend the board meetings to discuss and provide opinions on major decisions of the Company, and report the attendance of directors at board meetings and major resolutions of the board meetings on the Market Observation Post System.

To enhance the transparency of information, the Company has set up a corporate website to facilitate shareholders' access to various corporate information.

(II) Operation of the Audit Committee or Supervisors' Participation in the Board of Directors:

1. Operation of the Audit Committee:

A total of 4 (A) meetings of the Audit Committee were held in the most recent year. The attendance of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note)	Remark
Convener	Lin, Tsung-Tan	3	1	75%	Re-elected on July 21, 2024
Committee Member	Hsieh, Han-Ping	3	1	75%	Re-elected on July 21, 2024
Committee Member	Cheng, Wen-Chung	4	0	100%	Re-elected on July 21, 2024

Other information required to be disclosed:

- I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
 - (I) Any matter under Article 14-5 of the Securities and Exchange Act.: (Please refer to pages 30-31: Major Resolutions of the Board of Directors)
 - (II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.
- II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: None.
- III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.):
 - (I) The Chief Internal Auditor of the Company regularly participates in the quarterly audit committee meetings to report and discuss the audit matters with the independent directors, and the current communication status is good.

The Company's independent directors and CPAs conduct critical audit reports at least once a year, and the communication status is good.

2. The major matters considered by the Audit Committee include:

- (1) Formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assess the validity of internal control system.
- (3) Establish or amend the process for acquisition or disposal of assets, the trading of derivatives, lending of loans to others, provision of guarantee/endorsement to others, and other material financial business activities in accordance to Article 36-1 regulations.
- (4) Responsible for items relating to interests of directors.
- (5) Responsible for items related to trading of assets or derivative products.
- (6) Responsible for material loaning of funds, and provision of endorsements/guarantees.
- (7) Responsible for fundraising or issuing or private placement of equity-based securities.
- (8) Responsible for appointment, dismissal, and compensation of CPAs.
- (9) Responsible for appointment or dismissal of a finance officer, accounting officer, or chief internal auditor.
- (10) Annual financial statements and semi-annual financial statements.
- (11) Other material information stipulated by the Company or competent authorities

3. Major Resolutions of the Audit Committee for the most recent year and up to the date of publication of the Annual Report:

Date of major resolutions	Proposal content and subsequent response	Resolution result	The Company's Response
March 8, 2024 / 2-11	1. The Company's 2023 Financial Statement. 2. The Company's accounts receivable exceeding the normal credit term by three months and of significant amount for the 4th quarter of 2023, which are proposed not to be treated as fund lending transactions. 3. The Company's regular evaluation of the independence and competence of the certified public accountants. 4. The Company's 2023 Earnings Distribution Proposal. 5. The Company's proposal to distribute employee compensation and director remuneration for the year 2023. 6. The Company's issuance of the 2023 Internal Control System Statement. 7. The non-assurance services provided by KPMG Taiwan Certified Public Accountants for 2023.	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present
May 5, 2024 / 2-12	1. The Company's 2024 Q1 consolidated financial statements. 2. The Company's accounts receivable exceeding the normal credit term by three months and of significant amount for the 2024 Q1, which are proposed not to be treated as fund lending transactions. 3. The Company's issuance of new shares through the conversion of employee stock warrants and the establishment of the capital increase record date.	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present
August 2, 2024 / 3-1	1. The Company's 2024 Q2 consolidated financial statements. 2. The Company's accounts receivable exceeding the normal credit term by three months and of significant amount for the 2024 Q2, which are proposed not to be treated as fund lending transactions. 3. The Company's proposed revision of the "Internal Control System - Investment Cycle."	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present
November 8, 2024 / 3-2	1. The Company's 2024 Q3 consolidated financial statements. 2. The Company's accounts receivable exceeding the normal credit term by three months and of significant amount for the	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present

	<p>2024 Q3, which are proposed not to be treated as fund lending transactions.</p> <p>3. The proposed change of the Company’s certified public accountant due to the internal rotation within the accounting firm.</p> <p>4. The Company’s issuance of new shares through the conversion of employee stock warrants and the establishment of the capital increase record date.</p> <p>5. The proposed revisions to the Company’s “Internal Control System - Management Cycle,” “Internal Audit Implementation Rules,” “Sustainability Committee Organization Regulations,” and “Sustainability Report Preparation and Assurance Procedures.”</p>		
March 7, 2025 / 3-3	<p>1. The Company’s 2024 financial statements.</p> <p>2. The Company’s accounts receivable exceeding the normal credit term by three months and of significant amount for the 2024 Q4, which are proposed not to be treated as fund lending transactions.</p> <p>3. The Company’s regular evaluation of the independence and competence of the certified public accountant.</p> <p>4. The Company’s 2024 earnings distribution table.</p> <p>5. The Company’s proposal to distribute cash from capital surplus.</p> <p>6. The proposed non-assurance services provided by KPMG, the certified public accountant firm, for 2025.</p> <p>7. The Company’s issuance of the 2024 internal control system declaration.</p> <p>8. The proposed revisions to certain articles of the Company’s Articles of Incorporation.</p>	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present

4.Attendance by the Supervisors at Board of Directors Meetings:
Not applicable (The Company has established the Audit Committee).

(III) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established a "Corporate Governance Best-practice Principles" in 2022, which is disclosed on the Market Observation Post System and the Company's website.	No deviation.
II. Shareholding Structure and Shareholders' Rights				No deviation.
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) The Company has established "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" to regulate the relevant handling procedures, and has a spokesperson, an acting spokesperson and a dedicated person to handle related matters.	
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) The relevant matters are handled by a professional stock affairs agency with professional stock affairs specialist who have good relations with the major shareholders, are in contact with them and are in control at all times.	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) The Company has established "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" and implements risk control and firewall mechanisms with its affiliates in accordance with the regulations.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The Company has established the "Code of Ethical Conduct for Directors and Managers", "Ethical Corporate Management Best Practice Principles" and "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" to strictly prohibit relevant personnel from engaging in insider trading by using undisclosed information known to them and from disclosing such information to others to prevent others from using such information to engage in insider trading.	
III. Composition and responsibilities of the board of directors				No significant deviation, and we will follow the development needs of the Company and the laws and regulations in the future.
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(I) The Company has established the " Diversity Policy of the Board of Directors" and is composed of nine directors with outstanding backgrounds and experience in the professional, financial, and academic fields, and the Board of Directors is responsible for overseeing the overall operations and affairs of the Company.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	(II) The Company is in the process of research.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(III) The Company has established the " Performance Evaluation Method of the Board of Directors" in 2020, and the scope of evaluation is as follows: 1. Performance evaluation of the board of directors as a whole, 2. Performance evaluation of individual board members, and 3. Performance evaluation of functional committees. Performance evaluation is conducted annually and periodically. The results of the 2022 evaluation, which were reported to the Board of Directors on February 24, 2023, are good for the overall performance of the Board of Directors and will be used as reference for individual director's remuneration and nomination for reappointment.	
(IV) Does the Company regularly evaluate its external auditors' independence?	V		(IV) The Company obtains the " CPAs' Independence Statement" issued by the certifying CPA firm on an annual basis and confirms that the certifying CPA does not hold any shares of the Company and does not hold any position as a disinterested party of the Company. We have no other financial interests or business relationships. We also evaluate the independence and appropriateness of the certified public accountants with reference to the Audit Quality Indicators (AQI), and then submit the evaluation results to the Audit Committee and the Board of Directors for discussion. Up to date, no breach of independence has been identified.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The President's Office and the personnel of the Stock Affairs Division are responsible for matters related to corporate governance of the Company.	No deviation.
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has established a spokesperson system to handle related matters, and a message section has been set up on the Company's website to provide a channel for communication with interested parties.	No deviation.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The relevant matters are handled by a professional shareholder services agent: The Company has appointed "Stock Agency Unit of Horizon Securities Co., Ltd.", and the relevant matters are handled by professional stock affairs personnel.	No deviation.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure,	V V		(I) The Company's website is www.key-ware.com.tw , where financial operations and corporate governance information are disclosed, and the link to the Market Observation Post System is available. (II) The Company has appointed dedicated personnel to collect and disclose corporate information, and has established a spokesperson system to ensure that information that may affect shareholders' and stakeholders' decisions is disclosed promptly and appropriately.	No significant deviation, and we will follow the development needs of the Company and the laws and regulations in the future.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
<p>appointing spokespersons, webcasting investors conference etc.)?</p> <p>(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>		V	(III) The Company's financial statements and operating reports for each month are reported before the deadline.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>The Company has disclosed its corporate governance information on its website, which can also be accessed by linking to the Market Observation Post System.</p> <p>(I) The Company has established an employee welfare committee to implement a pension system, plan employee group insurance and arrange regular health examinations.</p> <p>(II) The Company discloses information about the Company in an honest manner in accordance with the law, and has set up an investor relations section on the Company's website to protect the basic rights of investors and fulfill its responsibilities to shareholders.</p> <p>(III) From time to time, the directors of the Company attend continuing education courses to obtain the latest information on corporate governance.</p> <p>(IV) The Company's communication with customers is seamless and well implemented.</p> <p>(V) The Company has obtained directors' liability insurance from 2019 and renew the insurance annually.</p>	No deviation.
<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>Improvements: The Company has established the "Corporate Governance Best-practice Principles" in 2022.</p> <p>Priority enhancements and measures: The Company will continue to evaluate the feasibility of future improvements for those parts that have not yet been scored.</p>				

(IV) Composition, duties and operation of the Remuneration Committee:

1. The Company's Remuneration Committee was established by a resolution of the 2021 Board of Directors, and the "Remuneration Committee Charter" has been established in accordance with the law, which stipulates that the members of this Committee shall be appointed by a resolution of the Board of Directors.

Terms of Reference of the Remuneration Committee:

- (1) Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration to directors and managers.
- (2) Evaluate and review the remuneration to directors and managers on a regular basis.

2. Information on Remuneration Committee Members

April 21, 2025

Capacity	Qualifications	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
	Name			
Independent Director (Convener)	Lin, Tsung-Tan	Please refer to "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" on pages 7.		0
Independent Director	Hsieh, Han-Ping			1
Independent Director	Cheng, Wen-Chung			1

3. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has a total of 3 members.
- (2) The term of the current members is from June 21, 2024 to June 20, 2024. The number of remuneration committee meetings held in the most recent fiscal years was 2 (A).

The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Convener	Lin, Tsung-Tan	1	1	50%	Re-elected on June 21, 2024
Committee Member	Hsieh, Han-Ping	1	1	50%	Re-elected on June 21, 2024
Committee Member	Cheng, Wen-Chung	2	0	100%	Re-elected on June 21, 2024

Other information required to be disclosed:

- 一、 If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
- 二、 With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

4. Major Resolutions of the Remuneration Committee for the most recent year and up to the date of publication of the Annual Report:

Remuneration Committee	Content of Motion and Follow-up	Resolution result	The Company's Response
March 8, 2024 / 5-5	<ol style="list-style-type: none"> 1. Proposal of reviewing the policies, systems, standards and structures for performance evaluation and remuneration to directors and managers. 2. Proposal of salary structure and payment amount for directors and managers of the Company. 3. Proposal of allocating employees' compensation and directors' remuneration for 2023. 	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present
August 2, 2024 / 6-1	<ol style="list-style-type: none"> 1. Proposal of allocating employees' compensation and directors' remuneration for 2023. 	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present
March 7, 2025 / 6-2	<ol style="list-style-type: none"> 1. Proposal of reviewing the policies, systems, standards and structures for performance evaluation and remuneration to directors and managers. 2. Proposal of salary structure and payment amount for directors and managers of the Company. 3. Proposal of allocating employees' compensation and directors' remuneration for 2024. 	Approved by all members present at the meeting	Submitted to the Board of Directors and approved by all Directors present

(V) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		V	The Company is in the process of research.	In the future, we will follow the development needs of the Company and the laws and regulations.
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		V	The Company has conducted a risk assessment with respect to the materiality principle.	No significant deviation, and the Company will ensure compliance with the law in the future.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																
	Yes	No	Summary description																	
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics? (II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? (IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V	V	(I) The company has passed ISO14001 international certification and regularly performs audits of the environmental management system in the factory to ensure the appropriateness and effectiveness of the overall operation through the PDCA improvement cycle of planning, implementation, inspection and verification. (II) The main energy used by the Company is purchased electricity, and the internal energy consumption of the organization also includes gasoline and diesel fuel. In addition to removing business waste in accordance with government regulations, the Company has also taken the initiative to request for process waste reduction, replacement of LED lighting in the factory to reduce electricity consumption, water conservation, and other energy-saving measures to reduce the impact of industrial activities on the environment. (III) The Company is in the process of research. (IV) <table border="1" data-bbox="960 895 1789 1096"> <thead> <tr> <th>items</th> <th>2024</th> <th>2023</th> <th>unit</th> </tr> </thead> <tbody> <tr> <td>Total Greenhouse Gas Emissions</td> <td>9063.026</td> <td>6906.973</td> <td>Metric tons CO₂e</td> </tr> <tr> <td>Water Consumption</td> <td>31.05</td> <td>27.33</td> <td>Metric tons</td> </tr> <tr> <td>Total Waste Weight</td> <td>146.48</td> <td>52.19</td> <td>Metric tons</td> </tr> </tbody> </table> Currently, our company has been progressively replacing traditional lighting with LED fixtures, intensifying efforts to recycle packaging materials for reuse, aiming to reduce waste generation. Additionally, we have leased roof space for the installation of solar panels to generate electricity.	items	2024	2023	unit	Total Greenhouse Gas Emissions	9063.026	6906.973	Metric tons CO ₂ e	Water Consumption	31.05	27.33	Metric tons	Total Waste Weight	146.48	52.19	Metric tons	No significant deviation, and we will follow the development needs of the Company and the laws and regulations in the future.
items	2024	2023	unit																	
Total Greenhouse Gas Emissions	9063.026	6906.973	Metric tons CO ₂ e																	
Water Consumption	31.05	27.33	Metric tons																	
Total Waste Weight	146.48	52.19	Metric tons																	
IV. Social issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V	V	(I) The Company has established a Human Rights Policy and Work Rules in accordance with the law, which are reported to the competent authorities for approval and implementation, and holds regular labor-management meetings, and follows clear regulations on the legal rights and interests of employees.	No significant deviation, and we will follow the development needs of the Company and the laws and regulations in the future.																

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Has the company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(II) The Company has established and implemented reasonable employee benefit measures (including salary, vacation and other benefits, etc.).	
(III) Does the company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(III) (1)The Company has established an Employee Welfare Committee, composed of representatives from various departments, to promote and enhance employee benefits. Various subsidies, such as for marriage, childbirth, funerals, and birthdays, are functioning properly. All new employees undergo occupational safety and health education, introducing potential workplace hazards and how to prevent occupational accidents. The Company also conducts annual employee health checkups and has signed a contract with Chung Shan Medical University to engage designated physicians and nurses to provide 104 hours of on-site health services annually. These services include health consultations, advice, and guidance for employees (2)Certifications obtained by the Company (valid as of the date of the annual report): None. (3)Number of occupational accidents, number of affected employees, the percentage of affected employees to total employees, and related improvement measures during the year: None. (4)Number of fire incidents, casualties, the percentage of casualties to total employees, and related fire prevention improvement measures during the year: None.	
(IV) Has the company established effective career development training programs for employees?	V		(IV) The Company has established the "Training Management Guidelines" to facilitate the implementation of various training programs. Based on this, each department actively promotes educational and training initiatives, such as pre-employment training for new hires and professional in-service training for employees. After the training programs are conducted, evaluations are carried out to assess the effectiveness of the training.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance	V		(V) To protect the rights of customers and enhance customer service satisfaction, our company has set up a stakeholder area on our website at http://www.key-ware.com.tw and established the "Customer Grievance Management System" to handle customer complaints, grievances, proposals or dissatisfaction with products in order to solve customer problems and make	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>policies?</p> <p>(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	V		<p>the relationship between customers and the company more harmonious, thus achieving win-win results. To achieve a win-win situation.</p> <p>(VI) The Company has established a supplier management system that requires suppliers to prohibit harmful substances in the area of environmental protection.</p>	
<p>V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?</p>		V	<p>The Company has prepared the 2023 Sustainability Report and made it available on the company's website in 2024.</p>	No deviation.
<p>VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.</p>				
<p>VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:</p> <ol style="list-style-type: none"> 1. The Company has conducted a review of the greenhouse gas emissions for the year 2024 for the parent company (Taoyuan Plant, Yangmei Plant) and subsidiaries (Key De, Jia Chi) in 2025. 2. We deeply care about the safety and well-being of our employees. In the design of our factory buildings, we consider aspects such as greenery planting, earthquake and fire resistance of office building materials, as well as air conditioning and lighting, to provide employees with a safe and comfortable working environment. Additionally, we have installed access control, security, and surveillance camera systems within the factory premises to ensure the personal safety of our employees. 3. Our company is committed to workplace safety and environmental protection measures. In addition to establishing safety and health work regulations in accordance with the law, conducting regular employee health checks, and providing workplace education and training, we established an ISO14000 operational mechanism in 2000, effective from April 30, 2023, to April 1, 2026. This allows us to continuously assess the environment, monitor environmental conditions, and legally dispose of industrial waste to maintain environmental safety and comfort. 4. We also actively participate in community engagement and safety initiatives. We are part of the regional joint defense system in the Guishan Industrial Zone, where we collaborate with neighboring companies and cooperate with the police by providing relevant road surveillance footage to maintain local security. Additionally, we take proactive measures to keep the environment clean and well-maintained within the industrial zone. 				

Climate-related information

1. Implementation status of climate-related information

Item	Implementation status
<p>1. Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management.</p> <p>2. Explain how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).</p> <p>3. Describe the financial impact of extreme weather events and transition actions.</p> <p>4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.</p> <p>6. If there is a transition plan to manage climate-related risks, describe the content of the plan, indicators, and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, explain the pricing basis.</p> <p>8. If climate-related goals are set, explain the activities covered, greenhouse gas emission scope, planning timeline, annual progress, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, explain the source and quantity of carbon offsets or RECs.</p>	<p>1. In accordance with the Financial Supervisory Commission's letter No. 1110381030 issued on March 9, 2022, the Company has completed greenhouse gas inventory and verification in accordance with the "Sustainable Development Roadmap for Listed and Over-the-Counter Companies" plan. The schedule was submitted to the board of directors, and subsequent progress will be reported quarterly to the board for control.</p> <p>2. Under discussion.</p> <p>3. Under discussion.</p> <p>4. Under discussion.</p> <p>5. Under discussion.</p> <p>6. Under discussion.</p> <p>7. Internal carbon pricing was not used this year.</p> <p>8. Under discussion.</p>

2. Greenhouse Gas Inventory and Verification Status

<p>Basic Information of Our Company</p> <ul style="list-style-type: none"> <input type="checkbox"/> Companies with a capital of over 10 billion NT dollars, in the steel or cement industry <input type="checkbox"/> Companies with a capital of over 5 billion NT dollars but less than 10 billion NT dollars <input checked="" type="checkbox"/> Companies with a capital of less than 5 billion NT dollars 	<p>According to the requirements of the Sustainability Development Pathway for Listed and OTC Companies, at least the following should be disclosed</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Parent company individual inventory check <input type="checkbox"/> Subsidiary inventory check in consolidated financial statements <input type="checkbox"/> Parent company individual verification <input type="checkbox"/> Subsidiary verification in consolidated financial statements
--	---

Category One	Total Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e per million dollars)	Assurance Agency	Assurance Situation Explanation
Parent Company (Note 1)	250.3169	0.5079	None	None
Subsidiaries (Note 2)	278.3858	1.6447		
Total	528.7027	2.1526		
Category Two	Total Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e per million dollars)	Assurance Agency	Assurance Situation Explanation
Parent Company (Note 1)	5,069.4853	10.2854	None	None
Subsidiaries (Note 2)	1,864.2463	11.0137		
Total	6,933.7316	21.2991		
Category Three (Voluntary Disclosure)	Total Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e per million dollars)	Assurance Agency	Assurance Situation Explanation
Parent Company (Note 1)	1,128.9932	2.2906	None	None
Subsidiaries (Note 2)	473.5271	2.7975		
Total	1,602.5203	5.0881		

Note 1: The parent company includes Key Ware Taoyuan Plant and Yangmei Plant.

Note 2: The subsidiaries include Key De and Jia Chi.

Note 3: These figures are unaudited emission data for the year 2024.

3. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans for Greenhouse Gas Management

Key Way's greenhouse gas emissions primarily come from indirect emissions from purchased electricity. The company continues to plan for energy-saving goals, implement energy conservation and carbon reduction measures, and continuously assess and update electricity-saving equipment to reduce energy consumption and greenhouse gas emissions.

(1) Greenhouse Gas Reduction Execution Goals

A: Effectively control the company's electricity and water usage, with the principle of no growth and annual reviews.

B: Strengthen the company's energy-saving hardware environment to enhance employees' energy-saving and sustainable development concepts.

C: Strive to become an environmentally friendly and energy-efficient sustainable company.

(2) Specific Greenhouse Gas Reduction Action Plans

A: Office lighting is managed by zones, and lighting control is implemented during lunch breaks and overtime.

B: Promote energy conservation by ensuring employees turn off lights, computers, etc., after work and regularly turning off power sources that are not in use.

C: Set indoor air conditioning to 26°C or higher to reduce energy waste.

D: Prioritize purchasing energy-efficient products with environmental and energy-saving labels

E: Encourage employees to use public transportation, carpool, or hold video conferences to reduce transportation-related carbon emissions.

(VI) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	V		<p>(I) The Company's 2022 Board of Directors resolved to adopt the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managers" and to disclose them on the Market Observation Post System and the Company's website for compliance by directors, managers, all employees and other interested parties.</p> <p>(II) The Company has an "Ethical Corporate Management Best Practice Principles" and "Work Rules", which stipulate that employees shall not accept hospitality, gifts, rebates or other unlawful benefits for or against the performance of their duties.</p> <p>(III) The Company's "Ethical Corporate Management Best Practice Principles" explicitly prohibits business activities that involve the risk of dishonest conduct and implements precautionary measures. In addition, the Company also regularly reviews relevant work processes through internal audits to prevent the risk of dishonest conduct.</p>	No deviation.
<p>II. Ethical Management Practice</p> <p>(I) Does the company assess the ethics records of</p>		V	(I) Before engaging in business activities with suppliers, customers, or other business counterparts, the company	The company will proceed according to its

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(V) Does the company provide internal and external</p>			<p>conducts prior assessments of their legality and whether there are any records of dishonest behavior. If dishonest behavior is discovered, business dealings are immediately halted. The company is currently considering incorporating clauses on honest behavior into contractual agreements.</p> <p>(II) This aspect is under consideration by the company.</p> <p>(III) The company has a spokesperson who timely disseminates important information related to the company through major news outlets or newspapers. By participating in industry associations, the company communicates its product quality, services, and integrity to external parties, aiming to earn recognition for the company's ethical standards from customers.</p> <p>(IV) This aspect is currently under consideration by the company.</p> <p>(V) This aspect is currently under consideration by the company.</p>	<p>development needs and legal requirements in the future.</p>

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
ethical corporate management training programs on a regular basis?		V		
<p>III. Implementation of Complaint Procedures</p> <p>(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(II)) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V	V	<p>(I) Employees can report to the President via company internal email, or through the Stakeholder Section of the company website at http://www.key-ware.com.tw. Employees who disagree with disciplinary actions can file a specific complaint with evidence.</p> <p>(II) Under consideration by the company.</p> <p>(III) The company maintains a mechanism to protect the identity and content of whistleblowers, ensuring confidentiality.</p>	No deviation.
<p>IV. Strengthening Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	V		The Company's "Ethical Corporate Management Best Practice Principles" is disclosed on the Market Observation Post System and the Company's website.	No deviation.
<p>V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: None.</p>				
<p>VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): None.</p> <p>The Company maintains honesty and integrity in negotiating and fulfilling contracts with its customers, and pursues, negotiates and fulfills all contracts in a fair and ethical manner.</p>				

(VII) Other Important Information Disclosure Regarding the Company's Governance Operations:

The company upholds integrity and honesty in negotiations with customers and the fulfillment of contract terms, and strives to secure, negotiate, and perform all contracts in a fair and ethical manner.

(VIII) The status of the implementation of the internal control system should disclose the following matters:

1. Statement on Internal Control:

Statement of Internal Control System of Public Offering Companies

Indicates that the design and execution are valid

(This statement applies when all of the Acts are declared in compliance with the Acts)

Key Ware Electronics Co., Ltd.
Statement on Internal Control

Date: March 7, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

- I. The Board of Directors and Managers are responsible for establishing, implementing, and maintaining an adequate internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. We have evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. Based on the aforesaid evaluation results, the Company is of the opinion that, as of Dec. 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement is an integral part of our annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on March 7, 2025, with 8 directors present. There were no dissenting opinions, and all directors agreed to the content of this declaration.

Key Ware Electronics Co., Ltd.

Chairman: Chow, Pong-Chi

Signature

President: Chu, Tsung-Wei

Signature

(IX) Major Resolutions of Board of Shareholders and Board of Directors During the Most Recent Fiscal Year Up to the Date of Publication of the Annual Report:

1. Review of resolutions and implementation at shareholders' meetings on June 21, 2024:

Major resolutions of shareholders' Meeting	Implementation status
<p>1. Case of the company's 2023 operating report and financial statements (including consolidated financial statements).</p> <p>2. Case of the company's 2023 profit distribution table.</p> <p>3. The proposal to elect nine directors (including three independent directors).</p> <p>4. The proposal to lift the non-compete restrictions for the Company's newly appointed directors.</p>	<p>1. The voting results have reached the statutory standards, and this motion is approved accordingly.</p> <p>2. The voting results have reached the statutory standards, and this motion is approved accordingly. The distributable earnings for the year 2023 are NT\$0, and no dividends are proposed for distribution.</p> <p>3. Board of Directors Election Results: The following individuals received the most votes and were elected as directors: Chow, Pong-Chi / Chow, Chia-Chu (representatives of Jia Chi Co., Ltd.), Chao, Yuan-Chi / Li, Hsiang-Yun (representatives of Concord Financial Co., Ltd.), and Cheng, Chung / Chu, Tsung-Wei (representatives of Concord Consulting Inc.), totaling 6 people. Independent Directors Election Results: Lin, Tsung-Tan, Hsieh, Han-Ping, and Cheng, Wen-Chung received the most votes and were elected as independent directors.) The 10th term of the Company's Board of Directors took office on June 21, 2024, with a term of three years.</p> <p>4. The voting results have reached the statutory standards, and this motion is approved accordingly.</p>

2. Major Resolutions of Board of Directors During the Most Recent Fiscal Year Up to the Date of Publication of the Annual Report:

Date of major resolutions	Date of major resolutions	Matters referred to in Article 14-3 and 14-5 of the Securities and Exchange Act:	Independent directors' opinion and the Company's response	Results of resolutions of the Board of Directors or Audit Committee
March 8, 2024 / Board of Directors Meeting 9-13	1. The Company's financial statements for the year 2023.	V	None	Approved by the directors present
	2. The Company's receivables for the 4th quarter of 2023 that exceed the normal credit period by three months and are of significant amount, and are not proposed to be treated as loans.	V	None	Approved by the directors present
	3. The Company's regular evaluation of the independence and suitability of the certifying accountant..	V	None	Approved by the directors present
	4. The Company's profit distribution for the year 2023	V	None	Approved by the directors present
	5. The Company's proposal for the distribution of employee and director compensation for the year 2023.	V	None	Approved by the directors present
	6. The date and location for the Company's 2024 annual shareholders' meeting.	V	None	Approved by the directors present
	7. The Company's proposal to establish related matters regarding the acceptance of shareholder proposals, including the period and location.		None	Approved by the directors present
	8. Election of the 10th Board of Directors.		None	Approved by the directors present
	9. The list of nominated candidates for the 10th Board of Directors (including independent directors).		None	Approved by the directors present
	10. Lifting the non-compete restriction for the newly appointed directors of the Company..	V	None	Approved by the directors present
	11. The Company's third domestic unsecured convertible bond maturity repayment..	V	None	Approved by the directors present
	12. The Company's fund lending and investment in subsidiaries..	V	None	Approved by the directors present
	13. The Company's issuance of the internal control system declaration for the year 2023.	V	None	Approved by the directors present

April 11, 2024 / Board of Directors Meeting 9-14	1. The investment in “Key Ware Electronics (Thailand) Co., Ltd.” matter.		None	Approved by the directors present
May 3, 2024 / Board of Directors Meeting 9-15	1. The company’s consolidated financial statements for the first quarter of 2024.	V	None	Approved by the directors present
	2. The accounts receivable for the first quarter of 2024, which exceed the normal credit period by three months and involve a significant amount, are proposed not to be regarded as a funding loan.	V	None	Approved by the directors present
	3. The Company plans to issue new shares through the conversion of employee stock warrants and set the record date for the capital increase.		None	Approved by the directors present
	4. The Company’s bank credit facility.		None	Approved by the directors present
	5. The Company’s loan to a 100% invested subsidiary.	V	None	Approved by the directors present
	6. The company is handling the endorsement and guarantee for its subsidiary.	V	None	Approved by the directors present
June 21, 2024 / Board of Directors Meeting 10-1	1. Election of the Chairman of the Board.	V	None	The nomination by Director Chu, Tsung-Wei and the unanimous approval by all attending directors have confirmed that Director Chow, Pong-Chi will serve as the Chairman of the 10th Board of Directors
	2. Appointment of members to the Sixth Remuneration Committee.	V	None	Approved by the directors present
August 2, 2024 / Board of Directors Meeting 10-1	1. The Company’s consolidated financial statements for the second quarter of 2024.	V	None	Approved by the directors present
	2. The Company’s receivables for the second quarter of 2024, which are overdue by three months and of significant amounts, are proposed not to be considered as financial loans.	V	None	Approved by the directors present
	3. The proposed list for the distribution of employee compensation for 2023.		None	Approved by the directors present
	4. Bank credit limit proposal.		None	Approved by the directors present

	5. Bank short-term secured loan limit proposal.		None	Approved by the directors present
	6. Bank secured credit limit proposal.		None	Approved by the directors present
	7. Revision of the Company's "Internal Control System - Investment Cycle."	V	None	Approved by the directors present
November 8, 2024 / Board of Directors Meeting 10-2	1. The Company's consolidated financial statements for the third quarter of 2024.	V	None	Approved by the directors present
	2. The Company's receivables for the third quarter of 2024, which are overdue by three months and of significant amounts, are proposed not to be considered as financial loans.	V	None	Approved by the directors present
	3. Due to internal rotation at the accounting firm, the proposal for replacing the Company's certifying accountant.	V	None	Approved by the directors present
	4. The Company's employee stock option conversion to issue new shares and setting the capital increase record date.		None	Approved by the directors present
	5. The Company's bank credit limit proposal.		None	Approved by the directors present
	6. The Company's bank short-term secured loan limit proposal.		None	Approved by the directors present
	7. The Company's endorsement and guarantee for subsidiaries.	V	None	Approved by the directors present
	8. The Company's financial loans to investee companies proposal.	V	None	Approved by the directors present
	9. The Company's revisions to the "Internal Control System - Management Cycle," "Internal Audit Implementation Rules," "Sustainability Committee Organizational Regulations," and "Sustainability Report Preparation and Assurance Procedures."	V	None	Approved by the directors present
December 27, 2024 / Board of Directors Meeting 10-3	1. The Company's 2025 fiscal year budget proposal.		None	Approved by the directors present
	2. The Company's financial loans to investee companies proposal.	V	None	Approved by the directors present
March 7, 2025 / Board of Directors	1. The Company's 2024 fiscal year financial statement proposal.	V	None	Approved by the directors present
	2. The Company's 2024 Q4 receivables exceeding the normal credit term by three months and of significant amounts, proposed not to be considered as financial loans.	V	None	Approved by the directors present

Meeting 10-4	3. The Company's regular evaluation of the independence and competence of the certifying accountant proposal.	V	None	Approved by the directors present
	4. The Company's 2024 profit distribution proposal.	V	None	Approved by the directors present
	5. The Company's capital reserve cash distribution proposal.	V	None	Approved by the directors present
	6. The proposed approval of the Company's 2024 employee and director remuneration distribution.	V	None	Approved by the directors present
	7. The date and location proposal for the 2025 Annual Shareholders' Meeting.		None	Approved by the directors present
	8. The proposal to establish the period and location for accepting shareholder proposals.		None	Approved by the directors present
	9. Bank credit limit proposal.		None	Approved by the directors present
	10. The Company's financial loans to investee companies proposal.	V	None	Approved by the directors present
	11. The proposal to invest in "Key Ware Electronics (Thailand) Co., Ltd."		None	Approved by the directors present
	12. The proposal for non-assurance services provided by KPMG for the 2025 fiscal year.	V	None	Approved by the directors present
	13. The proposal for the issuance of the 2024 internal control system declaration.	V	None	Approved by the directors present
	14. The proposal to define the scope of "entry-level employees" within the company.		None	Approved by the directors present
	15. The proposed revision of certain provisions of the Company's Articles of Incorporation.	V	None	Approved by the directors present

(X) Any dissenting opinion expressed by a Director or Supervisor with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the Annual Report, where said dissenting opinion has been recorded or prepared as a written declaration. The main contents: None.

III. Information on CPA Professional Fees

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPAs	Period covered by the CPA audit	Audit Fees	Non-audit Fees (Note)	Total	Remarks
Deloitte Taiwan	Li, Kuan-Hao	2024	3,130	270	3,400	None
	Lin, Wang-Sheng					

Business registration: NT\$100 thousand; Other (review of annual reports and various documents): NT\$170 thousand.

- (I) If the audit fees paid in the year of changing the accounting firm are lower than the audit fees of the previous year, the amounts of audit fees before and after the change and the reasons should be disclosed: None.
- (II) If the audit fees have decreased by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: None.
- (III) Disclosure of the Board's Procedures for Evaluating Accountant Independence and Specific Standards for Evaluating Accountant Independence:
1. Procedures for Evaluating Accountant Independence by the Board: The company's board of directors conducts an annual evaluation of the accountant's independence. The "Proposal for the Periodic Evaluation of the Independence and Competence of the Certifying Accountant" was approved by the board on March 8, 2024, and March 7, 2025.
 2. Specific Standards for Evaluating Accountant Independence: The company's shareholder services department verifies that the certifying accountant does not hold any shares in the company and does not hold any position within the company. The evaluation also considers the Audit Quality Indicators (AQI) to assess the independence and competence of the certifying accountant and includes obtaining an "Independence Declaration" from Deloitte Taiwan.
 3. The Deloitte Taiwan CPAs, Li, Kuan-Hao, Lin, Wang-Sheng, and Ma, Wei Chun have met the Company's independence and suitability criteria and are qualified to act as the Company's CPAs.

IV. Information on Replacement of CPAs:

- (I) Regarding the former accountant

Date of Change	Approved by the Board of Directors on November 8, 2024		
Reason and Explanation for the Change	The Company's financial statements were audited by Deloitte Taiwan. The previous signing auditors were Mr. Kuan-Hao Li and Mr. Wang-Sheng Lin. To maintain auditor independence and in accordance with the firm's internal rotation policy, starting from the first quarter of 2025, the signing auditors will be changed to Mr. Kuan-Hao Li and Mr. Ma, Wei Chun.		
Explanation of Whether the Termination or Refusal Was Initiated by the Appointing Party or the Accountant	Party Involved	Accountant	Appointing Party
	Voluntarily terminated the engagement	Not applicable	
	Declined to accept (or continue) the engagement		

Audit Reports with Opinions Other Than Unqualified Opinions in the Past Two Years and Their Reasons	Not applicable		
Any Disagreements with the Issuer	Yes		Accounting principles or practices
			Disclosure in financial reports
			Scope or procedures of the audit
			Others
	No	V	
	Explanation	Not applicable	
Other Disclosures (No additional disclosures required under Article 10, Paragraph 6, Items 4–7 of these Guidelines)	None		

(II) Regarding the successor accountant

Firm Name	Deloitte Taiwan
Accountants' Names	CPA Li, Kuan-Hao and CPA Ma, Wei Chun
Date of Appointment	Approved by the Board of Directors on November 8, 2024
Consultations on Accounting Treatments or Principles for Specific Transactions and Potential Opinions on Financial Reports Prior to Appointment	None
Written Opinions from the Successor Accountants on Matters of Disagreement with the Predecessor Accountants	None

(III) The predecessor accountant's response regarding the matters specified in Article 10, Paragraph 6, Subparagraph 1 and 2-3 of these Regulations: None

V. The company's chairman, president, or managerial personnel responsible for financial or accounting matters have not been employed by the attesting CPA's firm or its affiliates within the past year: None

VI. Changes in shareholding transfers and share pledges by directors, managerial officers, and shareholders holding more than 10% of the shares during the most recent fiscal year and up to the publication date of the annual report:

(I) Change in Equity Interests by Directors, Managerial Officers, and Major Shareholders

Title	Name	2024		2023 As of April 21	
		Increase (decrease) in Number of Shares Held	Increase (decrease) in Number of Pledged Shares	Increase (decrease) in Number of Shares Held	Increase (decrease) in Number of Pledged Shares
Corporate Director	Jia Ju Investment Co., Ltd.	0	0	0	0

Corporate Director Representative and Chairman	Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	0	0	0	0
Corporate Director Representative	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	0	0	0	0
Corporate Director	Concord Financial Co., Ltd.	0	0	0	0
Corporate Director Representative	Concord Financial Co., Ltd. Representative: Chao, Yuan-Chi	0	0	0	0
Corporate Director Representative	Concord Financial Co., Ltd. Representative: Li, Hsiang-Yun	0	0	0	0
Corporate Director	Concord Consulting Inc.	0	0	0	0
Corporate Director Representative	Concord Consulting Inc. Representative: Cheng, Chung	0	0	0	0
Corporate Director Representative serving as Acting President	Concord Consulting Inc. Representative: Chu, Tsung-Wei	0	0	0	0
Independent Director	Lin, Tsung-Tan	0	0	0	0
Independent Director	Hsieh, Han-Ping	0	0	0	0
Independent Director	Cheng, Wen-Chung	0	0	0	0
President of the China Region	Wang, Zhi-Wei	0	0	0	0
Special Assistant to President's Office	Chen, Po-Ying	0	0	0	0
Vice President of Sales	Kang, Po-Yao	(2,045)	0	0	0
Chief Financial Officer	Li, Yung-Ting	0	0	0	0
Assistant Manager	Chien, Ju-Hung	(1,000)	0	0	0
Assistant Manager	Chen, Liang-Chi	0	0	0	0

(II) Information on related parties involved in the share transfer: None.

(III) Information on related parties involved in the share pledge: None.

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

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 Largest Shareholders, Name and Relationship with Anyone who Is a Related Party under No. 6 of the Financial and Accounting Standards or a Relative within the Second Degree of Kinship		Note
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Name	Relationship	
Qing Yu Investment Co., Ltd.	14,461,709	7.51%	-	-	-	-	None	None	None
Representative: Lin Kao, Hui-I	523,075	0.27%	-	-	-	-	None	None	None
Jia Ju Investment Co., Ltd.	11,169,353	5.80%	-	-	-	-	Concord Consulting Inc. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person	None
Representative: Chow, Pong-Chi	4,603,714	2.39%	873,074	0.45%	-	-	Jia Ju Investment Co., Ltd. Concord Consulting Inc. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person Chairman is the same person	None
Sheng Ding Enterprise Co., Ltd.	9,113,448	4.74%	-	-	-	-	None	None	None
Representative: Li, Hsiang-Yun	-	-	-	-	-	-	None	None	None
Concord Consulting Inc.	7,734,118	4.02%	-	-	-	-	Jia Ju Investment Co., Ltd. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person	None
Representative: Chow, Pong-Chi	4,603,714	2.39%	873,074	0.45%	-	-	Jia Ju Investment Co., Ltd. Concord Consulting Inc. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person Chairman is the same person	None
Concord Financial Co., Ltd.	6,347,063	3.30%	-	-	-	-	Jia Ju Investment Co., Ltd. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person	None
Representative: Chow, Pong-Chi	4,603,714	2.39%	873,074	0.45%	-	-	Jia Ju Investment Co., Ltd. Concord Consulting Inc. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person	None

								Chairman is the same person	
Chow, Pong-Chi	4,603,714	2.39%	873,074	0.45%	-	-	Jia Ju Investment Co., Ltd. Concord Consulting Inc. Concord Financial Co., Ltd.	Chairman is the same person Chairman is the same person Chairman is the same person	None
Ji Shan Investment Co., Ltd.	4,102,555	2.13%					None	None	None
Representative: Chow, Pong-Wei	100,095	0.05%					Chow, Pong-Chi	Relatives within second degree of kinship	None
Liu, Ling-Chun	3,654,068	1.90%	1,586,055	0.82%	-	-	None	None	None
Hanxun Investment Co., Ltd.	2,944,704	1.53%	-	-	-	-	None	None	None
Chou, Ching-Ching	70,114	0.04%	-	-	-	-	Chow, Pong-Chi	Relatives within second degree of kinship	None
Min Ju Investment Co., Ltd.	1,833,568	0.95%	-	-	-	-	None	None	None
Wang, Shan-Shan	873,074	0.45%	4,603,714	2.39%	-	-	Chow, Pong-Chi	Spouse of the Chairman	None

VIII. 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: None.

Chapter 3 Capital Overview

I. Capital and Shares:

(I) Source of Capital:

1. Equity Change during the Most Recent Five Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year/ Month	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2020.09	10	250,000,000	2,500,000,000	169,339,756	1,693,397,560	Earnings converted to capital: NT\$44,502 thousand Employee compensation converted to capital: NT\$656 thousandad	None	Authorized Commercial No. 10901176290
2021.10	10	250,000,000	2,500,000,000	176,113,346	1,761,133,460	Earnings converted to capital: NT\$67,736 thousandad	None	Authorized Commercial No. 11001181360
2021.10	10	250,000,000	2,500,000,000	189,913,346	1,899,133,460	Cash capital increase: NT\$138,000 thousandad	None	Authorized Commercial No. 11001189100
2022.03	10	250,000,000	2,500,000,000	189,928,346	1,899,283,460	Employee stock options converted to capital: NT\$150 thousandad	None	Authorized Commercial No. 11101043550
2023.10	10	250,000,000	2,500,000,000	192,313,545	1,923,135,450	Earnings converted to capital: NT\$21,852 thousandad Employee stock options converted to capital: NT\$2,000 thousandad	None	Authorized Commercial No. 11230190100
2024.10	10	250,000,000	2,500,000,000	192,353,545	1,923,535,450	Employee stock options converted to capital: NT\$400 thousandad	None	Authorized Commercial No. 11330082120
2024.11	10	250,000,000	2,500,000,000	192,448,545	1,924,485,450	Employee stock options converted to capital: NT\$950 thousandad	None	Authorized Commercial No. 11330205270

2. Share Type

April 21, 2025; Unit: Share

Share Type	Authorized Capital			Note
	Issued Shares	Unissued Shares	Total	
Common stock	192,448,545	57,551,455	250,000,000	Listed Company Shares

3. Information on the shelf registration system: N/A.

(II) List of Major Shareholders:

April 21, 2025

Name of Major Shareholders	Shareholding Shares Held	Shareholding Ratio (%)
Qing Yu Investment Co., Ltd.	14,461,709	7.51
Jia Ju Investment Co., Ltd.	11,169,353	5.80
Sheng Ding Enterprise Co., Ltd.	9,113,448	4.74
Concord Consulting Inc.	7,734,118	4.02
Concord Financial Co., Ltd.	6,347,063	3.30
Chow, Pong-Chi	4,603,714	2.39
Ji Shan Investment Co., Ltd.	4,102,555	2.13
Liu, Ling-Chun	3,654,068	1.90
Hanxun Investment Co., Ltd.	2,944,704	1.53
Min Ju Investment Co., Ltd.	1,833,568	0.95

(III) Dividend Policy and Its Implementation:

1. Dividend Policy as stipulated in the Articles of Incorporation:

- (1) The Company shall first settle the taxes and make up for any deficit in the annual accounts and then set aside 10% of the remaining balance as legal reserve, except that the legal reserve may be waived when the legal reserve has reached the Company's capital, and after setting aside a special reserve or reversing a special reserve in accordance with the law. For the remaining surplus, the Board of Directors shall prepare a proposal for appropriation of earnings, including the undistributed earnings at the beginning of the period, and submit it to the shareholders meeting for resolution.
- (2) For the current year's shareholder dividends, the distribution ratio of cash dividends shall not be less than 10% of the total dividends distributed.
- (3) If the Company makes a profit in a year, the Company shall contribute 1% to 10% as compensation to employees and up to 1% as remuneration to directors, which shall be distributed in shares or cash by resolution of the Board of Directors; the distribution of compensation to employees and remuneration to directors shall be reported to the shareholders meeting. However, when the Company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph.
- (4) The Company executes employee treasury stock, employee stock options, employee subscription of new stock, employee restricted new stock and

employee compensation to employees who meet certain criteria for control or subordinate company employees.

2. Distribution of dividends proposed in the shareholders' meeting

The Company's earnings distribution plan for the year 2024 was approved by the Board of Directors on March 7, 2025. It proposes a cash dividend of NT\$0.15 per share, consisting of NT\$0.06547737 from earnings per share and NT\$0.08452263 from capital surplus, based on a total capital of 192,448,545 shares. The distribution will be processed in accordance with relevant regulations upon approval by the Annual General Shareholders' Meeting.

3. Expected significant changes in dividend policy: None.

(IV) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting:

This proposed issuance of bonus shares is not applicable.

(V) Remuneration of Employees and Directors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:

Article 31 of the Company's Articles of Incorporation stipulates that: If the Company makes a profit in a year, the Company shall contribute 1% to 10% as compensation to employees and up to 1% as remuneration to directors, which shall be distributed in shares or cash by resolution of the Board of Directors; the distribution of compensation to employees and remuneration to directors shall be reported to the shareholders meeting. However, when the Company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph."

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: N/A.

3. Distribution of remuneration approved by the Board of Directors:

(1) The amount of employees' and directors' remuneration distributed in cash or stock; if the amount differs from the amount estimated in the year in which the expense is recognized, the amount of the difference, the reasons for the difference, and the circumstances under which the difference was handled shall be disclosed:

The Company's proposal for employee compensation and directors' remuneration for the year 2024 was approved by the Board of Directors on March 7, 2025. It was resolved that no employee compensation or directors' remuneration will be distributed. This will be reported at the annual shareholders' meeting and handled in accordance with relevant regulations.

- (2) The amount of employee compensation distributed in the form of stock and its proportion to the total of net income before tax for the period (as presented in the individual or separate financial statements) and total employee compensation:
N/A.

4. Actual distribution of employee and director compensation for the preceding year (including number of shares distributed, amount, and share price); if there is any discrepancy between the actual distribution and the recognized amounts of employee and director compensation, the differences, reasons, and handling measures should be explained:

The Company's employee and director compensation plan for the year 2023 involved cash distribution of employee compensation totaling NT\$195,704, with no director compensation distributed. This was reported at the shareholders' meeting on June 21, 2024, and there were no discrepancies from the resolution approved by the Board of Directors.

(VI) Information on the Company's Repurchase of Its Own Shares and Related Matters:
None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Global Depository Receipts: None.

V. Employee Stock Options:

1. The status of the Company's outstanding employee stock options as of the date of printing of the annual report and the effect on shareholders' equity:

March 31, 2025

Type of Employees Stock Option	2018 First (Period) Employees Stock Option	2020 First (Period) Employees Stock Option
Filing Effective Date	November 7, 2018	December 30, 2020

and Total Units	4,000,000 shares	2,300,000 shares
Issuance (Processing) Date	November 1, 2019	February 26, 2021
Number of Units Issued	1,700,000 shares	985,000 shares
Number of Units Available for Issuance	0 shares	0 shares
Ratio of the Number of Subscription Shares Issued to the Total Number of Shares Issued	0.88%	0.51%
Subscription Period	November 11, 2019 to October 31, 2025	February 26, 2021 to February 25, 2027
Method of Performance	The Company issues new shares by way of delivery.	The Company issues new shares by way of delivery.
Restricted Period and Rate (%)	50% of the stock options shall be exercisable after two years from the issue date and 100% of the stock options shall be exercisable cumulatively after three years from the issue date.	50% of the stock options shall be exercisable after two years from the issue date and 100% of the stock options shall be exercisable cumulatively after three years from the issue date.
Number of Shares Executed	350,000 shares	0 shares
Amount of Executed Share Options	NT\$4,081,500	NT\$0
Number of Outstanding Share Options	1,010,000 shares	720,000 shares
Subscription Price per share for Outstanding Stock Options	NT\$11.60	NT\$15.20
Ratio of the Number of Outstanding Share Options to Total Number of Shares Issued (%)	0.52%	0.37%
Effect on Shareholders' Equity	The Company has a positive impact on shareholders' equity in order to attract and retain the talents needed by the Company and to motivate and enhance the motivation of employees to work together for the benefit of the Company and shareholders.	

2. The names of the managers and the top ten employees who acquired stock options as of the publication date of the annual report, and the acquisition and subscription status of the stock options:

March 31, 2024; Unit: NTS; Share

	Title	Name	Number of Stock Options Acquired	Percentage of Total Issued Shares Acquired Through Subscription	Executed				Unexecuted			
					Number of Subscriptions	Subscription Price	Amount of Subscriptions	Ratio of the Number of Subscriptions to the Total Number of Shares Issued	Number of Subscriptions	Subscription Price	Amount of Subscriptions	Percentage of Total Issued Shares Subscribed
Officer Managerial	Acting President	Chu, Tsung-Wei	600,000	0.31%	0	-	-	0%	600,000	11.6~15.2	7,320,000	0.31%
	Special Assistant to President Office	Chen, Po-Ying										
	Assistant Manager, Key Ware	Chien, Ju-Hung										
Employee	Assistant Manager, Kunshan Laserware	Hu, Chien-Hung	1,110,000	0.58%	220,000	11.6~11.7	2,563,500	0.11%	890,000	11.6~15.2	12,704,000	0.46%
	Assistant Manager, Kunshan Key Ware	Shen, Liang-Ping										
	Plant Manager, Wuhan Laserware	Lo, Chin-Chuan										
	Special Assistant, Kunshan Key Ware	Chen, Chih-Chun										
	President, Jia Chi	Yang, Chun-Nan										
	Assistant Manager, Key De	Lin, Kuei-Tun										
	Plant Manager, Kunshan Laserware	Huang, Chui-Mei										
	Manager, Kunshan Laserware	Tsai, I-An										
	Key Ware Manager	Cheng, Chien-Ming										
	Key Ware Manager	Cheng, Chien-Ming										

3. The status of the Company's new shares with restricted employee stock that have not yet fully met the vesting conditions as of the printing date of the annual report and the effect on shareholders' equity: None.
4. The names of the managers and the top ten employees who acquired new shares with restricted employee stock as of the publication date of the annual report, and the status of acquisition and subscription: None.

VI. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

VII. Implementation of Capital Allocation Plans: None.

Chapter 4 Operational Highlights

I. Business Activities:

(I) Scope of Business

1. Principal Business Activities:

- (1) Manufacturing and sales of full-size drilling needles and tools for electronic circuit boards.
- (2) Electronic circuit board drilling services, including: laser, machine drilling, molding and electrical testing foundry.
- (3) Import trade and agency.

2. Operating Weight of Major Products:

Unit: NT\$ thousand

Item	2024	
	Net Operating Revenue	Operating Weight (%)
Drill Bits	565,518	48.62%
Copper Foil Substrate	161,061	13.85%
Drilling Foundry	436,473	37.53%
Total	1,163,052	100%

3. Current Products (Services)

The Company is a professional manufacturer and distributor of Printed Circuit Board (PCB) drill bits, copper foil laminates and drilling services. Among them, we mainly produce and sell drill bits, followed by copper foil laminates and drilling processing services. The following table summarizes the major operating items of the Company:

Item	Product Description
PCB cutting tools	Manufacturing and sales of full-size drilling pins, milling cutters and coating tools.
Copper foil substrate	Sales of copper foil substrates for Nanya.
Drilling process value-added service	Distributor of consumables required for drilling process (aluminum cover plate, lower pad, etc.); and provide technical services for drilling needle grinding.
Circuit board foundry	Mechanical drilling, mechanical forming, laser drilling, electrical testing.

4. New products (services) planned to be developed

- (1) In response to high-frequency products such as AI servers, develop high aspect ratio coated drill bits and specialized back-drill bits.
- (2) Micro-point drill bits specifically for ABF substrates (with drill diameters below 0.15 mm).
- (3) Development of drill bits for flexible printed circuit boards (FPC), such as high chip evacuation drill bits, wide-flute drill bits, and chip-breaking coated drill bits.

The Company is primarily engaged in the research and development, design, manufacturing, and sales of cutting tools specifically for printed circuit boards (PCBs), including products such as drill bits and milling cutters. These products are widely applied in various fields, such as AI servers, low Earth orbit satellites, automotive boards, rigid-flex boards, tablets, smartphones, wafers, and PZT, for drilling and shaping processes in cutting applications.

(2) Overview of Research and Development

A. For drilling high aspect ratio PCB materials—such as those used in servers, automotive, and military applications—issues commonly arise due to the greater thickness of the boards, leading to higher drill wear and poor chip evacuation, which in turn increases the risk of drill breakage. To address this, specially designed drill bit geometries have been further enhanced, with new models emphasizing both strength and chip evacuation. These are undergoing customer testing, certification, and mass production.

B. Customers have shown strong demand for high-durability, high-precision milling cutters. New cutter designs, combined with advanced coating technologies, have significantly improved the cost-performance ratio of the products.

C. In response to the growing demand for drill bits used in generative AI applications, high aspect ratio and back-drilling products have become a recent focus of development. By incorporating coating technology, the Company offers high cost-performance drill bits to enhance competitiveness in the generative AI market. Following customer certifications and testing, the Company has begun receiving batch orders. These new drill bits have also been adopted by the Company’s own Drilling Business Unit in 2024, creating synergistic benefits.

2. Research and Development Personnel and Their Academic Experience

Unit: Person; %

Item \ Year		2023	2024
Academic Background Distribution	University (and above)	2	2
	Junior College / College	3	1
	High school	1	1
Total		6	4
Average Service Year		9.79	9.53

3. Research and Development Expenses for the Most Recent Year and Up to the Date of Publication of the Annual Report

Unit: NT\$ thousand

Year	2022	2023	2024
Item			
Consolidated research and development expenses (A)	2,287	3,456	3,972
Consolidated net operating revenues (B)	1,453,993	1,068,270	1,163,052
Percentage of consolidated net operating revenues (A/B)	0.16%	0.32%	0.34%

4. Development of successful technologies or products

Year	Development of successful technologies and products
2022	<p> φ0.40~φ0.45 EA slotted cutter certification passed φ0.20x4.5 super long blade product certification passed φ0.275x5.5 super long blade product certification passed φ0.20x5.0 super long edge coating product certification passed φ0.20x6.5 super long edge coating product certification passed φ0.225x5.5 super long edge coating product certification passed (modified version) φ0.25x6.0 super long edge coating product certification passed (modified version) φ0.275~φ0.375 back-drilling needle coating products certification passed </p>
2023	<p> φ0.15x3.7 Ultra-long blade product certification passed φ0.19x4.3 Ultra-long blade product certification passed φ0.20x4.2 Ultra-long blade product certification passed φ0.225x4.8 Ultra-long blade product certification passed φ0.35x4.0 Back-drilling product certification passed φ0.368x4.0 Back-drilling product certification passed φ0.375x4.0 Back-drilling product certification passed φ0.15x3.5 Ultra-long blade coating product certification passed φ0.20x3.8 Coating product certification passed φ0.20x4.3 Ultra-long blade coating product certification passed φ0.20x4.5 Ultra-long blade product certification passed φ0.20x5.0 Ultra-long blade coating product certification passed (Revised version) φ0.25x6.0 Ultra-long blade coating product certification passed (Revised version) φ0.40~φ1.0 Back-drilling coating product certification passed </p>
2024	<p> φ0.10x2.0 Ultra-long blade product certification passed φ0.19x4.3 Ultra-long blade product certification passed φ0.20x4.2 Coating product certification passed (modified) </p>

Year	Development of successful technologies and products
	version) ψ 0.15x2.7 Coating product certification passed (modified version) ψ 0.20x4.2 Ultra-long blade product certification passed (modified version) ψ 0.20x4.5 Ultra-long blade coating product certification passed ψ 0.27x6.5 Ultra-long blade coating product certification passed ψ 0.35~5.0 Back-drilling coating product certification passed ψ 0.40x2.4 Bonded coated milling cutter product certification passed

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

1. Short-term Business Development Plans

- (1) Increase the order ratio for micro-drill bit products with a size of 0.20mm (inclusive) or smaller, aiming to maintain it at over 60% of sales revenue.
- (2) In response to the rapidly evolving AI server products, we will strengthen order sample delivery on time to enhance customer satisfaction. By improving customer service with excellent process technologies and professional technicians, along with complete and rigorous certification procedures, we aim to gain customers' trust.
- (3) Continuously improve the yield rate for micro-drill bit products with a size of 0.20mm (inclusive) or smaller to 95%.
- (4) Effectively integrate various business and technical support to expand into foreign markets.
- (5) Continue to cycle around drill bits, drilling, and copper-clad substrates to complete the process capabilities and cutting tools required for next-generation PCB new materials.

2. Medium-term and Short-term Business Development Plans

- (1) Product Line Layout to Address Technical Demands of High-Frequency Products
 - A. Micro-drill products with high aspect ratios (over 30 times).
 - B. Back-drilling product line.
 - C. Wear-resistant, high chip evacuation coated product line.
 - D. Establishing laser and mechanical drilling capacity for high-end HDI and IC substrates.
- (2) Continuously Develop New Process Technologies: Research and develop new product specifications and processes to expand the customer base and keep up with technological trends.
 - A. Launch mass production of Shank 2.0 micro drill bits for high-speed drilling.
 - B. Promote special tools and coated drill bits to improve the company's cost-performance ratio.

- (3) Strengthen the layout of drill bit production and contract drilling services in Southeast Asia, aiming to increase the order intake ratio in overseas markets.

II. Market and Sales Overview:

(I) Market Analysis:

1. Sales Regions of Main Products (Services):

Unit: NT\$ thousand

Region	2023		2024	
	Sales	Rate (%)	Sales	Rate (%)
Domestic Sales	974,961	91.27	1,038,963	89.31
Foreign Sales	Asia	8.45	123,997	10.66
	Europe	0.28	362	0.03
Total	1,068,270	100.00	1,163,322	100.00

2. Market Share of Drill Bit Products

The Group's Taiwan plant has a monthly sales volume of about 4 million units, and if the domestic monthly demand is about 14 million units, the domestic market share is about 30%; and the combined monthly sales volume of 8 million units for the Company's investment in China's Kunshan Key Ware and Chongqing King Ware, the Group's total monthly sales volume is 12 million units, and if the global monthly demand is about 120 million units, the market share is about 10%.

3. Future Supply and Demand and Growth of Drill Bit Market

(1) Supply Status:

There is no unbalanced trend of self-production and self-distribution by drill needle suppliers in different regions.

(2) Demand Status:

The Taiwan Printed Circuit Association (TPCA) has highlighted key development areas for Taiwan's PCB industry, primarily driven by three major application fields: 5G (fifth-generation mobile communication), AIoT (artificial intelligence and the Internet of Things), and HPC (high-performance computing). These areas are driving demand for related HDI manufacturers, server boards, substrates, and high-end flexible PCBs.

(3) Future Growth:

The automotive PCB market is expected to grow at a compound annual growth rate (CAGR) of 7.1% from 2022 to 2028. With the widespread adoption of electric vehicles (EVs) and ADAS (Advanced Driver Assistance Systems), automotive PCBs are increasingly moving toward miniaturization and higher computational performance. As a result, automotive HDI boards are projected to grow at a CAGR of 16.5% during this period, making them the fastest-growing automotive PCB product.

The market for high-end infrastructure PCBs (including server, AI accelerators, and high-end networking infrastructure) is expected to reach a

value of USD 7.9 billion by 2027, with a CAGR of 6.4% from 2022 to 2027. Among these, 8-16 layer PCBs and HDI boards are expected to experience the fastest growth, with respective CAGRs of 8.5% and 8.0% from 2022 to 2027.

4. Competitive Niches

(1) Experienced Management Team

Our management team has extensive experience in the PCB industry, having served with both upstream and downstream companies. The team possesses strong technical capabilities and professional management expertise. With a wealth of experience in production, sales, R&D, and quality control, the team is able to quickly develop products that meet market demands, helping the company secure a place in the global drill bit market.

(2) Competitive Product Quality

Since its establishment, our company has been committed to enhancing product quality and obtained ISO-9002 certification in January 2000. With stable product quality and delivery times, we have become a key supplier to major domestic PCB manufacturers such as Golden Field, Kingboard, Jinko, Unimicron, Nanya, Hanwa, and Sintec. Our company also works with clients to develop micro-drill products to enhance our market competitiveness.

(3) Cost and Competitive Pricing

Our company has independently developed bonding technology for stainless steel and tungsten carbide, reducing the use of tungsten carbide rods, which lowers costs and increases product competitiveness. In addition, raw materials are contractually procured, with prices and supply terms set at the time of contract, ensuring that cost fluctuations do not affect our pricing, benefiting the company's product quotes.

(4) Strong Market Insight

Our business unit managers have worked in the PCB industry for many years and have a deep understanding of the industry, with strong ties to both upstream and downstream sectors. In addition to actively developing relationships with the top 20 domestic PCB manufacturers, we are also sending samples to BGA substrate manufacturers for testing, aiming to tap into the market for drill bits under 0.20mm, aligning with trends in lighter, thinner, shorter, and smaller circuit boards.

(5) Professional and Comprehensive Sales Services

Our company adheres to the service philosophy of "Quality First, Customer Satisfaction." In addition to providing high-quality and competitively priced drill bits, we assist manufacturers in adjusting drilling equipment and processes. We also develop coating technologies to improve drilling durability, thus increasing hole quality and stabilizing customers' production quality.

Furthermore, we supply peripheral products such as copper foil substrates, aluminum cover plates, underlay plates, milling cutters, and coated tools, ensuring a “one-stop” purchasing experience to meet customer needs. We aim to provide professional and comprehensive sales services to satisfy customer demands and enhance customer satisfaction.

5. Favorable and Unfavorable Factors of Development Prospects

(1) Favorable Factors

- A. Fifth generation cellular communication (5G), artificial intelligence internet of things (AIoT) and high speed computing (HPC) are driving PCB demand growth.
- B. China's PCB market has grown significantly, driving demand for mid-range and high-end products.
- C. Advanced production facilities and stable production are conducive to the development of high-end products.
- D. Early deployment in Southeast Asia market.

(2) Unfavorable Factors and Related Measures

- A. The red supply chain is growing rapidly, and middle and low-end products are facing cost competition.
- B. The supply source of tungsten carbide is limited, and it is difficult to disperse the risk of rising raw materials.

(3) Response measures:

- A. Strengthen business products and regional breadth.
- B. Promote high performance drills for high end products.
- C. Continuous improvement of production efficiency to reduce waste and enhance cost competitiveness.
- D. Continuously develop new tungsten materials to reduce the risk of raw material fluctuations.

(II) Usage and Manufacturing Processes for Main Products

1. Usage for Main Products

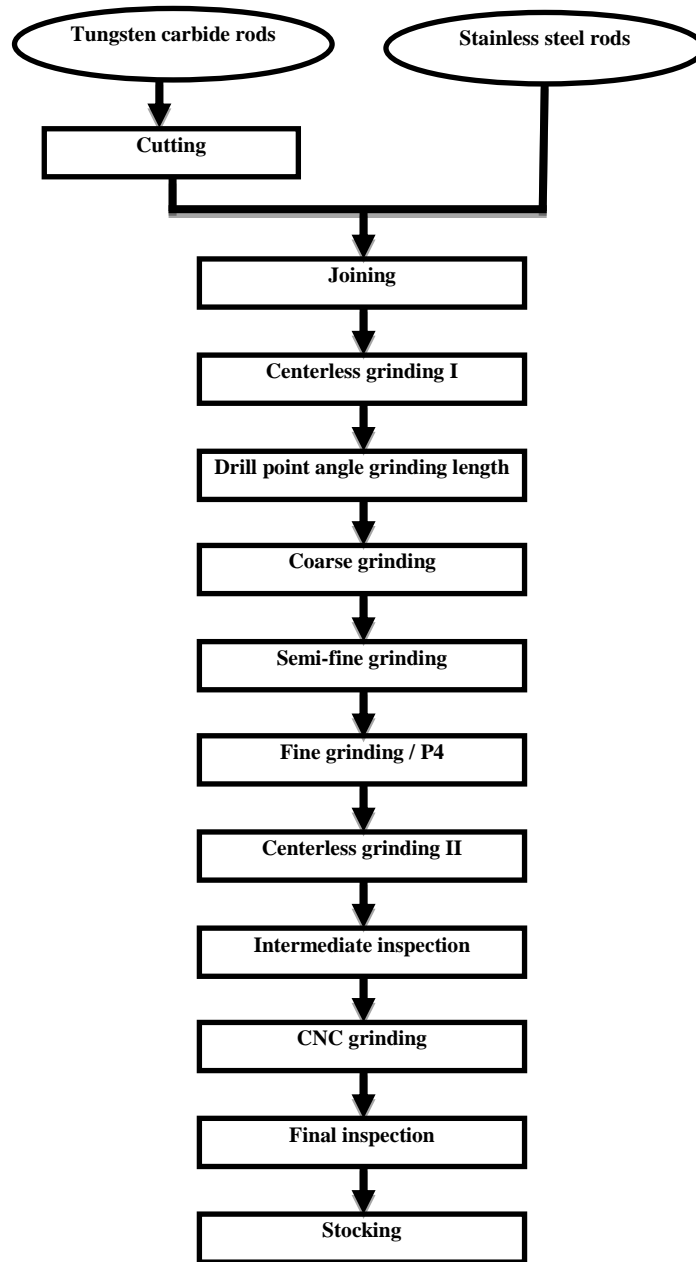
Our tungsten carbide drill bit is a cutting tool for PCBs. It has various specifications depending on the design of drill diameter, flute length, helix angle and point angle, etc. It can be used for drilling holes of various circuit boards as follows:

Type of PCB	Main Usage
Flexible circuit board	Smartphones, tablets, digital cameras, and notebooks.
Rigid single-layer board	Consumer electronics.
Rigid double-layer	Computer peripherals and terminals, fax machines, video recorders, numerical control equipment, personal computers, communication

board	equipment, etc.
Rigid multi-layer board HDI board	Server boards, smartphones, tablet computers, digital cameras, notebook computers, gaming consoles, personal computers, fax machines, industrial automation equipment, numerical control devices, communication equipment, small to mid-sized and mini computers, wall-mounted ultra-thin TV systems, etc.
IC Substrate	Mobile communication chips, CPU chips, graphics chips, Northbridge chipsets, Southbridge chipsets, game machine chips, digital TVs, etc.
Aluminum substrates	Backlight modules and thermal dissipation application boards for LED light-emitting diodes.

2. Manufacturing Processes:

Manufacturing process of drill bit products:



(III) Supply situation for major raw materials

Major raw material	Major suppliers	Supply situation
Tungsten carbide rods	AXIS	Good
Stainless steel joint handle	Tai Yu Sheng Co., Ltd.	Good

(IV) Names of customers with more than 10% of total purchase (sales) and the amount and proportion of purchase (sales) in any of the last two years, and the reasons for the increase or decrease

1. List of Suppliers of Purchases

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	Proportion to Net Purchase for the Year %	Relationship with the Issuer	Name	Amount	Proportion to Net Purchase for the Year %	Relationship with the Issuer
1	Supplier C	102,284	21.49	None	Supplier A	127,281	21.84	None
2	Supplier A	91,673	19.26	Affiliate	Supplier B	125,897	21.60	Affiliate
3	Supplier B	79,452	16.69	None	Supplier C	109,043	18.71	None
4	Supplier D	67,690	14.22	None	Supplier D	73,267	12.57	None
	Others	134,936	28.34	None	Others	147,315	25.28	None
	Net purchase	476,035	100.00		Net purchase	582,803	100.00	

Note: Information on the audited financial statements for the first quarter of 2025 is not available as of the date of printing of the annual report.

Reason for change: There was no significant change in the percentage of customers with more than 10% of total purchases in the last two years.

2. List of Sales Customers

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	Proportion to Net Sale for the Year %	Relationship with the Issuer	Name	Amount	Proportion to Net Sale for the Year %	Relationship with the Issuer
1	Customer A	155,174	14.53	None	-	-	-	
2	Others	913,096	85.47	None	Others	1,163,052	100.00	None
	Net sales	1,068,270	100.00		Net sales	1,163,052	100.00	

Note: Information on the audited financial statements for the first quarter of 2025 is not available as of the date of printing of the annual report.

Reason for change: In 2024, there were no customers accounting for more than 10% of total sales. The company actively developed new customers, resulting in an increase in revenue compared to the previous period. The net sales ratio for individual customers slightly declined. Customer A remained among the top ten customers, with only a slight decrease in its net sales ratio..

III. Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

February 28, 2025

Year		2023	2024	As of February 28, 2025
Number of Employees	Director labor	250	235	247
	Indirector labor	134	127	124
	Total	384	362	371
Average Age		38.82	38.47	39.64
Average Service Year		6.25	6.31	7.09
Academic Background Distribution (%)	PhD	0.00%	0.00%	0.00%
	Master's	2.60%	2.21%	1.89%
	Bachelor's	33.33%	31.49%	29.92%
	High school	41.67%	45.03%	46.63%
	Below high school	22.40%	21.27%	21.56%
	Total	100.00%	100.00%	100.00%

IV. Disbursements for Environmental Protection:

- (I) For the last two years and up to the date of publication of the public statement, the losses suffered by the Company due to pollution of the environment (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, the date of the penalty, the word number of the penalty, the provision of the violation, the content of the violation, and the content of the penalty should be listed), and the estimated amount of current and possible future occurrences and response measures should be disclosed, and if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated: None.

V. Labor-Management Relations:

- (I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests
1. Employee benefits measures:
 - (1) Statutory benefits: Labor insurance, universal health insurance, group insurance, pension
 - (2) Company benefits: employee bonus shares, on-the-job training for employees.
 - (3) Welfare Committee benefits: The Company has established the Employee Welfare Committee in 1999 according to the law, providing wedding and funeral subsidies, emergency relief, annual gifts, employee celebrations, club activities, company trips, etc.
 2. Continuing Education, Training, Retirement System and its implementation:
 - (1) The Company has established the "Education and Training Management System" to implement various training programs in a planned manner so that all employees have the proper ability to perform their jobs, including: new employee training, pre-employment training, on-the-job training, and other training, in the hope of improving the overall quality of the company's manpower, developing the potential of the Company's employees, and reserving future management personnel.
 - (2) The Company has established the " Regulations for Labor Retirement Management". Employees who have completed a certain number of years of service or reached a certain age are entitled to receive a pension under the Regulations.
 3. Agreement between labor and management and measures to protect employees' rights and interests: Therefore, the Company has always attached great importance to the harmony of labor relations and spared no effort in protecting the rights of employees and caring for them physically and mentally, and has established an employee welfare committee to be responsible for the planning of employee welfare matters. Both employers and employees can make use of the Employee Welfare Committee to maintain good labor relations, therefore, labor relations have always been good and no disputes have occurred.
- (II) For the most recent year and up to the date of printing of the annual report, the losses suffered by the Company due to labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of sanction, the sanction number, the provisions of the law violated, the content of the law violated, and the content of the sanction) should be listed, and the estimated amount of current and possible future occurrence and the measures to be taken should be disclosed, and if it cannot be reasonably estimated, the facts that cannot be reasonably estimated should be stated: None.

The Company does not have a labor union but it has always valued the welfare of its employees and provided an excellent working environment. It also emphasizes

two-way communication with its employees to ensure harmonious labor-management relations, and has established work rules in accordance with governmental regulations, and has perfect and reasonable regulations on salaries, working hours, vacations, and retirement, etc. In addition, it has also taken welfare measures such as safety and health, education and training to reduce the chance of future labor disputes and losses.

VI. Cyber security management:

- (I) Cyber security risk management framework, cyber security policies, specific management plans and resources devoted to cyber security:
 - 1. Cyber security risk management structure: Currently, the information professionals established by the Company's management department are responsible for overseeing cyber security-related management issues. It is expected that by the end of 2023, we will have a dedicated head of information security and at least one dedicated information security officer in compliance with regulations.
 - 2. Cyber Security Policy: The Company has established "Information Security Practice Management Regulations".
 - 3. Specific management solutions: anti-virus software, firewall, intrusion detection system and other information security control measures, regular promotion of information security awareness, and e-mail social engineering exercises.
 - 4. Investing in resources for information security management: upgrading anti-virus software, firewall and intrusion detection system equipment.
- (II) For the most recent year and as of the printing date of the annual report, the losses suffered as a result of significant information security incidents, their possible effects and the measures taken in response, if they cannot be reasonably estimated, should state the facts that cannot be reasonably estimated: None.

VII. Important Contracts:

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Bank loans contract	Chang Hwa Bank	2024.12.31-2025.12.31	Short-term consolidated credit line	None
Bank loans contract	Taishin International Bank	2024.12.31-2025.08.31	(1) Short-term consolidated credit line (2) Short-term secured loan - stock	None
Bank loans contract	Land Bank of Taiwan	2025.02.20-2026.02.20	Short-term loans	None
Bank loans contract	Taiwan Cooperative Bank	2024.08.27-2025.08.27	Short-term loans	None
Bank loans contract	Mega International Commercial Bank	2024.08.30-2025.08.29	Short-term consolidated credit line	None
Bank loans contract	Entie Commercial Bank	2024.09.30-2025.09.30	Short-term consolidated credit line	None
Bank loans contract	Yuanta Commercial Bank	2024.12.05-2025.12.04	General revolving funds	None
Bank loans contract	Bank of Panhsin	2024.12.31-2025.12.31	Short-term loans	None
		2021.07.27-2026.10.29	Medium-term guaranteed loan – equipment	None
Bank loans contract	KGI Bank	2024.10.28-2025.10.28	Short-term loans	None
Bank loans contract	Bank Sinopac	2024.07.19-2025.07.31	(1) Short-term consolidated credit line (2) Short-term secured loan - stock	None
Bank loans contract	Taichung Commercial Bank	2024.08.23-2025.08.23	Short-term consolidated credit line	None
Bank loans contract	Cathay United Bank	2024.11.30-2025.11.30	Short-term consolidated credit line	None
		2024.11.30-2025.11.30	Short-term guarantee limit – Key Ware STAND BY L/C	
Bank loans contract	First Commercial Bank	2024.12.17-2025.12.17	Short-term loans	None
		2022.05.25-2027.05.25	Medium-term guaranteed loan – equipment	None
Bank loans contract	Sunny Bank	2024.08.30-2025.08.30	Short-term guaranteed loan – stock	None
Guaranteed issuance of commercial bills	Mega Bills Finance Co., Ltd.	2025.03.10-2026.03.09	Operations revolving funds	None
Bank loans contract	Taiwan Shin Kong Commercial Bank	2025.03.05-2026.03.05	Short-term loans	None
		2024.03.06-2027.03.06	Medium-term guaranteed loan – land and buildings	None

Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I. Financial Position:

(I) The Major Reasons for Significant Changes in Assets, Liabilities and Equity in the Last Two Years and Their Effects, and Future Plans if Significant:

Unit: NT\$ thousand

Item	Year	2023	2024	Difference	
				Amount	%
Current Assets		1,836,791	1,952,624	115,833	6.31%
Property, plant, and equipment		1,321,591	1,427,381	105,790	8.00%
Intangible Assets		25,366	22,376	(2,990)	-11.79%
Other Assets (Note 1)		477,336	359,880	(117,456)	-24.61%
Total Assets		3,661,084	3,762,261	101,177	2.76%
Current Liabilities		988,196	1,084,918	96,722	9.79%
Non-current liabilities		633,357	579,877	(53,480)	-8.44%
Total Liabilities		1,621,553	1,664,795	43,242	2.67%
Share capital		1,923,135	1,924,485	1,350	0.07%
Capital surplus		80,479	80,695	216	0.27%
Retained earnings		185,255	197,763	12,508	6.75%
Other equity adjustments		(166,966)	(124,456)	42,510	25.46%
Total Equity		2,039,531	2,097,466	57,935	2.84%

1. Reasons for and effects of significant changes (changes of 20% or more in the prior and subsequent periods):

- (1) Other Assets: Mainly due to land expropriation compensation and equipment reimbursement received by the subsidiary in mainland China.
- (2) Other Equity Adjustments: Due to fluctuations in the CNY exchange rate, the translation loss of financial statements from foreign operations decreased.

2. Future plans: The above changes have no significant impact on the Company and its subsidiaries.

Note 1: Other assets are non-current assets, net of property, plant and equipment and intangible assets.

II. Financial Performance:

- (I) The Main Reasons for Significant Changes in Operating Income, Net Operating Income and Net Income before Taxes for the Last Two Years:

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Operating revenue	1,068,270	1,163,052	94,782	8.87%
Operating costs	1,108,390	1,055,957	-52,433	-4.73%
Gross profit	(40,120)	107,095	147,215	366.94%
Operating Expenses	143,923	116,531	-27,392	-19.03%
Net operating income	(184,043)	(9,436)	174,607	94.87%
Non-operating income and expenses	332,664	10,090	-322,574	-96.97%
Net income before tax	148,621	654	-147,967	-99.56%
Income Tax Expense	143,682	(397)	-144,079	-100.28%
Net Income for the period	4,939	1,051	-3,888	-78.72%
Other comprehensive income	(69,733)	56,495	126,228	181.02%
Total Comprehensive Income	(64,794)	57,546	122,340	188.81%
Analysis of the reasons for changes of 20% or more in the percentage of increase or decrease:				
<ol style="list-style-type: none"> 1. Gross Profit from Operations: The gross profit increased due to a 274% growth in revenue from the contract manufacturing business in 2024. 2. Operating Profit: The increase in operating profit for the current period is mainly due to the growth in contract manufacturing revenue and gross profit, as well as cost-saving measures across various expenditures. 3. Pre-tax Profit, Non-operating Income and Expenses, Income Tax Expense, and Net Profit for the Period: The significant difference between the two periods is mainly due to the recognition of land compensation income in 2023. 4. Other Comprehensive Income (Loss): The increase is due to greater fluctuations in the CNY exchange rate during the current period, resulting in a larger foreign currency translation difference in financial statements of overseas operations. 5. Total Comprehensive Income for the Period: Although there was no land compensation income in 2024, the growth in contract manufacturing orders and effective cost-saving efforts, along with increased other comprehensive income due to exchange rate fluctuations, led to an overall increase in total comprehensive income for the period. 				

- (II) **Projected Sales Volume and Its Basis, Potential Impact on the Company's Future Financial and Business Performance, and Response Plans:**

Driven by applications such as 5G system-on-chip (SoC), artificial intelligence (AI), Internet of Things (IoT), high-performance computing (HPC), modems,

antenna-in-package (AiP), base stations, wearable devices (e.g., AirPods Pro), and high-bandwidth mobile DRAM, the demand for ABF substrates and servers remains strong. Correspondingly, sales of our Drill Bit Division’s ABF-specialized drill bits, HLC high aspect ratio drill bits, and back drilling tools continue to grow.

The Contract Manufacturing Division has completed its capacity expansion and is now well-equipped to meet customers’ growing demand for high-end substrates and advanced HDI. Revenue and profit growth are expected in the future. Meanwhile, the Laminate Division is focusing its marketing strategy on high-frequency and high-speed materials used in 5G products.

The company expects sales of drill bits and tools to grow by 20%–30% in 2025, and contract manufacturing services to grow by 30%–50% on top of the high base in 2024. The shipment volume of various laminate materials is expected to remain at a high level.

III. Cash Flows:

(I) Analysis of Changes in Cash Flow for the Current Year:

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (Decrease)	Increase (Decrease) %
Operating activities	161,045	(65,595)	-226,640	-140.73%
Investment activities	230,191	50,195	-179,996	-78.19%
Financing activities	(447,831)	104,427	552,258	-123.32%
Analysis of the reasons for changes of 20% or more in the percentage of increase or decrease:				
(1) Operating Activities: The net cash outflow from operating activities was mainly due to an increase in inventory.				
(2) Investing Activities: The net cash outflow was primarily caused by an increase in short-term investment outflows and a decrease in proceeds from the disposal of equipment compared to the previous period.				
(3) Financing Activities: The net cash inflow was mainly due to an increase in short-term borrowings.				

(II) Improvement plan for liquidity deficiency: No liquidity deficiency is expected.

(III) Liquidity Analysis for the Coming Year:

Unit: NT\$ thousand

Cash at Beginning of Year a	Expected Net Cash Flows from Operating Activities b	Expected Cash Flows Used c	Expected Cash Surplus (Inadequacy) a+b-c	Expected Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
227,514	150,000	100,000	277,514	-	-
(1) Analysis of Changes in Cash Flow for the Coming Year:					
A. Expected Net Cash Flows from Operating Activities:					
Expected Net Cash Inflow from Operating Profit and Amortization and Depreciation.					
B. Expected Annual Cash Outflow: Monthly normal operating expenses and distribution of cash dividends.					
(2) Remedial Measures for Cash Inadequacy: N/A.					

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year: None.

V. Recent Annual Investment Policy, Main Reasons for Profit or Loss, Improvement Plan, and Investment Plans for the Coming Year:

- (I) The current reinvestment policy has been included in the consolidated financial statements, and the supervision and management of the subsidiaries have been established in the internal control system to ensure the monitoring of the subsidiaries' operations.
- (II) No new investment plans are expected in the coming year.

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

- (I) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on the Company's Profit and Loss, and Future Countermeasures:

Unit: NT\$ thousand; %

Item	2023	2024
Interest expense	31,296	30,810
Net foreign exchange gains (losses)	8,474	5,003
Operating revenue	1,068,270	1,163,052
Net income before tax	148,621	654
Ratio of net interest expense to net revenue	2.93%	2.65%
Ratio of net interest expense to net (loss) income before taxes	21.06%	4711.01%
Ratio of net exchange gain to net revenue	0.79%	0.43%
Ratio of net exchange gain to net (loss) income before taxes	5.70%	764.98%

1. Change in Interest Rate

The Company maintains good relationships with banks and is able to seek lower interest rate funding channels to reduce interest costs. The Company will continue to monitor global economic trends and take necessary measures to hedge the risk of rising interest rates at the appropriate time, so the impact of interest rate changes on the Company's revenue and earnings is not yet significant.

2. Change in Exchange Rate

The Company's exchange rate impact is derived from U.S. dollar-denominated accounts receivable and Japanese yen-denominated purchase loans from imports. The Company is closely informed of current and future exchange rate trends and makes timely adjustments for hedges.

3. Inflation

The Company has closely monitored price fluctuations and implemented policies to address them. There is no risk of serious inflationary impact. Therefore, there is no significant impact on the Company's profit or loss.

- (II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the

Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. Policy regarding High-risk Investments and Highly Leveraged Investments, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

The Company focuses on its business and has not engaged in any high-risk, highly leveraged investments in the most recent year or as of the date of the annual report.

2. Policy regarding Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

The Company has established the "Procedures for Lending of Funds to Others", "Procedures for Endorsement and Guarantee", "Procedures for Acquisition or Disposal of Assets" and "Procedures for Derivative Transactions", which have been approved by the shareholders' meeting, and the relevant regulations are followed when the Company engages in related operations.

(III) R&D Work to Be Carried Out in the Future and Further Expenditures Expected for R&D Work:

In 2025, our company plans to invest approximately NT\$1.7 million in research and development expenditures. However, we will adjust and plan accordingly based on the global market conditions and our actual operational situation. The summary of our company's future main research and development projects is as follows:

Project Name	Project Description	Project Purpose	Expenditures Expected for R&D Work:
Constructing Generative AI Product Line	<ol style="list-style-type: none"> 1. High aspect ratio (30x or more) coated drill bits 2. Back drilling (blind drilling) (deep control) needles 	To meet the demands of the future generative AI market, the company is preparing corresponding products, increasing prices, and enhancing drilling efficiency to improve product competitiveness.	1 million
Evaluation of wear-resistant tungsten carbide materials	Discuss and test the wear-resistant tungsten carbide with existing tungsten carbide suppliers or find other suppliers.	To address future markets such as generative AI, low-earth orbit satellites, and ABF substrates, the company is preparing corresponding products, increasing prices, and improving drilling efficiency to enhance product competitiveness.	200,000
Constructing ABF product lines	<ol style="list-style-type: none"> 1. $\varphi 0.10 \times 2.0$ 2. $\varphi 0.15 \times 3.0$ 3. $\varphi 0.15 \times 3.5$ 4. $\varphi 0.20 \times 3.8$ 	To meet the demands of the future ABF market, the company is preparing corresponding products, increasing prices, and enhancing drilling efficiency to improve product competitiveness.	300,000

Evaluation of wear-resistant coatings	Independently developed and tested wear-resistant coating.	To address future markets such as generative AI, low-earth orbit satellites, and ABF substrates, the company is preparing corresponding products, increasing prices, and improving drilling efficiency to enhance product competitiveness.	200,000
---------------------------------------	--	--	---------

- (IV) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response: The Company's daily operations are conducted in accordance with the relevant domestic and foreign regulations, and it pays close attention to the changes in important domestic and foreign policies and regulations. The Company's financial operations have not been materially affected by significant domestic and foreign policy and legal changes in recent years.
- (V) Effect on the Financial Operations of Developments in Science and Technology and Industrial Change, and Measures to Be Taken in Response: None.
- (VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response: None.
- (VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response: None.
- (VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response: None.
- (IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response:
1. Centralized purchasing: We have three or more qualified suppliers for our main raw materials, effectively dispersing our supply sources.
 2. Centralized sales: The Company's customer base is dispersed and there is no centralized sales.
- (X) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director or Shareholder Holding Greater than a 10% Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures to Be Taken in Response: None.
- (XI) Effect on and Risk to the Company Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response: None.
- (XII) Litigation or non-litigation litigation or non-litigation litigation should include the major litigation, non-litigation or administrative dispute that has been determined or is still pending between the company and its directors, president, persons in charge of the company, major shareholders holding more than 10% of the shares, and affiliated companies, the outcome of which may have a significant impact on shareholders' equity or securities prices, and shall disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, and the main parties involved in the litigation. The Company shall disclose the facts of the dispute, the amount of the subject

matter, the commencement date of the litigation, the main parties involved in the litigation and the status as of the date of the annual report: None.

(XIII) Other important risks and response measures:

Information Security Risk Assessment and Measures to Be Taken in Response:

The Company has established the “Information Security Operation Management Guidelines,” with dedicated IT professionals responsible for overseeing matters related to information security control.

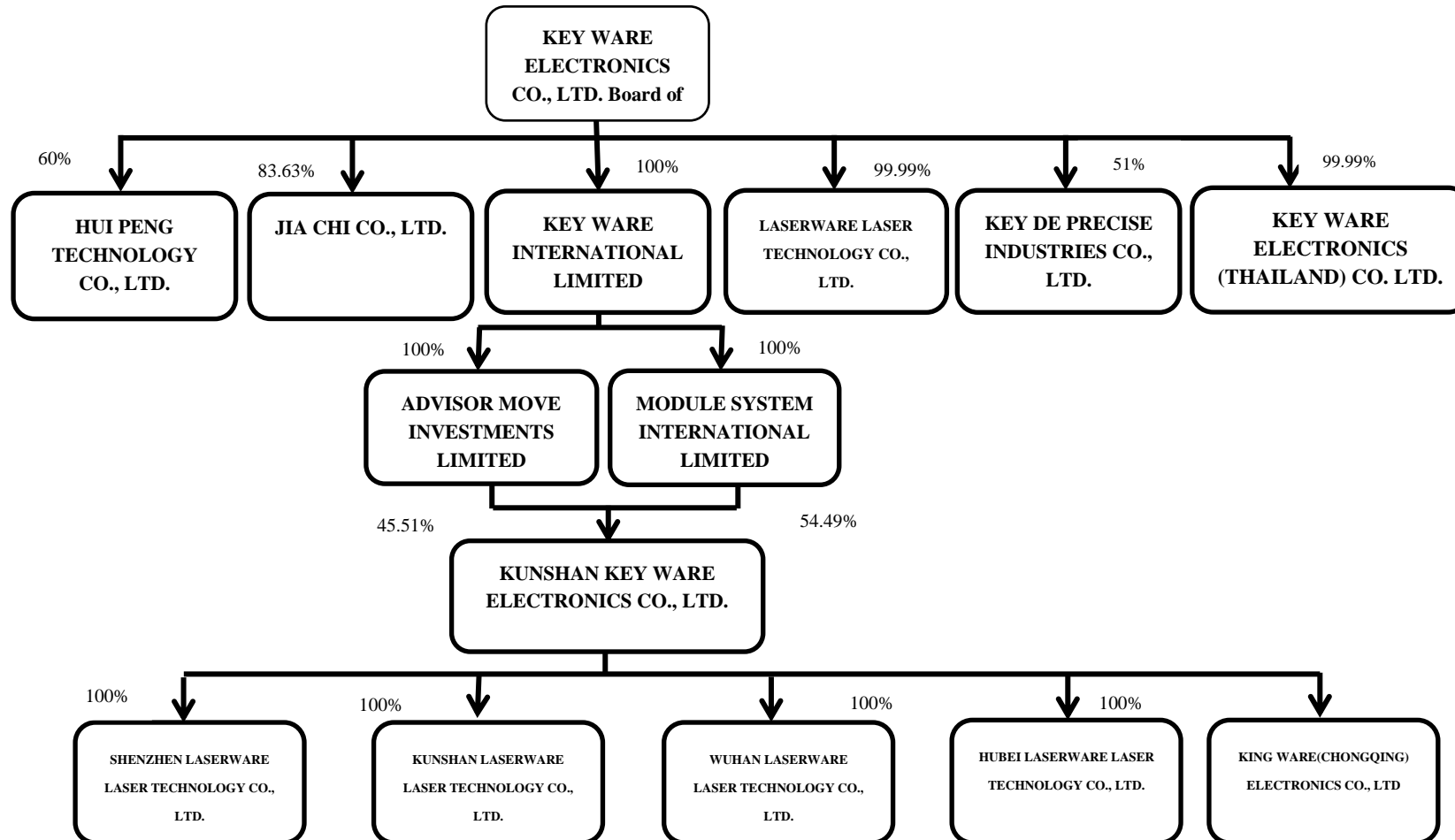
VII. Other Important Matters: None.

Chapter 6 Special Disclosure

I. Information on Affiliates:

(I) Consolidated Business Report of Affiliates

1. Organization Chart of Affiliates (as of December 31, 2024)



2. Basic information of affiliates

December 31, 2024

(Unit: NT\$/US\$/CNY thousand)

Name of Affiliate	Date of Incorporation	Address	Paid-in Capital	Major Lines of Business or Products
Key Ware International Limited	2001.03	TRUSTNET CHAMBERS,P.O. BOX 3444 ROAD TOWN, TORTOLA BVI	USD 23,717	General investment
Key De Precise Industries Co., Ltd.	2008.11	No. 31, Keji 2nd Rd., Guishan Dist., Taoyuan City	NTD 12,000	Wholesale and processing of electronic parts and components
Jia Chi Co., Ltd.	1996.04	No. 100, Lane 796, Section 1, Minfu Road, Ruiyuan Village, Yangmei District, Taoyuan City	NTD 37,714	Laser drilling contract service
Laserware Laser Technology Co., Ltd.	2014.12	No. 32, Xingbang Rd., Taoyuan Dist., Taoyuan City	NTD 1,000	Electronic components, machinery and equipment
Hui Peng Technology Co., Ltd	2020.06	No. 32, Xingbang Rd., Taoyuan Dist., Taoyuan City	NTD 1,000	Electronic components, machinery and equipment
Advisor Move Investments Limited	2001.08	TRUSTNET CHAMBERS,P.O. BOX 3444 ROAD TOWN, TORTOLA BVI	USD 9,960	General investment
Module System International Limited	2002.10	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	USD 12,957	General investment
Kunshan Key Ware Electronics Co., Ltd.	2001.08	No. 69, Lisheng Road, Huaqiao Town, Kunshan City, Jiangsu Province, China	USD 24,167	Drilling tools, hand tools
Kunshan Laserware Laser Technology Co., Ltd	2015.06	No. 69, Lisheng Road, Huaqiao Town, Kunshan City, Jiangsu Province, China	CNY 7,000	Laser drilling contract service
King Ware (Chongqing) Electronics Co., Ltd.	2017.11	Block 3, No. 2177 Xinglong Avenue, Yongchuan District, Chongqing	CNY 1,000	Drilling tools, hand tools
Wuhan Laserware Laser Technology Co., Ltd	2018.03	Factory 1-4, No. 266, Taizihu Road, Wuhan Economic and Technological Development Zone	CNY 39,000	Drilling Foundry
Shenzhen Laserware Laser Technology Co., Ltd.	2020.11	Block A1, No. 2099, Jincheng Road, Democracy Community, Shajing Street, Baoan District, Shenzhen	CNY 6,260	Drilling Foundry
Hubei Laserware Laser Technology Co., Ltd.	2024.03	No. 118 East Pengcheng Avenue, Jinshan Subdistrict Office, Kaiti District, Huangshi City, Hubei Province, Factory Buildings No. 6 and 7, Hubei Guangliang Huangjinshan Industrial Support Park.	CNY 13,500	Drilling Foundry
Key Ware Electronics (Thailand) Co.,Ltd.	2024.03	No. 264 Moo. 7, Tha Tum Subdistrict, Sri Maha Pho District, Prachin Buri Province 25140	THB 2,406	Drilling Foundry

3. Where there is considered to be a controlled and subordinate relation, information of the same shareholders: None.
4. Industries covered by the overall business of the affiliates
- (1) Design, manufacturing, processing, and trading of printed circuit board (PCB) raw materials such as drill bits, electroplating solutions, dry films, and others.
 - (2) Design, manufacture and trading of printed circuit board special purpose machines.
 - (3) Agency, distribution, quotation and bidding of the previous products.
 - (4) Laser and mechanical drilling foundry business.
5. Information on directors, supervisors, and presidents of affiliates

Name of Affiliate	Title	Name or Representative	December 31, 2024 Shareholding	
			Number of Shares	Percentage of Ownership
Key Ware International Limited	Chairman	Huang, Chih-Han	-	-
Key De Precise Industries Co., Ltd.	Chairman	Chen, Po-Ying	-	-
	Director	Chow, Chia-Chu	-	-
	Director	Chu, Tsung-Wei	-	-
	Director	Tsai, Chuan-Chuan	234,000 shares	19.5%
	Director	Wang, Yu-Jen	180,000 shares	15%
	Supervisor	Chen, Chih-Chun	-	-
Jia Chi Co., Ltd.	President	Chen, Po-Ying	-	-
	Chairman	Chow, Pong-Chi	-	-
	Director	Chen, Po-Ying	-	-
	Director	Chen, Chih-Chun	-	-
	Supervisor	Chu, Tsung-Wei	-	-
Laserware Laser Technology Co., Ltd.	President	Yang, Chun-Nan	-	-
	Chairman	Chow, Pong-Chi	-	-
	Director	Chow, Chia-Chu	-	-
	Director	Chen, Po-Ying	-	-
	Director	Hu, Chien-Hung	-	-
	Director	Chu, Tsung-Wei	-	-
Hui Peng Technology Co., Ltd	Supervisor	Chen, Chih-Chun	-	-
	Chairman	Chow, Pong-Chi	-	-
	Director	Chen, Chih-Chun	-	-
	Director	Huang, Jung-Hui	40,000 shares	40%
Supervisor	Chu, Tsung-Wei	-	-	
Advisor Move Investments Limited	Chairman	Chen, Chih-Chun	-	-
Module System International Limited	Chairman	Chu, Tsung-Wei	-	-
Kunshan Key Ware Electronics Co., Ltd.	Chairman	Chu, Tsung-Wei	-	-
	Director	Chiang, Chi-Chen	-	-
	Director	Chen, Po-Ying	-	-
	Supervisor	Li, Hsiang-Yun	-	-
	President	Chen, Po-Ying	-	-
Kunshan Laserware Laser Technology Co., Ltd	Chairman	Chiang, Chi-Chen	-	-
	Director	Chu, Tsung-Wei	-	-
	Director	Huang, Chiu-Mei,	-	-
	Supervisor	Shen, Liang-Ping	-	-
President	Chu, Tsung-Wei	-	-	
King Ware (Chongqing) Electronics Co., Ltd.	Chairman	Chiang, Chi-Chen	-	-
	Director	Chu, Tsung-Wei	-	-
	Director	Chen, Po-Ying	-	-
	Supervisor	Shen, Liang-Ping	-	-
	President	Chen, Po-Ying	-	-
Wuhan Laserware Laser Technology Co., Ltd	Chairman	Chiang, Chi-Chen	-	-
	Director	Lo, Chin-Chuan	-	-
	Director	Chen, Po-Ying	-	-

	Supervisor President	Chu, Tsung-Wei Chu, Tsung-Wei		
Shenzhen Laserware Laser Technology Co., Ltd.	Chairman Director Director Supervisor President	Chiang, Chi-Chen Chu, Tsung-Wei Hu, Chien-Hung Shen, Liang-Ping Chu, Tsung-Wei	-	-
Hubei Laserware Laser Technology Co., Ltd.	Chairman Director Director Supervisor	Chiang, Chi-Chen Lo, Chin-Chuan Chen, Po-Ying Hu, Chien-Hung	-	-

6. Operating status of affiliates

December 31, 2024

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenue	Operating profit (loss)	Net income (loss)	Earnings per share (NT\$)
Key Ware International Limited (Unit: CNY thousand)	189,976	412,634	-	412,634	-	(29)	16,200	-
Key De Precise Industries Co., Ltd. (Unit: NT\$ thousand;)	12,000	81,501	54,243	27,258	146,923	7,846	5,871	-
Jia Chi Co., Ltd. (Unit: NT\$ thousand;)	37,714	101,187	98,484	2,703	22,343	7,869	7,846	-
Laserware Laser Technology Co., Ltd. (Unit: NT\$ thousand;)	1,000	978	11	967	-	(4)	2	-
Hui Peng Technology Co., Ltd (Unit: NT\$ thousand;)	1,000	1,015	-	1,015	-	-	7	-
Advisor Move Investments Limited (Unit: CNY thousand)	79,845	188,128	-	188,128	-	(28)	7,401	-
Module System International Limited (Unit: CNY thousand)	102,607	222,700	-	222,700	-	(65)	8,825	-
Kunshan Key Ware Electronics Co., Ltd. (Unit: CNY thousand)	194,131	493,377	55,175	438,202	73,330	6,192	16,303	-
Kunshan Laserware Laser Technology Co., Ltd (Unit: CNY thousand)	7,000	31,594	29,927	1,667	28,841	(385)	391	-
King Ware (Chongqing) Electronics Co., Ltd. (Unit: CNY thousand)	1,000	2,638	1,058	1,580	3,117	155	146	-
Wuhan Laserware Laser Technology Co., Ltd (Unit: CNY thousand)	39,000	41,722	1,537	40,185	25,844	2,175	2,114	-
Hubei Laserware Laser Technology Co., Ltd. (Unit: CNY thousand)	13,500	22,712	8,534	14,178	4,776	686	678	-
Key Ware Electronics (Thailand) Co.,Ltd (Unit: THB thousand)	2,500	14,804	13,039	1,765	-	(740)	(735)	-

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

III. Other Necessary Supplementary Information: None.

IV. During the most recent fiscal year and up to the publication date of the annual report, the Company has experienced events that fall under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which could have a significant impact on shareholders' equity or the market price of securities (including any events requiring a press conference as stipulated in Article 11, Paragraph 1 of the Procedures for Verification and Public Disclosure of Material Information of OTC Companies): None.

Key Ware Electronics Co., Ltd.

Chairman: Chow, Pong-Chi