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Website of the Company: <http://www.aemg.com.tw>

# **Asia Electronic Material Co., Ltd.**

## **2024 Annual Report**

Publication Date: April 20, 2025

Information declaration website designated by the competent authority: <http://newmops.twse.com.tw>

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- V. Name of any exchanges where the Company's securities are traded offshore and the method by which to access information on said offshore securities  
None
- VI. Corporate website  
<http://www.aemg.com.tw/>

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# One. Letter to Shareholders

## The 2024 Business Report of Asia Electronic Material Co., Ltd.

Dear Shareholders:

### I. Operating results in 2024:

#### (I) Implementation achievement of business plan

Unit: NT\$000'

	2024	2023	YoY growth rate
Consolidated operating income	1,541,704	1,548,510	-0.44%
Net operating profit	35,112	81,624	-56.98%
Net profit after tax	19,084	36,322	-47.46%
Earnings per share after tax	0.19	0.37	-48.65%

#### (II) Budget implementation

The Company did not disclose its financial forecast for 2024.

#### (III) Analysis of profitability

	2024	2023
Return on assets	1.46%	2.16%
Return on equity	1.24%	2.37%
Profit margin	1.24%	2.35%

#### (IV) R&D status

In recent years, the development trends of electronic materials have been primarily driven by advancements in high-performance electronic devices, 5G communications, artificial intelligence (AI), electric vehicles, and sustainable development. The Company has been deeply engaged in this field for many years, continuously developing and expanding the sales of new products to increase its operational competitiveness. Presently, our R&D focuses on the development of self-produced PI cover lay, high-frequency products, EMI shielding film (self-produced PI type of EMI) and self-produced TPI substrates, and among which the development of EMI shielding film have qualified the verification of numerous customers, such that the outlook of these products is promising. In the future, we will continue to develop and improve high-priced and high gross-profit products, such as high-frequency materials, ultra-thin bending-resistant materials, ion-resistant migration materials, self-made substrate materials, transparent materials, automotive materials, etc., to create unique products, enhance the Company's competitiveness among peers, and gain a leading position in the industry. Furthermore, with increasingly stringent environmental regulations and technological breakthroughs, future electronic materials will become greener, more sustainable, and safer. In developing new products, the Company emphasizes compliance with environmental regulations starting from the selection of raw materials, thereby promoting the industry's development toward low-pollution and high-efficiency solutions. In addition to the development of the above-mentioned new products, the process focuses on improving production yield and efficiency, so as to reduce product costs and increase gross profit margin to facilitate the acquisition of orders.

### II. Business plan for 2025:

#### (I) Management Policy

The new plant of the Company located at Dongtai, Jiangsu Province, has now started mass production and supplied the market, which not only makes the Group's production capacity more flexible in scheduling, but also contributes to the further upgrading of the Company's operations.

Due to the influence of global net-zero carbon emission policies that promote diversified development of electric vehicles, the Company continues to deeply cultivate the application markets for power batteries/energy storage Flexible Print Circuit (FPC), as well as emerging industry opportunities in metaverse AR/VR, AI consumer electronics, and intelligent vehicles, along with 5G initiatives. The Company continues joint development with U.S. customers and meets cross-field OEM needs in the high-end market, thereby opening

new international markets and promoting new products such as conductive adhesives, EMI materials, and ion migration-resistant covering films. This strategy aims to attract new customers and boost new product sales, which can drive revenue growth.

(II) Estimated sales volume and its basis

Based on past experiences and the status of market supply and demand, it is expected that the sales volume will achieve remarkable growth along with greater applications in 2025.

(III) Important production and marketing policy

1. In 2025, the Dongtai Plant will add a new coating line to accommodate the future diversification of products.
2. The Company connects end customers and understands the requirements of customers to provide comprehensive products and services.

III. Future development strategies of the Company:

(I) Business status:

5G, electric vehicles, and energy storage are the Company's key marketing focus areas this year. To strengthen its presence among U.S. customers and in international markets, the Company must engage in early deployment. In line with this strategy, the Company continues to promote and introduce newly developed high-frequency pure adhesives, substrates, and covering films and other materials to continuously introduce and promote them to end customers and Flexible Print Circuit (FPC) manufacturers, and jointly develop new materials for use, so that the Company's high-frequency and high-speed materials can gain an important leading position in the industry.

For conductive adhesives and EMI, mass production is ongoing, and they have entered the terminal resource pool. Currently, the mainstream products in the market are from Japanese brands; however, the Company's materials have the opportunity to replace Japanese imported materials this year. PI type EMI product is a differentiated product and has been successfully introduced in the medical application.

Due to AI-related demands, the SoC industry and GPU performance are updating faster, the requirements for the use of human-machine interfaces, thinner and denser circuit designs are gradually increasing, and the need for ion migration resistance is even higher. The ion migration-resistant covering film has already received customer certification and is in mass production. The overseas market will be developed, and the customers and market applications will also be expanded.

(II) R&D:

1. The Company attaches attention to the R&D of products of novelty and high gross profits; our products are divided into four categories: high-frequency materials (high-frequency covering film/high-frequency pure glue/high-frequency substrate/fluorine-based substrate), conductive materials (conductive glue/electromagnetic masking film), covering film materials (self-made PI covering film/anti-ion migration covering film/transparent covering film/high Tg covering film), substrate materials (2L/ultra-thin copper foil substrate/self-made TPI substrate/transparent substrate), focusing on the development of novel projects, effectively utilizing R&D resources, improving product gross profit and increasing product uniqueness, and expanding product sales.
2. By combining our technical capacity and supplier management, we implement local procurement for chemical raw materials to minimize the costs of raw materials and improve the gross profits of products, and in turn, improve the competitive strength and profitability of products.
3. New product development emphasizes compliance with environmental regulations to promote sustainable industrial development of the industry.

IV. Impact of external competitive environment, regulatory environment, and overall business environment:

In recent years, environmental protection and industrial safety regulations and standards have become stricter and the global inflation pressure remains high. In view of the impact of escalation of the US-China technology war and ongoing Russia-Ukraine war, and risks on global trade conflicts, the Company has increased the proportion of local procurement of chemical materials and transferred the raw material inventory and management risks to suppliers. We set up an occupational safety team in the factory to implement environmental protection and occupational safety work.

Looking into the future, the largest application demand for FPC in the market will still be related to smartphones. In view of the continual growth in the volume of FPC used for high-end smartphones and the variable changes in smartphone models and functions, the growth momentum of demands for FPC is foreseeable in the future. In addition, the Company continues to increase its investment in R&D, focusing on the production of self-manufactured PI and EMI products. This will enable the Company to enter high-threshold professional application fields such as automotive, energy storage, medical, and aerospace, which will help the Group achieve steady profit growth.

## Two. Corporate Governance Report

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

#### (I) Information on general managers, deputy general managers, senior managers, and heads of departments and branches

March 24, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Shares held by spouse and minors		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in other companies	Other managers who are spouse or blood relatives within the second degree of kinship			Remarks
					Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)			Title	Name	Relationship	
President	Taiwan	Lee Chien-Hui	Male	2003.06	4,751,153	4.84	8,219	0.01	6,328,800	6.44	Ph.D., Department of Chemical Engineering, Chung Yuan Christian University Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	Director, Kunshan Aplus Tec. Corporation Director, Asia Electronic Material Holding (Samoa) Co., Ltd. Director, Besttrade Co., Ltd. Director, Ammon Tec. Investment Corp. Director, Aplus Tec. Corporation (Dongtai)	None	None	None	Note 1
Vice President	Taiwan	Hsu Ming-Hua	Male	2016.02	643,180	0.65	35,901	0.04	0	0	Department of Chemical Engineering, Chung Yuan Christian University Manager, Business Section, TAIFLEX Scientific Assistant vice president, Business Section, Grace Electron Corp.	Legal representative, director, and manager, Kunshan Aplus Tec. Corporation Legal representative, director, and president, Aplus Tec. Corporation (Dongtai)	None	None	None	-
Special assistant of the Chairman	Taiwan	Tseng Chi-Min	Male	2018.12	375,000	0.38	0	0	0	0	Department of Engineering, Ming Chi Institute of Technology Senior specialist, Nan Ya Plastics Corporation, FPG Vice president, Grace Electron Corp. Marketing director, Peng Nuo Hui Li Electronic Material (Xiamen) Co., Ltd.	Special assistant of chairman, Kunshan Aplus Tec. Corporation Director, Aplus Tec. Corporation (Dongtai)	None	None	None	-
Assistant Vice President Head of information security	Taiwan	Wang Chien-Chao	Male	2007.03	8,888	0.01	0	0	0	0	Institute of Industrial Engineering, National Chiao Tung University Assistant manager, Management Department, TAIFLEX Scientific	Director and chief safety inspector of the Occupational Safety Office, Kunshan Aplus Tec. Corporation	None	None	None	-
R&D Section Assistant Vice President Manager, Finance Section Head of corporate governance	Taiwan	Lin Chih-Ming	Male	2016.02	205,964	0.21	0	0	0	0	Department of Chemical Engineering, National Taiwan University of Science and Technology R&D engineer, ThinFlex Corporation	Assistant vice president, R&D Section, Kunshan Aplus Tec. Corporation Supervisor, Aplus Tec. Corporation (Dongtai)	None	None	None	-
	Taiwan	Cheng Wan-Yu	Female	2007.09	152,262	0.16	0	0	0	0	MBA (Accounting), Institute of Management, Yuan Ze University Assistant manager of audit, KPMG Taiwan Audit specialist, Sinonar Corp.	None	None	None	None	-

Note 1: In the event that the Chairman and President or a position of the same level (top-level manager) are the same person, or a spouse or a relative within the first degree of kinship, the reasons, rationality, necessity, and countermeasures (i.e., adding the number of Independent Directors, having more than half of the Directors not concurrently being the employees or managers, and other methods), and relevant information shall be disclosed.

The Chairman of the Company holding the position of President concurrently is to improve our operating efficiency and decision execution. However, to reinforce the independence of the Board, the Company has been actively training appropriate internal candidates and has otherwise appointed Ming Hua, vice president of Taiwan Certificate, as the corporate representative and president of Kunshan Aplus Tec. Corporation. In addition, the Chairman frequently communicates with Directors in terms of the recent operation status, plans, and policies of the Company to realize corporate governance. At the 2021 annual shareholders' meeting, the number of Independent Directors increased from two to four, improving the Board's functions and enhancing its supervisory function. Currently, the Company has the following substantial measures:

1. The current Independent Directors have expertise in the field of electronic parts and the components industry and are able to effectively exercise their supervisory duties.
2. The Company makes arrangements for Directors to participate in professional Director programs organized by SFI and other external institutions each year to improve the operating functions of the Board.
3. Independent Directors in all functional committees may carry out comprehensive discussions and propose recommendations for the Board's reference to realize corporate governance.
4. More than half of the Board members are not concurrently employees or managers.

## (II) Information on directors

March 24, 2025 Unit: Share

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Number of shares held when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Chairman	Taiwan	Lee Chien-Hui	Male 60-70	2024.5.24	3	2003.6.27	4,751,153	4.84	4,751,153	4.84	8,219	0.01	6,328,800	6.44	Ph.D., Department of Chemical Engineering, Chung Yuan Christian University Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	Director, Kunshan Aplus Tec. Corporation Director, Aplus Tec. Corporation (Dongtai) Director, Asia Electronic Material Holding (Samoa) Co., Ltd. Director, Besttrade Co., Ltd. Director, Ammon Tec. Investment Corp.	Director representative	Huang Song-Zhen	Spouse	Note 1
Director	Taiwan	Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen	Not applicable	2024.5.24	3	2015.5.28	2,860,080	2.91	2,860,080	2.91	0	0	0	0	-	-	None	None	None	None
Director representative	Taiwan	Huang Song-Zhen	Female 50-60	2024.5.24	-	2015.5.28	0	0	8,219	0.01	4,751,153	4.84	0	0	Master, Institute of Chemical Engineering, Chung Yuan Christian University	None	Director	Lee Chien-Hui	Spouse	None
Director	Taiwan	Tsai Sen	Male60-70	2024.5.24	3	2021.7.23	467,251	0.48	467,251	0.48	104,633	0.11	0	0	Supervisor, Asia Electronic Material Co., Ltd.	None	None	None	None	None
Director	Taiwan	Chen Ching-Chi (Note 2)	Male60-70	2021.7.23	3	2021.7.23	471,059	0.48	-	-	-	-	-	-	Department of Business Administration, Aletheia University Computer engineer, TAIFLEX Scientific	Supervisor, Kunshan Aplus Tec. Corporation	None	None	None	Note 2
Director	Taiwan	Representative of E INK HOLDINGS INC.: Chan Ning-Wei	Not applicable	2024.5.24	3	2024.5.24	9,765,000	9.94	10,321,000	10.51	0	0	0	0	-	Director, YuanHan Materials Inc. Director, NEW FIELD E-PAPER CO., LTD. Director, Linfiny Corporation Director, Integrated Solutions Technology, Inc.	None	None	None	

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Number of shares held when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Director representative	Taiwan	Chan Ning-Wei	Male50-60	2024.5.24	-	2024.5.24	0	0	0	0	0	0	0	0	Bachelor in Department of Chemistry, National Cheng Kung University Master in Department of Chemistry, National Tsing Hua University PhD. in Department of Chemistry, National Tsing Hua University Assistant Vice President, SiPix Technology, Inc. Senior Director of FPL Development Department, E INK HOLDINGS INC. Director, YuanHan Materials Inc.	Senior Assistant Vice President of Central R&D Department, E INK HOLDINGS INC. President, YuanHan Materials Inc.	None	None	None	
Director	Taiwan	KMO International Trading Inc. representative: Lin Wei-Hong	Not applicable	2024.5.24	3	2024.5.24	256,000	0.26	256,000	0.26	0	0	0	0	-	-	None	None	None	None
Director representative	Taiwan	Lin Wei-Hong (Note 4)	Male60-70	2024.5.24	3	2024.5.24	0	0	309,766	0.32	0	0	0	0	Master, National Taiwan Institute of Technology Passed the Senior Examination for Certified Public Accountants CPA, KPMG	Principal and CPA of Gao Fu Accounting Firm (高輔會計師事務所) Independent Director, Celxpert Energy Corporation	None	None	None	None
Independent Director	Taiwan	Yu Tsai-An (Note 3)	Male60-70	2021.7.23	3	2010.6.29	3,094	0	-	-	-	-	-	-	Vice president, Formosa Advanced Coating Technology Inc. Senior manager, Far Eastern New Century Corporation	Chairman and president, IMAT Corporation	None	None	None	Note 3
Independent Director	Taiwan	Hsu Ke-Ying	Male70-80	2024.5.24	3	2010.6.29	0	0	0	0	0	0	0	0	Ph.D. in Chemical Engineering, National Tsing Hua University Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Professor, Department of Chemical Engineering, Chung Yuan Christian University	None	None	None	None	None

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Number of shares held when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Independent Director	Taiwan	Chu Nien-Tzu	Male 60-70	2024.5.24	3	2021.7.23	0	0	0	0	0	0	0	0	EMBA, National Central University CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	Adjunct Lecturer of Department of Statistics, Tamkang University	None	None	None	None
Independent Director	Taiwan	Li Chun-Ching	Male 60-70	2024.5.24	3	2021.7.23	0	0	0	0	0	0	0	0	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	Chairman, Acute Technology Inc.	None	None	None	None
Independent Director	Taiwan	Hu Han-Liang	Male 50-60	2024.5.24	3	2024.5.24	0	0	0	0	0	0	0	0	Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	CPA Partner, C.J.S. CPAS & CO. Director, KYE Systems Corp. Director, GODEX INTERNATIONAL CO., LTD. Director, Scientech Corporation Director, AlgoITek, Inc. Director, Basecom Telecommunication Co., Ltd. Supervisor, Orient Pharma Co., Ltd. Independent Director, Episil-Precision Inc. Independent Director, Promate Solutions Corporation Independent Director, KKCompany Technologies	None	None	None	None

Note 1: In the event that the Chairman and President or a position of the same level (top-level manager) are the same person, or a spouse or a relative within the first degree of kinship, the reasons, rationality, necessity, and countermeasures (i.e., adding the number of Independent Directors, having more than half of the Directors not concurrently being the employees or managers, and other methods), and relevant information shall be disclosed.

The Chairman of the Company holding the position of President concurrently is to improve our operating efficiency and decision execution. However, to reinforce the independence of the Board, the Company has been actively training appropriate internal candidates and has otherwise appointed Ming Hua, vice president of Taiwan Certificate (台灣許可證), as the corporate representative and president of Kunshan Aplus Tec. Corporation. In addition, the Chairman frequently communicates with Directors in terms of the recent operation status, plans, and policies of the Company to realize corporate governance. At the 2021 annual shareholders' meeting, the number of Independent Directors increased from two to four, improving the Board's functions and enhancing its supervisory function. Currently, the Company has the following substantial measures:

1. The current Independent Directors have expertise in the field of electronic parts and the components industry and are able to effectively exercise their supervisory duties.
2. The Company makes arrangements for Directors to participate in professional Director programs organized by SFI and other external institutions each year to improve the operating functions of the Board.

3. Independent Directors in all functional committees may carry out comprehensive discussions and propose recommendations for the Board's reference to realize corporate governance.

4. More than half of the Board members are not concurrently employees or managers.

Note 2: Chen Ching-Chi was dismissed as a director on May 24, 2024, so the number of his shares is not disclosed.

Note 3: Yu Tsai-An was dismissed as an independent director on May 24, 2024, so the number of his shares is not disclosed.

Note 4: Lin Wei-Hong was dismissed as a director on May 24, 2024 and concurrently served as the legal representative of the Board of Directors of KMO International Trading Inc.

(III) Disclosure of directors' professional qualifications and independent directors' independence information:

Name Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Chairman - Lee Chien-Hui	Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	-	None
Director - E INK HOLDINGS INC. Representative: Chan Ning-Wei	Bachelor in Department of Chemistry, National Cheng Kung University Master in Department of Chemistry, National Tsing Hua University PhD. in Department of Chemistry, National Tsing Hua University Assistant Vice President, SiPix Technology, Inc. Senior Director of FPL Development Department, E INK HOLDINGS INC. Director, YuanHan Materials Inc.	-	None
Director - Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen	Master, Institute of Chemical Engineering, Chung Yuan Christian University	-	None
Director - Tsai Sen	Supervisor, Asia Electronic Material Co., Ltd.	-	None
Director - Chen Ching-Chi (Note 4)	Computer engineer, TAIFLEX Scientific Supervisor, Asia Electronic Material Co., Ltd. Supervisor, Kunshan Aplus Tec. Corporation	-	None
Director - KMO International Trading Inc. Representative: Lin Wei-Hong	Master, National Taiwan Institute of Technology Passed the Senior Examination for Certified Public Accountants CPA, KPMG Researcher, Technology Consultation Division, Executive Yuan Tax agent, Taxation Administration, Ministry of Finance Consultant, Federation of China Youth Entrepreneurs	-	1

Name Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Independent Director - Yu Tsai-An (Note 3) (member of the Audit Committee)	Manager, ITRI MCL Vice president, Formosa Advanced Coating Technology Inc. Senior manager, Far Eastern New Century Corporation	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a director, supervisor, or employee of another company with a special relationship with the Company 4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years. 5. Circumstances specified in subparagraphs of Article 30 of the Company Act do not exist.	None
Independent Director - Hsu Ke-Ying (member of the Audit Committee)	Professor, Department of Chemical Engineering, Chung Yuan Christian University	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply	None
Independent Director - Chu Nien-Tzu (member of the Audit Committee)	CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply	None
Independent Director - Li Chun-Ching (member of the Audit Committee)	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply	None

Name	Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Independent Director - Hu Han-Liang (member of the Audit Committee)	Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply	3	

Note 1: Professional qualification and experience: Specify the professional qualification and experience of individual Directors. For members of the Audit Committee who possess accounting or financial expertise, describe their background in accounting or finance and work experience. Please otherwise describe whether there are any circumstances specified in subparagraphs of Article 30 of the Company Act exist.

Note 2: Specify if Independent Directors meet the criteria for independence, including but not limited to whether the individual and spouse or relatives within the second degree of kinship thereof are Directors, supervisors, or employees of the Company or its affiliates, the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or in the name of others) and percentage, whether the individual is a director, supervisor, or employee of a company with specific relations with the Company (refer to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the most recent two years.

Note 3: Yu Tsai-An was dismissed as independent director on May 24, 2024

Note 4: Chen Ching-Chi was dismissed as director on May 24, 2024

(IV) Board diversity and independence:

- The Company has established a policy on the diversity of the composition of the Board of Directors in the "Corporate Governance Best Practice Principles". Based on the scale of business development and the shareholding of major shareholders of the Company, taking into account the practical operating requirements, the Company has elected nine directors (including four independent directors) through stringent selection and nomination procedures. Among the directors, one is concurrently a manager, four independent directors, one female director and three external directors in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act do not exist. The backgrounds of Directors include industrial expertise, financial background, and the academic profession. One of the directors of the company is married, and the proportion of female directors is less than one third of the total number of directors. This is mainly due to the consideration of professional background and plan to improve the diversity of directors.
- All directors are of Taiwanese nationality, with one female director and two male directors aged 50-60, five aged 60-70, and one aged 70-80. One of the independent directors has a term of office of more than 9 years because he has professional knowledge in the field and is familiar with relevant laws and corporate governance and can provide significant professional assistance to the Company.

3. Professional knowledge and skills: A professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.

The diversification policy of the board members and the implementation status are as follows:

Core item of diversification Name	Basic composition									Industry/academic experience				Professional skills			
	Nationality	Gender	Concurrently an employee of the Company	Age (year-old)			Term of office and seniority of Independent Director			Finance	Investment	Information and electronics	Material science	Laws	Accounting and finance	Business management	Risk management
				50-60	60-70	70-80	Less than three years	3-9 years	Over nine years								
Chairman - Lee Chien-Hui	Taiwan	Male	√		√						√	√	√			√	√
Director - Bo Chun Investment Co., Ltd. Representative: Huang Song-Chen	Taiwan	Female		√							√		√			√	√
Director E Ink Holdings Inc. Representative: Chan Ning-Wei	Taiwan	Male		√								√	√			√	√
Director - Tsai Sen	Taiwan	Male			√							√				√	√
Director - Chen Ching-Chi (Note 1)	Taiwan	Male			√							√				√	√
Director - KMO International Trading Inc. Representative: Lin Wei-Hong	Taiwan	Male			√					√	√			√		√	√
Independent Director - Yu Tsai-An (Note 1)	Taiwan	Male			√				√			√	√			√	√
Independent Director - Hsu Ke-Ying	Taiwan	Male				√			√			√	√			√	√
Independent Director - Chu Nien-Tzu	Taiwan	Male			√			√				√	√			√	√
Independent Director - Li Chun-Ching	Taiwan	Male			√					√	√			√	√	√	√
Independent Director - Hu Han-Liang	Taiwan	Male		√			√			√	√			√	√	√	√

(Note 1) At the shareholders' meeting on May 24, 2024, directors were elected and dismissed

(√) Major shareholders of legal person shareholders

**Major shareholder of a legal person shareholder**

March 24, 2025

Name of corporate shareholder	Major shareholder of corporate shareholder
E INK HOLDINGS INC.	YFY Inc. (11.66%); He Shou-Chuan (7.03%)
Ji Jian Duan Investment Co., Ltd.	Tsai Wen-Hua (33.33%), Tsai Wen-Li (16.67%)
Bo Chun Investment Co., Ltd.	Lee Chien-Hui (72.38%) and Huang Song-Zhen (27.57%)
Sheng Bo Investment Co., Ltd.	Lee Chien-Hui (51.87%)

**If the major shareholder is a legal person, the major shareholder**

April 22, 2024

Name of corporate shareholder	Major shareholder of corporate shareholder
YFY Inc.	He Shou-Chuan (8.08%)

(VI) Remuneration of directors, general managers and deputy general managers

1. Remuneration of directors and independent directors

Unit: NTD Thousands December 31, 2024

Title	Name	Remuneration of Directors								Sum of A, B, C, and D as a % of the net profit after tax (Note 10)		Remuneration received for serving as an employee concurrently						Sum of A, B, C, D, E, F, and G as a % of the net profit after tax (Note 10)		Remuneration from investees other than subsidiaries or from the parent company (Note 11)				
		Compensation (A) (Note 2)		Severance and pension (B)		Remuneration to Directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonus, and special allowance (E) (Note 5)		Severance and pension (F)		Employee remuneration (G) (Note 6)								
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company			All companies in the financial statements (Note 7)		The Company	All companies in the financial statements
																		Cash amount	Stock amount		Cash amount	Stock amount		
Chairman	Lee Chien-Hui																							
Director	Representative of E INK HOLDINGS INC.: Chan Ning-Wei																							
Director	Representative of Bo Chun Investment Co., Ltd.: Huang Song-Zhen	0	0	0	0	0	0	320	320	1.68%	1.68%	3,805	4,892	0	0	382	0	382	0	23.62%	29.31%	0		
Director	Tsai Sen																							
Director	Chen Ching-Chi (Note 1)																							
Director	KMO International Trading Inc. Representative: Lin Wei-Hong																							
Independent Director	Yu Tsai-An (Note 1)																							
Independent Director	Hsu Ke-Ying																							
Independent Director	Chu Nien-Tzu	720	720	0	0	960	960	256	256	10.14%	10.14%	0	0	0	0	0	0	0	0	10.14%	10.14%	0		
Independent Director	Li Chun-Ching																							
Independent Director	Hu Han-Liang																							

1. Please describe the policy, system, standards, and structure of the remuneration of Independent Directors and describe the linkage of duties and risks assumed, time invested, and other factors to the amount of remuneration:  
The Company complies with the requirements under Article 5 of its "Regulations for Standards and Specifications for the Distribution of Remuneration of Directors." According to paragraph 1 of the Article, the fixed traffic allowance of an Independent Director each month shall be NTD\$20,000. Furthermore, according to paragraph 2 of the Article, the remuneration of Directors is calculated based on the performance and level of contributions of the Directors.

2. Except as disclosed in the above table, the remuneration received by the Company's Directors for providing services to all companies in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: None.  
(Note 1) Director Chen Ching-Chi and Independent Director Yu Tsai-An were dismissed at the shareholders' meeting on May 24, 2024

\* Information related to Directors (general Directors who are not Independent Directors) and Independent Directors shall be set out separately.

Table of Remuneration Ranges

Range of remuneration paid to the Company's Directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT\$1,000,000	Lee Chien-Hui, Yu Tsai-An, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., Chen Ching-Chi, KMO International Trading Inc. representative: Lin Wei-Hong, Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Lee Chien-Hui, Yu Tsai-An, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Sheng Bo Investment Co., Ltd., Bo Chun Investment Co., Ltd., Ji Jian Duan Investment Co., Ltd., Chen Ching-Chi, KMO International Trading Inc. representative: Lin Wei-Hong, Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Yu Tsai-An, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., Chen Ching-Chi, KMO International Trading Inc. representative: Lin Wei-Hong, Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Yu Tsai-An, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., Chen Ching-Chi, KMO International Trading Inc. Representatives: Lin Wei-Hong, Tsai Sen, Hu Han-Liang, E Ink Technology Co., Ltd. Representative: Chan Ning-Wei
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)			Lee Chien-Hui	
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)				Lee Chien-Hui
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

Note 1: Name of the Directors shall be set out separately (for corporate shareholders, the name and representative of corporate shareholders shall be set out separately), and the amount of payments may be disclosed in aggregate. If a Director is concurrently the President or a Vice President, please complete the table and table (3) below.

Note 2: Refer to the compensation of Directors in the most recent year (including salaries, duty allowance, severance payment, bonuses, and incentives of Directors).

Note 3: Refer to the intended amount of distribution of remuneration of Directors approved as a resolution by the Board before the shareholders' meeting for the proposal for earning distribution in the most recent year.

Note 4: Refer to relevant business execution expenses of Directors in the most recent year (including traffic allowance, special allowance, allowances, dormitory, company car, and the provision of other benefits in kind). If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration.

Note 5: Refer to salaries, duty allowance, severance payment, bonuses, incentives, traffic allowance, special allowance, allowances, dormitory, company car, and benefits in kind received by Directors who are concurrently employees (including the concurrent position of President, Vice Presidents, other managers, and employees) in the most recent year. If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration. Furthermore, salary expenses (including the acquisition of employee stock warrants, restricted stock awards, and subscription of shares under capital increases in cash) recognized according to IFRS 2 (share-based payment) shall also be included in the

remuneration.

Note 6: For employee bonuses (including stock bonuses and cash bonuses) received by Directors who are concurrently employees (including the concurrent position of President, Vice Presidents, other managers, and employees) in the most recent year, the intended amount of distribution of remuneration of employees approved as a resolution by the Board before the shareholders' meeting for the proposal for earning distribution in the most recent year shall be disclosed. If the amount cannot be estimated, calculate the intended amount of distribution for the year based on the actual distribution amount and ratio of the preceding year and otherwise complete Schedule 6.

Note 7: The sum of remunerations paid by all companies (including the Company) in the financial statements to the Directors of the Company shall be disclosed.

Note 8: For the sum of remunerations paid by the Company to the Directors, the name of the Directors shall be disclosed in the range where they belong.

Note 9: For the sum of remunerations paid by all companies (including the Company) in the financial statements to the Directors of the Company, the name of the Directors shall be disclosed in the range where they belong.

Note 10: Net profit after tax refers to the profit after tax for the most recent year.

Note 11: a. Please specify "Yes" or "No" in terms of whether the Directors of the Company receive relevant remunerations from investees other than subsidiaries.

b. If "Yes," the Company may opt to voluntarily specify the amount of remuneration received and combine the remuneration received by Directors of the Company from investees other than subsidiaries into column I and column J of the Table of Remuneration Ranges and rename the columns "All investees."

c. Remuneration refers to the compensation, remuneration (including remuneration of employees, Directors and supervisors), business execution expenses, and other relevant remunerations received by Directors of the Company in the nature of Directors, supervisors, or managers of investees other than subsidiaries.

\* The content of remuneration disclosed in the table is different from the concept of the Income Tax Act; therefore, the purpose of the table is for information disclosures only instead of taxation.

(2) Remuneration of general managers and deputy general managers

Unit: NTD Thousands

December 31, 2024

Title	Name	Salary (A) (Note 2)		Severance and pension (B)		Bonus and special allowance (C) (Note 3)		Remuneration of employees (D) (Note 4)				Sum of A, B, C, and D as a % of the net profit after tax (Note 8)		Remuneration from investees other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Lee Chien-Hui	6,290	8,790	195	195	1,310	1,310	953	0	953	0	45.84%	58.93%	None
Vice President	Hsu Ming-Hua													
Special assistant of the Chairman	Tseng Chi-Min													

## Table of Remuneration Ranges

December 31, 2024

Range of remuneration paid to the Company's President and Vice Presidents	Name of President and Vice President	
	The Company (Note 6)	All companies in the financial statements (Note 7)
Below NT\$1,000,000		
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)	Tseng Chi-Min and Hsu Ming-Hua	Tseng Chi-Min
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	Lee Chien-Hui	Hsu Ming-Hua
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)		Lee Chien-Hui
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	3	3

\*Regardless of titles, any positions equivalent to President or Vice President shall be disclosed.

Note 1: Name of the President and Vice Presidents shall be set out separately, and the amount of payments may be disclosed in aggregate. If a Director is concurrently the President or a Vice President, please complete the table and table (1) above.

Note 2: Refer to salaries, duty allowance, and severance payment of the President and Vice Presidents for the most recent year.

Note 3: Refer to bonuses, incentives, traffic allowance, special allowance, allowances, dormitory, company car, and benefits in kind of President and Vice Presidents for the most recent year. If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration.

Note 4: Refer to the intended amount of distribution of remuneration of employees (including stock and cash) to the President and Vice Presidents of the Company approved as a resolution by the Board in the most recent year. If the amount cannot be estimated, calculate the intended amount of distribution for the year based on the actual distribution amount and ratio of the preceding year and otherwise complete Schedule 6. Net profit after tax refers to the profit after tax for the most recent year. For companies that adopted the IFRSs, the net profit after tax refers to the net profit after tax on the individual or separate financial statements for the most recent year.

Note 5: The sum of remunerations paid by all companies (including the Company) in the financial statements to the President and Vice Presidents of the Company shall be disclosed.

Note 6: For the sum of remunerations paid by the Company to the President and Vice Presidents, the name of the President and Vice Presidents shall be disclosed in the range where they belong.

Note 7: For the sum of remunerations paid by all companies (including the Company) in the financial statements to the President and Vice Presidents of the Company, the name of the President and Vice Presidents shall be disclosed in the range where they belong.

Note 8: Net profit after tax refers to the profit after tax for the most recent year. For companies that adopted the IFRSs, the net profit after tax refers to the net profit after tax on the individual or separate financial statements for the most recent year.

Note 9:

- Please specify relevant remunerations received by the President and Vice Presidents of the Company from investees other than subsidiaries.
- if there is any amount of remuneration received by the President and Vice Presidents of the Company from investees other than subsidiaries, combine the remuneration received by the President and Vice Presidents of the Company from investees other than subsidiaries into column E of the Table of Remuneration Ranges, and renamed the columns "All investees."
- Remuneration refers to the compensation, remuneration, employee bonuses, business execution expenses, and other relevant remunerations received by the President and Vice Presidents of the Company in the nature of Directors, supervisors, or managers of investees other than subsidiaries.

\* The content of remuneration disclosed in the table is different from the concept of the Income Tax Act; therefore, the purpose of the table is for information disclosures only instead of taxation.

(3) Names of managers who distribute employee remuneration and the distribution status

Unit: NTD Thousands December 31, 2024

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total as a percentage of net profit after tax (%)
Manager	President	Lee Chien-Hui	0	1,628	1,628	8.53%
	Vice President	Hsu Ming-Hua				
	Special assistant of the Chairman	Tseng Chi-Min				
	Assistant Vice President	Lin Chih-Ming				
	Assistant Vice President	Wang Chien-Chao				
	Chief of Finance and Accounting	Cheng Wan-Yu				

Article 32 of the Articles of Incorporation: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance. The distribution targets of stocks or cash as remuneration of employees include employees of subsidiaries fulfilling certain conditions.

Remuneration procedure: Performance and business operations are reviewed periodically to see if they have met the standards. Approval by the Remuneration Committee and the Board of Directors will be made with reference to not only the overall operational performance of the Company, but also individual performance attainment and contribution to the Company. Remuneration will be considered as appropriate.

(4) Compare and describe the analysis of the ratio of total remuneration to net profit after tax, as paid by the Company and by all companies in the consolidated financial statements during the most recent years to the Directors, President, and Vice Presidents of the Company, and describe the remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to business performance and future risks

- A. Analysis of the total remuneration paid to the Company's Directors, supervisors, the President, and Vice Presidents by the Company and all companies in the consolidated statements as a percentage of the net profit after tax for the most recent two years

Unit: NT\$000'

	2023	2024
Total remuneration of Directors	1,559	960
Ratio of the total remuneration of Directors to net profit after tax (%)	4.29%	5.03%
Total remuneration of President and Vice Presidents	12,010	11,248
Ratio of the total remuneration of President and Vice Presidents to net profit after tax (%)	33.07%	58.93%

Description: 1. The Company's net profit after tax in 2024 and 2023 was \$19,084 thousand and NT\$36,322 thousand, respectively.

The Company's remuneration to directors as a percentage of the Company's net income for 2024 and 2023 was 5.03% and 4.29%, respectively, a decrease in net profit after tax of \$17,238 thousand

The total remuneration of the Company's general manager and deputy general manager in 2024 and 2023 accounted for 58.93% and 33.07% of net profit after tax, respectively, mainly due to a decrease of \$17,238 thousand in net profit after tax.

- B. The remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to business performance and future risks Article 32:  
 If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance. The distribution targets of stocks or cash as remuneration of employees include employees of subsidiaries fulfilling certain conditions and shall be reported to the shareholders' meeting.  
 The remuneration paid by the Company to the general manager and deputy general manager includes salary, bonuses, employee dividends and long-term retention incentives. The salary is determined by the Remuneration Committee based on the position held, scope of responsibilities and contribution to the company's operating objectives, and is reviewed with reference to the Company's annual operating performance, future risks and the usual standards for similar positions in the industry.  
 Bonuses are mainly linked to the performance evaluation items of managers, including financial indicators (such as company revenue, pre-tax net profit achievement rate) and ESG sustainability-related indicators (such as climate change response, product development, number of patents). The number of annual patent bonuses is used to set up patent bonuses for R&D personnel. The annual profit is allocated as a weighted percentage, linked to the performance evaluation of the management team and sent to the Remuneration Committee and the Board of Directors for approval.
- a. Remuneration to directors: paid in accordance with the Company's Articles of Incorporation. The Remuneration Committee assesses their participation in the Company's operations and their contribution to the Company's operations and links the reasonableness and fairness of the performance risk to the remuneration. Suggestions shall be made after consultation at the general level of the same trade, and shall be submitted to the shareholders' meeting for approval, which will make payment according to the resolution of the shareholders' meeting.
  - b. Remuneration to the President and Vice Presidents: The remuneration to the President and Vice Presidents is determined in reference to the industry standard salary levels of peer companies, the scope of responsibility and authority of the position, and the contribution to the Company's operating goals. The procedure of determining remuneration, approval by the Remuneration Committee and the Board of Directors will be made with reference to not only the overall operational performance of the Company, but also individual performance attainment and contribution to the Company. Remuneration will be considered as appropriate.
  - c. All individual remunerations paid by the Company have been carefully evaluated and reviewed and resolved by the Remuneration Committee and the Board of Directors.  
 The remuneration policy will not incur significant uncertain future risks.

## II. Corporate governance implementation

### (I) Operation of the Board

The Board of Directors held 8 meetings in the most recent year (A), and the attendance of directors was as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (%) (B/A)	Remarks
Chairman	Lee Chien-Hui	8	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Director	E Ink Holdings Inc. Representative: Chan Ning-Wei	4	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Director	Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen	8	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Director	Chen Ching-Chi	4	0	100.00	Resigned on May 24, 2024
Director	Tsai Sen	8	0	100.00	Re-elected and

					re-appointed at the shareholders' meeting on May 24, 2024
Director	Lin Wei-Hong	4	0	100.00	Resigned on May 24, 2024
Director	KMO International Trading Inc. Representative: Lin Wei-Hong	4	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Independent Director	Yu Tsai-An	4	0	100.00	Resigned on May 24, 2024
Independent Director	Hsu Ke-Ying	8	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Independent Director	Chu Nien-Tzu	8	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Independent Director	Li Chun-Ching	8	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024
Independent Director	Hu Han-Liang	4	0	100.00	Re-elected and re-appointed at the shareholders' meeting on May 24, 2024

Note 1: For corporate Directors, the name of corporate shareholders and their representatives shall be disclosed.

Note 2: (1) If any Director/supervisor resigns before the end of the year, the resignation date shall be specified in the column of remarks, and the attendance (presence) rate (%) shall be calculated based on the number of Board meetings and the number of attendance (presence) during its term of office.

(2) If any Director/supervisor is re-elected before the end of the year, the new and former Directors/supervisors shall be specified, and the status of the former, newly elected, or re-appointed Director/supervisor and the re-election date shall be specified in the column of remarks. The attendance (presence) rate (%) shall be calculated based on the number of Board meetings and the number of attendance (presence) during its term of office.

Other matters to be recorded:

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

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company set up the Audit Committee.

(II) Any objections or qualified opinions raised by an Independent Director against a Board resolution with records or written statements other than the abovementioned matters: None.

II. For the execution status regarding the recusal of Directors for proposals of conflict of interests, describe the name of the Director, the content of proposals, the reason for the recusal, and voting status:

Name of Director: Lee Chien-Hui

Content of proposal:

On February 2, 2024, the meeting reviewed the proposal for the distribution of the Company's managers year-end bonuses for 2023 and the proposal for the distribution of the Company's managers remuneration for 2022.

The proposal for the distribution of the remuneration of directors and the employee remuneration of managers in 2023 was reviewed and discussed on February 27, 2024.

Reason for the recusal for conflict of interests and voting status: Approved by all attending Directors (During the procedures: Director Lee Chien-Hui was concurrently a manager of the Company and a stakeholder of the proposal; he voluntarily recused himself from the discussion and resolution).

III. Implementation of the Board self-evaluation:

According to the requirements of the OTC Markets and the performance evaluation method of the Company's Board of Directors, the Company shall regularly complete the performance evaluation of the Board of Directors for the current year and report the performance evaluation results in the first quarter of the following year. In 2024, the Company conducted the performance evaluation through internal and self-evaluation and submitted the report to the Sixth Meeting of the Eighth Board of Directors of the Company on February 26, 2025 for approval.

The relevant evaluation results are as follows:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation results
Execute once a year	January 1, 2024 to December 31, 2024	(I) Overall board performance evaluation	Internal Performance Evaluation Self-Assessment Questionnaire for the Board of Directors	<ol style="list-style-type: none"> <li>1. Participation in the operation of the Company</li> <li>2. Improvement of the quality of the Board's decision-making</li> <li>3. Composition and structure of the Board</li> <li>4. Election and continuing education of the Directors</li> <li>5. Internal control</li> </ol>	The average score was 4.57 (out of a total of 5 points). The evaluation results showed that the overall operation of the Company's board of directors was sound and in line with the spirit of corporate governance.
Execute once a year	January 1, 2024 to December 31, 2024	(II) Performance evaluation of individual Board members	Internal Performance Evaluation Self-Assessment Questionnaire for the Board of Directors	<ol style="list-style-type: none"> <li>1. Alignment of the goals and missions of the Company</li> <li>2. Awareness of the duties of Directors</li> <li>3. Participation in the operation of the Company</li> <li>4. Management of internal relationships and communication</li> <li>5. Election and continuing education of the Directors</li> <li>6. Internal control</li> </ol>	The average score was 4.69 (out of 5 points). The evaluation results showed that the directors of the Company had positive comments on the efficiency and effectiveness of the operation of various assessment indicators.
		(III) Performance evaluation of Audit Committee		<ol style="list-style-type: none"> <li>1. Participation in the operation of the Company</li> <li>2. Awareness of the duties of functional committees</li> <li>3. Improvement of the quality of the functional committees' decision-making</li> <li>4. Composition and structure of functional committees</li> <li>5. Internal control</li> </ol>	The average score was 4.95 (out of 5 points). The evaluation results showed that the Company's Audit Committee had positive comments on the efficiency and effectiveness of the operation of various assessment indicators.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation results
		(IV) Performance evaluation of the Remuneration Committee-		<ol style="list-style-type: none"> <li>1. Participation in the operation of the Company</li> <li>2. Awareness of the duties of functional committees</li> <li>3. Improvement of the quality of the functional committees' decision-making</li> <li>4. Composition and structure of functional committees</li> </ol>	The average score was 4.97 (out of 5 points). The evaluation results showed that the Company's Remuneration Committee had a positive evaluation of the efficiency and effectiveness of the operation of various assessment indicators.

Note 1. The performance evaluation method of the Board of Directors of the Company was approved by the Board of Directors on February 5, 2021.

The goals for strengthening the functions of the Board of Directors in the current year and the most recent year (e.g. establishing an audit committee, improving information transparency, etc.) and the evaluation of their implementation.

- (1) The Company held a shareholders' meeting on July 23, 2021, increasing the number of independent directors to four and establishing an audit committee to replace supervisors.

The Board of the Company has approved the "Code of Ethical Conduct", "Code of Integrity Management", "Code of Sustainable Development Practice", "Code of Corporate Governance Practice", "Integrity Management Operating Procedures and Behavior Guide", "Code of Sustainable Development Practice", and "Standard Procedures for Handling Board Requests" at the Board of Directors to strengthen the functions of the Board of Directors and enhance information transparency.

- (2) The Company has established the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance, and disclosed the attendance of directors at the Board of Directors on the MOPS, and disclosed the important resolutions of the Board of Directors and the election of independent directors on the Company's website, in order to emphasize the performance of corporate governance and strengthen corporate governance.
- (3) The Company has approved the "Regulations for Performance Evaluation of the Board of Directors" on February 5, 2021, and will conduct internal board of directors performance evaluation at least once a year. The evaluation results were reported to the Board of Directors on February 26, 2025. An external institution may be engaged to execute the evaluation every three years based on the requirements. The Company will make an objective judgment of the effectiveness of the Board of Directors, improve its deficiencies, and thereby enhance the level of corporate governance.
- (4) The Company has established the "Remuneration Committee". The Remuneration Committee is responsible for regularly evaluating and establishing the remuneration of Directors and managers and regularly examining the performance evaluation, remuneration policy, system, standards, and structure of Directors and managers. Please refer to this annual report for details of the operation of the Remuneration Committee.
- (5) On August 7, 2024, the Board of Directors of the Company, in order to practice the Company's corporate social responsibility, actively promote and strengthen the Company's sustainable management and corporate social responsibility-related corporate governance functions, followed the Company's "Corporate Social Responsibility Code of Practice" and "Corporate Governance Code of Practice", and established the "Sustainable Development Committee Organization Charter" and appointed members of the Sustainability Development Committee.

(II) Operation of the Audit Committee:

The summary of annual work focuses and the operation of the year of the Audit Committee are described as follows:

1. The Audit Committee of the Company comprises four Independent Directors, and the Audit Committee is responsible for monitoring the appropriate presentation of the Company's financial statements, selection (dismissal) and independence and performance evaluation of CPAs, effective implementation of internal control, compliance with laws, regulations, and rules, and the control of existing or potential risks of the Company. The main functions and power are set out as follows:

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, the extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A transaction involving material assets or derivatives trading.
- (6) A material monetary loan, endorsement, or provision of guarantees.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The appointment, dismissal or remuneration of CPAs.
- (9) The appointment or dismissal of a financial, accounting, or internal auditing officer.
- (10) Annual financial reports and interim financial reports.
- (11) Any other material matter so determined by the Company or the competent authority.

Audit Committee members and their experience

Name	Education	Experience	Current employment
Yu Tsai-An (Resigned on May 24, 2024)	Master's degree in Chemical Engineering, National Tsing Hua University Ph.D. in Chemical Engineering, National Tsing Hua University	Manager, ITRI MCL Vice president, Formosa Advanced Coating Technology Inc. Senior manager, Far Eastern New Century Corporation	Chairman and president, IMAT Corporation Independent Director, Asia Electronic Material Co., Ltd.
Hsu Ke-Ying	Institute of Chemical Engineering, National Tsing Hua University	Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Adjunct Professor, Department of Chemical Engineering, Chung Yuan Christian University	Independent Director, Asia Electronic Material Co., Ltd.
Chu Nien-Tzu	EMBA, National Central University Bachelor's degree, Department of Chemical Engineering and Materials Engineering, Tunghai University	CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	Adjunct Lecturer of Department of Statistics, Tamkang University Independent Director, Asia Electronic Material Co., Ltd.
Li Chun-Ching	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University	Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	Chairman, Acute Technology Inc. Independent Director, Asia Electronic Material Co., Ltd.
Hu Han-Liang (Newly appointed on May 24, 2024)	Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants	Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	CPA Partner, C.J.S. CPAS & CO. Director, KYE Systems Corp. Director, GODEX INTERNATIONAL CO., LTD. Director, Scientech Corporation Director, AlgolTek, Inc. Director, Basecom Telecommunication Co., Ltd. Supervisor, Orient Pharma Co., Ltd. Independent Director, Episil-Precision Inc. Independent Director, Promate Solutions Corporation Independent Director, KKCompany Technologies

Four Audit Committee meetings (A) were held in the most recent year, and the attendance (presence) of Independence

Directors is as follows:

Title	Name	Attendance in person (B)	Number of attendance by proxy	Attendance rate (%) (B/A) (Notes 1 and 2)	Remarks
Independent Director	Hsu Ke-Ying	4	0	100.00	Re-elected at the shareholders' meeting and appointed by the board on May 24, 2024.
Independent Director	Yu Tsai-An	2	0	100.00	Term expires on May 24, 2024
Independent Director	Chu Nien-Tzu	4	0	100.00	Re-elected at the shareholders' meeting and appointed by the board on May 24, 2024.
Independent Director	Li Chun-Ching	4	0	100.00	Re-elected at the shareholders' meeting and appointed by the board on May 24, 2024.
Independent Director	Hu Han-Liang	2	0	100.00	Re-elected at the shareholders' meeting and appointed by the board on May 24, 2024.

Other matters to be recorded:

I. If any of the following circumstances occurs to the operations of the Audit Committee, the date of the Audit Committee meeting, session, content of proposals, opposing opinions or qualified opinions of Independent Directors, or the content of material recommendations, resolutions of the Audit Committee, and the Company's response to the opinions of the Audit Committee shall be specified.

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

Meeting date /Period	Content of proposal	Resolution result of the Audit Committee	The Company's response to the opinions
February 27, 2024/ 1st term 13th	Review and discussion of the 2023 business report, individual financial statements, and consolidated financial statements of the Company	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in 2023	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the Company's "effectiveness evaluation for the internal control system" in 2023.	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the Company's 2023 earnings distribution.	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the independence evaluation and appointment of CPAs of the Company.	Approved as proposed with no dissenting opinion	Not applicable
	Proposal to reconfirm the Company's "General Policy on Pre-approval of Non-assurance Services"	Approved as proposed with no dissenting opinion	Not applicable
May 7, 2024/ 1st term 14th	Review of the Company's first quarter consolidated financial statements for 2024	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the first quarter of 2024	Approved as proposed with no dissenting opinion	Not applicable
August 7, 2024/ 2nd term First	Review of the Company's consolidated financial statements for the second quarter of 2024	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the second quarter of 2024.	Approved as proposed with no dissenting opinion	Not applicable
November 7, 2024/ 2nd term Second	Review of the Company's third quarter consolidated financial statements for 2024	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the third quarter of 2024.	Approved as proposed with no dissenting opinion	Not applicable

(II) Any other proposals not approved by the Audit Committee that were approved by two-thirds of all Directors other than the abovementioned matters: None.

II. For the execution status regarding the recusal of Independent Directors for proposals of conflict of interests, describe the name of the Independent Director, content of the proposals, reason for the recusal for conflict of interests, and voting status: None

III. Communication between the Independent Directors and chief auditor and CPAs (e.g., material matters, methods, and results of communication regarding the Company's financial and business status).

**Summary of communication between independent directors and internal auditors:**

Chief internal auditor's attendance and date of meetings	Item of communication	Results of the Company's response	Opinion and recommendation of Independent Directors

February 27, 2024 Audit Committee	1. Internal audit performance from October 2023 to December 2023. 2. Assessment of the effectiveness of the internal control system in 2023. 3. The 2023 "Statement of the Internal Control System"	Reported to the Audit Committee and submitted to the Board for reporting.	None.
May 7, 2024 Audit Committee	Internal audit performance from January to March 2024.	Reported to the Audit Committee and submitted to the Board for reporting.	None.
August 7, 2024 Audit Committee	Internal audit performance from April to June 2024.	Reported to the Audit Committee and submitted to the Board for reporting.	None.
November 7, 2024 Audit Committee	Internal audit performance from July to September 2024.	Reported to the Audit Committee and submitted to the Board for reporting.	None.

**Summary of previous communications between independent directors and accountants**

Meeting and date of presence of CPAs	Item of communication	Results of the Company's response	Opinion and recommendation of Independent Directors
February 27, 2024 Audit Committee and Board of Directors	1. Appointment and independence and competency evaluation of CPAs for 2024. 2. Description of the 2023 individual and consolidated financial statements. 3. Proposal for the Company's "effectiveness evaluation for the internal control system" in 2023	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None
August 7, 2024 Audit Committee and Board of Directors	Description of the consolidated financial statements the second quarter of 2024.	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None
November 7, 2024 Audit Committee and Board of Directors	Description of the consolidated financial statements for the third quarter of 2024	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None

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

Evaluation item	Operations		Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor	
	Yes	No		Brief description
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Board of the Company has resolved to establish the Corporate Governance Best Practice Principles on 8 March 2011; the Principles were prepared in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The Principles were modified and disclosed on MOPS and the Company's website ( <a href="http://www.aemg.com.tw">www.aemg.com.tw</a> ) on 23 March 2020.	No material difference
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, concerns, disputes and litigations and implemented them in accordance with the procedures?	V		(I) The Company has a spokesperson system in place to receive shareholders' recommendations or clarify their concerns at all times; staff of all functions from relevant business management departments also spare no effort in gaining in-depth knowledge of shareholders' recommendations and concerns and carry out the examination.	No material difference
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company has engaged a professional stock affairs agency to be in charge of shareholders' affairs.	
(III) Has the Company established and implemented risk control and firewall mechanisms between its affiliates?	V		(III) Business transactions between the Company and affiliates are in compliance with the internal control system and relevant laws and regulations. We implement the necessary control system to prevent non-regular transactions.	
(IV) Has the Company established internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) Apart from complying with the requirements under the Securities and Exchange Act, employees, managers, and Directors of the Company shall also comply with the "Code of Ethical Conduct," "Procedures for Material Internal Information," and "Procedures for Ethical Management and Guidelines for Conduct," which state that relevant personnel shall not engage in insider trading by using undisclosed information it acknowledged or leak such information to others to prevent others from using such undisclosed information to	

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			engage in insider trading.	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board formulated a diversification policy and substantial management target and made implementations?</p> <p>(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, has the Company voluntarily set up other functional committees?</p> <p>(III) as the Company established its Regulations for Performance Evaluation of the Board and the evaluation methods and conducted regular performance evaluations each year? Has the Company reported the</p>	V		<p>1. The Company has stated the Board composition diversification policy in the “Corporate Governance Best Practice Principles.” Based on the scale of business development and the shareholding of major shareholders of the Company, taking into account the practical operating requirements, the Company has elected nine Directors (including four Independent Directors) through stringent selection and nomination procedures. Among the Directors, one is concurrently a manager, four are Independent Directors, one is female, and three are external Directors, which complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act do not exist. The backgrounds of Directors include industrial expertise, financial background, and the academic profession.</p> <p>2. Professional knowledge and skills: Industry-academia experience (finance, investment, information and electronics, material science), professional skills (law, accounting and finance, operations management, and risk management)</p> <p>3. Implementation of diversity of the board members: Please refer to pages 21 and 22 of the annual report</p> <p>(II) Apart from the Remuneration Committee and Audit Committee, the Company has its Sustainable Development Committee in place at present.</p> <p>(III) The Company has established its “Regulations for Performance Evaluation of the Board of Directors” on February 5, 2021; the self-evaluation for the performance of the Board of Directors for 2024 was completed on February 26, 2025, and the evaluation results (see pages 34-35 for details) were reported at the board</p>	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
<p>results to the Board as the reference for individual Directors' remuneration and nomination for re-appointment?</p> <p>(IV) Has the Company regularly evaluated the independence of CPAs?</p>	V		<p>meeting.</p> <p>(IV) The Company regularly evaluates the independence of CPAs with reference to the Audit Quality Indicators (AQIs) and reports the evaluation results to the Board of Directors. On February 26, 2025, the Company evaluated whether the CPAs in 2024 had any significant financial interests with the Company, whether their relatives within the fourth degree of kinship served as directors, managers or positions that had a direct and significant impact on the audit work of the Company, whether they had any monetary loans with the Company, whether they were involved in the management functions of the Company's decision-making, etc. The appointed CPAs all met the requirements of independence, and the Company also obtained the independence statement of the CPAs. The above evaluation results were reported at the Board of Directors meeting held on February 26 of the same year. Please see page 46 for detailed evaluation results.</p>	
<p>IV. Has the Company allocated an appropriate number of qualified persons and appointed a chief of corporate governance in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by Directors and supervisors, assisting Directors and supervisors to comply with laws, handling matters relating to Board meetings and shareholders' meetings according to laws, and preparing minutes of Board meetings and shareholders' meetings)?</p>	V		<p>The Company has a corporate governance supervisor and appropriate governance personnel responsible for corporate governance related matters. The main responsibilities are as follows:</p> <ol style="list-style-type: none"> <li>1. Discuss and formulate appropriate corporate systems and organization structure to facilitate the independence of the Board, the transparency and legal compliance of the Company, and the implementation of internal audit and internal control.</li> <li>2. Inquire about Directors' opinions before the Board meeting to plan for and formulate the agenda and notify all Directors of attendance and provide sufficient meeting materials at least seven days before the meeting for the Directors to gain a better understanding of the content of relevant proposals. If the content of proposals is related to stakeholders, and recusals shall be made appropriately, provide advance notice to the counterparties.</li> </ol>	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>3. Register the date of the shareholders' meeting within the prescribed period, prepare and declare the meeting notice, meeting handbook, and meeting minutes within the prescribed period, and perform alteration registration after any amendments to the Articles of the re-election of Directors or supervisors according to laws and regulations each year.</p> <p>4. Except for performance evaluation (i.e., attendance) of individual Directors, perform internal performance evaluation of the overall operation each year.</p> <p>5. The annual board meeting is scheduled at the beginning of the year and notified to directors via email with a reminder that trading of the Company's shares is prohibited within 30 days (annual report)/15 days (quarterly report) of the financial report announcement.</p> <p>6. In 2024, the corporate governance director took 12 hours of courses related to corporate governance.</p>	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a section for stakeholders on its corporate website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		The Company has a stakeholder section on its website and has a spokesperson system in place to serve as the communication channel for external shareholders and stakeholders; the Company also has dedicated personnel and a mailbox in place to handle relevant issues. If stakeholders consider it necessary, they may communicate with Directors, supervisors, and relevant directors at any time.	No material difference
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholder meetings?	V		The Company has engaged the Stock Affairs Department, Grand Fortune Securities Co., Ltd., for our shareholders' affairs.	No material difference
VII. Information disclosure				
(I) Has the Company set up a website to disclose finance and business, and corporate governance information?	V		(I) The Company has set up its website ( <a href="http://www.aemg.com.tw/">http://www.aemg.com.tw/</a> ), to disclose the Company's financial, business and corporate governance information on the Market Observation Post System in accordance with regulations.	No material difference
(II) Has the Company adopted other means of information disclosure (such as setting up an English website,	V		(II) The Company has a spokesperson system in place and regularly announces relevant information about the Company on	

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
<p>appointing dedicated personnel responsible for the collection and disclosure of the Company's information, implementing a spokesperson system, and posting the course of its investor conference on its website)?</p> <p>(III) Has the Company published and declared its annual financial statements within two months from the end of the fiscal year and published and declared its Q1, Q2 and Q3 financial statements along with the monthly business performance statements before the prescribed deadline?</p>	V		<p>its corporate website and MOPS for shareholders, stakeholders, and the competent authority to gain knowledge on the overview of the Company at all times.</p> <p>(III) The Company has published its 2024 financial report on 26 February 26, 2025, and the quarterly reports and monthly operating statements are announced in advance within the prescribed period.</p>	
<p>VIII. Does the Company have other important information to facilitate a better understanding of the Company's implementation of corporate governance (including but not limited to employees' interest, employee care, investor relations, supplier relations, stakeholder rights, continuing education of Directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for Directors and supervisors)?</p>	V		<p>(I) The Company has established its Employee Benefits Committee to promote different subsidy activities and ensure the interest of employees.</p> <p>(II) Apart from protecting shareholders' interests, the Company also duly cares for employees' interests and implements relevant requirements under the Labor Standard Act. In the future, the Company will consider participating in education foundations or charities when opportunities arise. Meanwhile, the Company adheres to the principle of integrity for transactions with customers and suppliers.</p> <p>(III) In order to implement the corporate governance system, the Company proactively informs directors of opportunities for further study whenever it encounters information on corporate governance. The Company's 8th term of directors consists of nine seats in total. Please provide a detailed explanation of each director's further study in 2024.</p> <p>(IV) The Company has established various internal rules and regulations and performed various risk management and evaluations.</p> <p>(V) The Company purchased directors' liability insurance for all directors from October 1, 2024 to September 30, 2025, with a</p>	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			coverage amount of US\$2 million. The coverage and rates were reported to the Board of Directors on November 7, 2024.	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center.	V		Improvement made by the Company based on the evaluation results 1. We disclosed the association between the directors and managers' performance evaluation results and their remuneration in the annual report 2. The Company has disclosed its board diversity policy and implementation on pages 21 and 22 of the annual report and on the corporate website.	No material difference

(IV) If a company has established a remuneration committee, it should disclose its composition, responsibilities and operations:

1. Information on members of the Remuneration Committee

March 24, 2025

Identity (Note 1)	Name	Criteria	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Director (convener)	Hsu Ke-Ying		Ph.D. in Chemical Engineering, National Tsing Hua University Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Professor, Department of Chemical Engineering, Chung Yuan Christian University	<ol style="list-style-type: none"> <li>1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates.</li> <li>2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others).</li> <li>3. The person is not a Director, supervisor, or employee with a special relationship with the Company.</li> <li>4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.</li> </ol>	None
Independent Director	Yu Tsai-An (Note 4)		Manager, ITRI MCL Vice president, Formosa Advanced Coating Technology Inc. Senior manager, Far Eastern New Century Corporation Chairman and president, IMAT Corporation	<ol style="list-style-type: none"> <li>1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates.</li> <li>2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others).</li> <li>3. The person is not a Director, supervisor, or employee with a special relationship with the Company.</li> <li>4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.</li> </ol>	None
Independent Director	Chu Nien-Tzu		EMBA, National Central University CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan Independent director, LCY Technology Corp.	<ol style="list-style-type: none"> <li>1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates.</li> <li>2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others).</li> <li>3. The person is not a Director, supervisor, or employee with a special relationship with the Company.</li> <li>4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.</li> </ol>	None

Identity (Note 1)	Name	Criteria  Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Director	Li Chun-Ching (Note 4)	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	<ol style="list-style-type: none"> <li>1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates.</li> <li>2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others).</li> <li>3. The person is not a Director, supervisor, or employee with a special relationship with the Company.</li> <li>4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.</li> </ol>	None

Note 1: Please specify in the form the years of professional service, professional qualifications and experience, and independence of the members of the Remuneration Committee. If they are independent directors, please refer to “Information on directors and supervisors (1)” in Appendix 1 on pages 19-20. Please fill in “Independent director” or “Others” in the Title column (please indicate “Convener” if applicable).

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

Note 3: Compliance with the independence: Specify whether the members of the Remuneration Committee meet the independence requirements, including but not limited to whether the member, his/her spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of company shares held by the member, his/her spouse, or relatives within the second degree of kinship (or using the names of others); whether the member serves as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 6, Paragraph 1, Items 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers of Remuneration Committee of TWSE/TPEX Listed Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the past two years.

Note 4: Yu Tsai-An was dismissed on May 24, 2024 upon expiration of his term; Li Chun-Ching was appointed as the new chairman by the Board of Directors on May 24, 2024

2. Information on the operation of the Remuneration Committee

(1) There are three members in the Remuneration Committee of the Company.

(2) The term of office of the current committee members is from May 24, 2024 to May 23, 2027. In the most recent fiscal year (2024), the Remuneration Committee held two meetings (A). The qualifications and attendance of the committee members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener Independent Director	Hsu Ke-Ying	Lecturer qualification of college or university	2	0	100.00	Re-appointed by the board on May 24, 2024
Independent Director	Yu Tsai-An	Relevant experience in business, legal, financial, accounting or corporate affairs	2	0	100.00	Resigned on May 24, 2024
Independent Director	Chu Nien-Tzu	Experience in business, legal affairs, finance, accounting or corporate affairs	2	0	100.00	Re-appointed by the board on May 24, 2024
Independent Director	Li Chun-Ching	Experience in business, legal affairs, finance, accounting or corporate affairs	0	0	-	Newly appointed by the board on May 24, 2024

Other matters to be recorded:

- I. If the Board does not adopt or amend the recommendations from the Remuneration Committee, the date, session, content of proposals, resolution of the Board, and the Company's response to the recommendations of the Remuneration Committee shall be specified (if the remuneration approved by the Board is more favorable than the recommendation of the Remuneration Committee, the differences and reasons shall be specified): None.
- II. For any objections or qualified opinions raised by a member of the Remuneration Committee against a resolution with records or written statements, the date of the Remuneration Committee meeting, session, content of the proposals, opinions of all members, and the Company's response to the opinions of members shall be described: None.
- III. Proposals and resolution of Remuneration Committee meetings and the Company's response to the members' opinions in the most recent year:

Remuneration Committee	Content of proposal and resolution
6th meeting of the 5th term February 2, 2024	Proposal 1: Review and discussion of the proposal for the distribution of year-end bonuses of managers in 2023
	Proposal 2: Review and discussion of the proposal for the distribution of the remuneration of employees for 2022
	Members' opinion: No opposing or qualified opinion Resolution: Unanimously approved by all attending members
7th meeting of the 5th session February 27, 2024	Proposal 1: Proposal for the distribution of remuneration of employees and directors for 2023
	Proposal 2: Review of the 2023 distribution of remuneration to directors
	Proposal 3: Review and discussion of the proposal for the distribution of the remuneration of employees for 2023
	Members' opinion: No opposing or qualified opinion Resolution: Unanimously approved by all attending members

IV. Assurance scope

1. Establish and regularly review the policy, system, standards and structure for performance evaluation and remuneration of directors and managers
2. Regularly evaluate and determine the remuneration of directors and managers

- Note: (1) If any member of the Remuneration Committee resigns before the end of the year, the resignation date shall be specified in the column of remarks, and the attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings and the number of attendance during its term of office.
- (2) If any member of the Remuneration Committee is re-elected before the end of the year, the new and former Remuneration Committee members shall be specified, and the status of former, newly elected, or re-appointed Directors/supervisors and the re-election date shall be specified in the column of remarks. The actual attendance rate (%) is based on

The calculation is based on the number of meetings held by the Remuneration Committee during the period and the number of actual attendances.

(V) Composition, responsibilities and operation of the Sustainable Development Committee:

1. Qualifications and responsibilities of members of the Company's sustainable development committee:

The Company has established the Sustainable Development Committee since August 2024, and it is in accordance with the Company's "Sustainable Development Committee Organizational Charter". The committee should perform its duties as a good administrator, faithfully perform the following duties, and be accountable to the Board of Directors. The committee's duties should include the following matters:

- (1) Formulate sustainable development policies.
- (2) Formulation of the annual plan and strategic direction for sustainable development.
- (3) The implementation of sustainable development and the tracking and review of results, and report to the Board of Directors.
- (4) Other matters that the committee may be directed to handle as decided by the Board of Directors.

2. Professional qualifications and experience of members of the Sustainability Committee and their operation status:

- (1) There are three members in the Sustainability Committee of the Company.
- (2) The term of office of this committee is from August 7, 2024 to May 23, 2027. In the most recent year, the Sustainability Committee held 0 meetings. The professional qualifications and experience of the committee members, attendance and discussion items are as follows:

Title	Name	Professional qualifications and experience	Actual attendance	Number of attendance by proxy	Attendance (presence) rate (%) (B/A)	Remarks
Convener	Lee Chien-Hui	Information Electronics/Material Science/Operations and Risk Management	0	0	-	Newly appointed by the board on August 7, 2024
Independent Director	Chu Nien-Tzu	Work experience required for the Company's business; governance in sustainable development, risk management, information security, and natural affairs	0	0	-	Newly appointed by the board on August 7, 2024
Vice President	Hsu Ming-Hua	Business management and marketing	0	0	-	Newly appointed by the board on August 7, 2024

**3. Implementation of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons**

(1) Sustainable development

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company established a governance 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		<ol style="list-style-type: none"> <li>The Company has established its Sustainability Development Committee under the Board of Directors to establish a governance structure to promote sustainable development and place it on the Company's website</li> <li>On August 7, 2024, the Board of Directors of the Company approved that deputy general manager Hsu Ming-Hua would serve as the chairman of the sustainable development committee, and adopted the organizational charter of the sustainable development committee, appointing Chu Nien-Tzu, Lee Chien-Hui and Hsu Ming-Hua as the first members of the sustainable development committee of the Company, responsible for promoting sustainable development related matters and reporting to the Board of Directors from time to time.</li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle and formulated relevant risk management policies and strategies? (Note 2)	V		<ol style="list-style-type: none"> <li>The Company does not have a manufacturing center in Taiwan. The reinvested subsidiaries in Mainland China regularly review the risks of the entire plant to ensure compliance with relevant laws and regulations.</li> <li>By referring to the requirements of "Classification of Employee Injury Accidents in Enterprises" (GB6441-1986) and "Classification and Codes of Dangerous and Harmful Factors in the Production Process" (GB/T13861-2009), safety risks existing in production technique, original and supplement materials, equipment and facilities, operating environment, personnel behavior and management system of the production and management process are comprehensively and systematically identified. Based on the likelihood of safety incidents occurring in the course of production and operation and the severity of their consequences, safety risks are divided into four categories: major safety risk, greater safety risk, general safety risk, and low safety risk.</li> <li>Formulate a safety risk identification and control system, clarify the division of responsibilities for graded management and control, and the measures for reward and punishment under the responsibility system. Hierarchical management and control</li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			are implemented according to different safety risk levels, and safety risk management and control responsibilities are allocated to the enterprise, workshop, team, and position one by one. Based on the characteristics of safety risks, we formulate control measures one by one in terms of engineering technology, safety management, training and education, personal protection, and emergency response.	
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		<p>The Company does not have a manufacturing center in Taiwan , and the implementation status of the reinvested subsidiaries in Mainland China is as follows:</p> <ol style="list-style-type: none"> <li>1. Have dedicated departments and personnel in place for handling affairs related to air pollution control, water pollution control, and waste clearing in accordance with environmental protection laws and regulations.</li> <li>2. The Company is a professional FCCL material manufacturer. Since its establishment, it has been committed to the improvement of products and environments in favor of sustainable operations of the Company. The Company has passed the certifications of ISO14001 (Environmental Management System, Kunshan: July 2, 2024 - July 2, 2027, Dongtai: January 6, 2023 - January 5, 2026 and QC080000 (Hazardous Substance Process Management System, Kunshan: July 2, 2022 - July 1, 2025, Dongtai: October 25, 2023 - October 24, 2026). For risks related to the environment, environmental protection, employee safety, customers, and suppliers in the operating activities, the Company is able to effectively control and make responses in time.</li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company is committed to the research of halogen-free and phosphorus-free products for environmental protection.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(III) Has the Company evaluated the potential risks and opportunities of climate change to the Company at present and in the future and taken relevant countermeasures?	V		<p>The Company does not have a manufacturing center in Taiwan , and the implementation status of the reinvested subsidiaries in Mainland China is as follows:</p> <p>The Company is a professional manufacturer of FCCL materials. Since its inception, the Company has been committed to improving the product environment for the Company's sustainable operation, and has formulated the "Risk and Opportunity Control Program" to systematically manage various risk factors, and establish contingency plans to ensure</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>the effective implementation of the Company's business strategies in order to achieve business goals. The Company has passed the certifications of ISO14001 (Environmental Management System, Kunshan: July 2, 2024 - July 2, 2027, Dongtai: January 6, 2023 - January 5, 2026 and QC080000 (Hazardous Substance Process Management System, Kunshan: July 2, 2022 - July 1, 2025, Dongtai: October 25, 2023 - October 24, 2026). For risks related to the environment, environmental protection, employee safety, customers, and suppliers in the operating activities, the Company is able to effectively control and make responses in time.</p> <ol style="list-style-type: none"> <li>1. Air pollutant processing: Dispose of waste gas generated from the production through active carbon disposal equipment and RTO to reduce the VOCs emission. Each year, the Company detects and controls the waste gas emission concentration to achieve emission of compliance; the Company reduces nitrogen emissions by adopting renovated designs of low-nitrogen combusting for the furnace.</li> <li>2. Waste disposal: The Company controls the waste generation volume by establishing management targets each year and engages compliant contractors recognized by the Department of Environmental Protection for making disposals in compliance with the laws each year.</li> </ol>	difference
(IV) Has the Company made statistics on GHG emissions, water consumption, and the total weight of waste for the most recent two years and formulated policies for GHG emissions reduction, water consumption reduction, or other waste management?	V		<p>The subsidiary in Mainland China invested by the Company has established an “Energy-saving and Carbon Dioxide Reduction Team” to regularly prepare statistics of water consumption and the total weight of waste and formulate relevant energy-saving targets each year; the implementation is as follows:</p> <ol style="list-style-type: none"> <li>1. The annual targets of the Emission and Waste Reduction Team of the Company are as follows: <ol style="list-style-type: none"> <li>(1) Waste gas emission target: <ol style="list-style-type: none"> <li>(a) To allow the emission volume to comply with the “Emission Standards of Air Pollutants” of Jiangsu, China,”</li> <li>(b) the management policy is as follows: <ol style="list-style-type: none"> <li>i. Pass the annual inspection of the pollutant discharge permission each year.</li> <li>ii. Set up pollutant discharge outlets according to the law.</li> <li>iii. Avoid the leakage of supplies or effectively collect and dispose of the leaked supplies.</li> <li>iv. All departments shall perform daily maintenance, repair, and</li> </ol> </li> </ol> </li> </ol> </li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>record archiving for future reference regarding their production and environmental protection equipment and pipelines.</p> <p>v. Add RTO flammable gas monitoring and alerting system to carry out effective monitoring of the concentration of waste gas generated.</p> <p>(2) Sewage emission target:</p> <p>(a) PH value: 6-9</p> <p>(b) Suspended solids: 400mg/L</p> <p>(c) BOD5: 300mg/L</p> <p>(d) COD: 500mg/L</p> <p>(e) Animal/vegetable oil: 100mg/L</p> <p>(f) Ammonia nitrogen: 45mg/L</p> <p>(g) Total phosphorus: 8mg/L</p> <p>(h) Total nitrogen: 70mg/L</p> <p>(3) Noise emission target:</p> <p>(a) Daytime <math>\leq</math> 65dB</p> <p>(b) Nighttime <math>\leq</math> 55dB</p> <p>(4) Waste target:</p> <p>(a) According to the requirements under the “Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste,” the Company carries out the waste classification declaration for weight registration via the “Hazardous Waste Dynamic Management System of Jiangsu Province.” In general, our compliant contractors make disposals in compliance with the laws each month;</p> <p>(b) the management policy is as follows:</p> <p>i. Set up signs to identify hazardous waste.</p> <p>ii. Declare and register the volume of hazardous waste according to the national requirements.</p> <p>iii. Classify and separate the storage of different types of solid wastes and ban mixing hazardous waste with non-hazardous waste for storage, transportation, or disposal.</p> <p>iv. All departments shall keep the account and records regarding the storage of the hazardous waste generated faithfully and perform</p>	

Promotion item	Implementation (Note 1)		The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor												
	Yes	No		Brief description											
			<p>storage according to the requirement.</p> <ul style="list-style-type: none"> <li>v. Complete the transfer form according to the national requirements.</li> <li>vi. Engage departments with compliant qualifications to dispose of hazardous waste.</li> <li>vii. Formulate hazardous waste accident prevention measures and emergency management plans.</li> <li>viii. Formulate hazardous waste management plans.</li> <li>ix. Establish a responsibility system for hazardous waste</li> <li>x. Organize training related to hazardous waste for relevant personnel of the Company.</li> </ul> <p>2. Water consumption:</p> <table border="1"> <thead> <tr> <th>Plant area</th> <th>2023</th> <th>2024</th> <th>Application</th> </tr> </thead> <tbody> <tr> <td>Kunshan</td> <td>15,746 tons</td> <td>17,272 tons</td> <td>Water for production, domestic and fire-fighting uses</td> </tr> <tr> <td>Dongtai</td> <td>8,733 tons</td> <td>6,643 tons</td> <td>Water for production, domestic and fire-fighting uses</td> </tr> </tbody> </table> <p>3. Waste management: The waste generated by the production activities of Kunshan Aplus and Dongtai Aplus can be divided into two categories: general industrial solid waste and hazardous waste. Hazardous waste disposal is handled in accordance with relevant laws and regulations, and qualified contractors are commissioned to dispose of the waste for treatment. Kunshan Aplus and Dongtai Aplus have established environmental goals to control outsourcing of disposal to reduce the volume of outsourced disposal. This not only reduces operating costs, but also reduces the impact on the environment.</p>	Plant area	2023	2024	Application	Kunshan	15,746 tons	17,272 tons	Water for production, domestic and fire-fighting uses	Dongtai	8,733 tons	6,643 tons	Water for production, domestic and fire-fighting uses
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			<p>The implementation is as follows:</p> <p><b>Kunshan Aplus:</b></p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Disposal method</th> <th>Waste name</th> <th>2023 (tons)</th> <th>2024 (tons)</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Hazardous waste</td> <td rowspan="4">Incineration</td> <td>Waste solvent</td> <td>30.7</td> <td>34.4</td> </tr> <tr> <td>Cotton cloth containing waste solvent, PE bag, empty reagent barrel</td> <td>19.4</td> <td>18.1</td> </tr> <tr> <td>Waste activated carbon</td> <td>1.9</td> <td>0.9</td> </tr> <tr> <td>Waste oil</td> <td>/</td> <td>3.4</td> </tr> <tr> <td>Physical and chemical treatment</td> <td>Copper waste liquid</td> <td>12.9</td> <td>5.5</td> </tr> <tr> <td rowspan="2">General industrial solid waste</td> <td rowspan="2">Sorting, recycling or incineration</td> <td>Waste scraps, defective products</td> <td>130</td> <td>155.39</td> </tr> <tr> <td>Waste packaging</td> <td>7</td> <td>7</td> </tr> </tbody> </table> <p><b>Dongtai Aplus:</b></p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Disposal method</th> <th>Waste name</th> <th>2023 (tons)</th> <th>2024 (tons)</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Hazardous waste</td> <td rowspan="4">Incineration</td> <td>Waste plastic</td> <td>2.278</td> <td>10.917</td> </tr> <tr> <td>Waste gloves, rags</td> <td>1.174</td> <td>/</td> </tr> <tr> <td>Waste activated carbon</td> <td>1.045</td> <td>0.94</td> </tr> <tr> <td>Waste packaging barrels</td> <td>2.4645</td> <td>1.876</td> </tr> <tr> <td rowspan="2">General industrial solid waste</td> <td rowspan="2">Sorting, recycling or incineration</td> <td>Waste scraps, defective products</td> <td>52.85</td> <td>55.68</td> </tr> <tr> <td>Waste packaging bags</td> <td>6</td> <td>6</td> </tr> </tbody> </table> <p>4. In the past two years, the Company has completed the verification of greenhouse gas inventory partner organizations according to ISO14064-1:2018 standards and obtained the verification certificate. The relevant information is disclosed as follows:  Kunshan: The total greenhouse gas emission in 2023 and 2024 was 6,925.64 and 7,025.16 t CO<sub>2</sub>e (Categories 1 to 3), respectively.</p>	Projects	Disposal method	Waste name	2023 (tons)	2024 (tons)	Hazardous waste	Incineration	Waste solvent	30.7	34.4	Cotton cloth containing waste solvent, PE bag, empty reagent barrel	19.4	18.1	Waste activated carbon	1.9	0.9	Waste oil	/	3.4	Physical and chemical treatment	Copper waste liquid	12.9	5.5	General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	130	155.39	Waste packaging	7	7	Projects	Disposal method	Waste name	2023 (tons)	2024 (tons)	Hazardous waste	Incineration	Waste plastic	2.278	10.917	Waste gloves, rags	1.174	/	Waste activated carbon	1.045	0.94	Waste packaging barrels	2.4645	1.876	General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	52.85	55.68	Waste packaging bags	6	6
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Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			Dongtai: The total greenhouse gas emission in 2023 and 2024 was 2,181.63 and 3,136.86 t CO <sub>2</sub> e (Categories 1 to 3), respectively.	
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations as well as the International Bill of Human Rights?	V		<p>1. The Company protects employees' legal interests and appropriate retirement pensions according to labor regulations. The Company has established its Employee Benefits Committee to handle matters of benefits, such as company trips and birthday parties. The Company regularly convenes labor-capital conferences each quarter to establish a channel of mutual communication to understand the opinions of both parties, and in turn, achieve the status of general success.</p> <p>2. The Company recruits talent based on merit, and fulfills its international human rights conventions by establishing the "Employee Recruitment Management Regulations" to protect and respect human rights, including any discrimination and differential treatment in the recruitment, selection, and employment process.</p> <p>3. The Company has established its "Regulations for Reward and Punishment of Employees" and "Working Rules" and specified relevant reward and punishment systems.</p> <p>In addition, the implementation of the subsidiary in China is as follows: In accordance with Chinese labor laws and regulations and with reference to internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights", and "United Nations International Labor Organization", we have established a "Human Resources Control Procedure" and "Employee Handbook" and published them in the Company's internal BPM system. The Company's labor and capital rights and obligations complies with labor laws and regulations, and respects the basic provisions of international labor standards, such as freedom of association and collective bargaining, prohibition of forced labor, prohibition of child labor, etc., and eliminates various employment discrimination such as gender, sexual orientation, race, age, marriage, religion, political party, etc., and to ensure that human resource utilization policies are properly managed. Employees are trained on the "Employee Handbook" upon joining the Company to ensure that human resources policies are properly managed.</p> <p>In the 2024 annual onboarding training "Employee Handbook", the Company carried out 18 rounds of education and training on human rights-related policies, with a total of 65 people completing the training, and a total training time of 130 hours.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits) and appropriately reflected the business performance or results in employees' remuneration?	V		<ol style="list-style-type: none"> <li>1. Employee benefits measures, continuing education, and training: Employee benefits measures of the Company include regular health exams, Chinese New Year gifts, company trips, birthday gifts, subsidies for marriage, funerals, and celebrations, performance bonuses, employee remuneration, labor insurance, health insurance, and group insurance; we also offer opportunities for employees to participate in various training, seminars, and continuing education so as to improve the horizons of employees and facilitate their work efficiency. The Company appropriates the remuneration of employees according to the Articles of Incorporation. When recording profits, the Company reflects its business performance and achievements in the remuneration of employees, bonuses subject to its policy, and employee remuneration.</li> <li>2. The Company has implemented the management of the rest, vacation and regular leave in accordance with the government's labor regulations.</li> <li>3. Realization of diversity and equality in the workplace: The Company upholds the principle of gender equality and equal pay for equal work, and there is no gender difference. In 2024, female employees of the Group accounted for 31%, and female employees at managerial level and above accounted for 41%.</li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(III) Does the Company provide employees with a safe and healthy working environment and regularly organize safety and health education for employees?	V		<p>The Company does not have a manufacturing center in Taiwan, and its implementation status is as follows:</p> <ol style="list-style-type: none"> <li>1. Has an access monitoring system in place.</li> <li>2. Execute contracts with a security company to maintain the safety of the administrative office in a factory during nighttime and weekends.</li> <li>3. Engage external parties to perform fire safety inspections each year according to the regulatory requirements.</li> <li>4. Carry out regular maintenance and inspection of equipment in the working environment. Organize health inspections for employees according to the requirements of the Occupational Safety and Health Act. Smoking is banned at all business venues according to the requirements, and environmental cleaning and sanitizing are performed regularly.</li> <li>5. In 2024, a total of 8 people completed the occupational safety and health education training, with a total training time of 16 hours.</li> <li>6. There were no occupational hazard cases for employees in 2024 for the Company in Taiwan.</li> </ol>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>The implementation of the Company's reinvestment in the subsidiaries in Mainland China is as follows:</p> <ol style="list-style-type: none"> <li>1. Establish a safety risk management and control list, and formulate and implement control measures, including engineering and technical measures, management measures, training and education measures, and personal protection measures.</li> <li>2. Medical examinations are conducted every July for employees involved in occupational hazard positions. Kunshan and Dongtai plants have completed occupational health examinations.</li> <li>3. In August each year, Kunshan and Dongtai plants conduct annual hazard testing for occupational disease hazard positions.</li> <li>4. In 2024, the Dongtai plant of the subsidiary reported one employee occupational accident (not within the scope of major occupational accident reporting) and one injured person.</li> </ol>	
(IV) Has the Company established an effective career development training program for employees?	V		<p>In response to the long-term development of the Company and the improvement in employee quality, the Company has established its Regulations for Educational Training and organized professional programs for different departments and training and license courses for knowledge required for work. Relevant courses cover new recruit orientation, core functions, management functions, and professional functions. Through diversified education and training channels, orientation training, on-the-job training, and various internal and external trainings are used to enhance employees' learning effectiveness. The total number of education and training hours for Asia Electronic's employees in 2024 was 241 hours. The total number of education and training hours for the Group's employees in 2024 was 4,047 hours.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(V) Has the Company complied with relevant regulations and international standards with regard to customer health and safety, customer privacy, marketing, and labeling of products and services, and established relevant policies to protect the interests of consumers or customers and formulated complaint procedures?	V		<p>The Company is committed to the R&amp;D of halogen-free and phosphorus-free products in the hope of aligning ourselves with the requirements under RoHS and the standards under REACH of the EU; we also collect international protection regulations, and requirements of our major customers to grasp the latest control trends worldwide and of our customers to satisfy customers' requirements. Furthermore, the Company maintains favorable communication channels with customers and provides transparent and effective procedures for handling customer complaints regarding our products and services; we fully communicate with customers in time and understand customers' requirements to facilitate the effects of interactions with customers.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(VI) Has the company formulated supplier	V		The Company has established relevant evaluation and management methods. Before	In compliance with the

Promotion item	Implementation (Note 1)		Brief description	The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? What is the status of their implementation?			establishing business relations with any supplier, the Company evaluates the legitimacy, ethical corporate management policy, and whether it has any record of unethical conduct, and obtains the cooperating commitments of the suppliers in terms of environmental protection, occupational safety and health, and labor human rights. The Company performs reviews and evaluations of suppliers in terms of environmental protection, occupational safety and health, or labor human rights and regularly carries out evaluations and consultation to ensure the suppliers are in compliance with regulations and the Company's requirements.	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
V. Has the Company referred to international reporting standards or guidelines in its preparation of the sustainability report and other reports which disclose the Company's non-financial information? Has the Company obtained the assurance or certification of a certifying institution for the reports above?		V	The Company is in the process of preparing the 2024 sustainability report and will announce it in accordance with regulations once it is completed.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
VI. If the Company has established its own Sustainable Development Best Practice Principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences from the Principles in the Company's operations: No material difference				
VII. Other important information to facilitate a better understanding of the Company's promotion of sustainable development: The Company is committed to the R&D of halogen-free and low-carbon materials for environmental protection. At present, all products of sale are halogen-free.				

Note 1: If "Yes" is chosen for the implementation, please describe the material policies, strategies, and measures adopted and the implementation; If "No" is chosen, please explain the reason and describe the plan to material policies, strategies, and measures.

Note 2: For Companies that have prepared their corporate social responsibility reports, they may mark the page for reference in the corporate social responsibility report for the implementation instead.

Note 3: The materiality principle refers to environmental, social, and corporate governance issues that have material impacts on the investors and other stakeholders of the Company.

(2) Climate-related information

(A) Implementation of climate-related information

Item	Implementation																								
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	1. As the supreme governance body of sustainable development, the Board has established the Sustainable Development Committee to review the risks and opportunities related to climate change on a regular basis.																								
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	<p>2. Companies need to identify potential climate risks, including the impact of extreme climate events on the company's business and assets, such as changes in policies, technological progress or market demand.</p> <table border="1" data-bbox="1155 517 2011 1390"> <thead> <tr> <th data-bbox="1155 517 1288 552">Term</th> <th data-bbox="1288 517 1422 552">Risks</th> <th data-bbox="1422 517 1585 552">Opportunity</th> <th data-bbox="1585 517 1720 552">Impacts</th> <th data-bbox="1720 517 2011 552">Countermeasures</th> </tr> </thead> <tbody> <tr> <td data-bbox="1155 552 1288 874">Short-term</td> <td data-bbox="1288 552 1422 874">Production interruption</td> <td data-bbox="1422 552 1585 874">Dual-site production to reduce the impact of extreme climate in a single area</td> <td data-bbox="1585 552 1720 874">Disruption to the supply chain and the Company's operations</td> <td data-bbox="1720 552 2011 874">The management needs to formulate strategies to deal with climate change, such as upgrading the production process to reduce carbon emissions; from the financial perspective, the climate risk may lead to a decline in asset value, and higher insurance premiums need to be paid to cover climate-related risks.</td> </tr> <tr> <td data-bbox="1155 874 1288 1230">Medium-term</td> <td data-bbox="1288 874 1422 1230">Changes in market structure and consumer behavior</td> <td data-bbox="1422 874 1585 1230">Development and promotion of green products</td> <td data-bbox="1585 874 1720 1230">Decline in sales revenue of non-green or low-carbon products</td> <td data-bbox="1720 874 2011 1230">The Company needs to review the Company's business model and value chain, and take into account possible climate changes, adjust products to meet market demand, invest in R&amp;D and innovation projects, and develop low-carbon, recyclable products or services. For the financial aspects, planning for additional capital investment is needed.</td> </tr> <tr> <td data-bbox="1155 1230 1288 1390">Long-term</td> <td data-bbox="1288 1230 1422 1390">Cost of responding to carbon reduction policies and</td> <td data-bbox="1422 1230 1585 1390">Use renewable energy and energy-saving equipment to improve energy</td> <td data-bbox="1585 1230 1720 1390">Additional cost of carbon reduction due to tightened regulations</td> <td data-bbox="1720 1230 2011 1390">Continue to monitor the trend of international carbon tax and carbon reduction laws and regulations</td> </tr> </tbody> </table>					Term	Risks	Opportunity	Impacts	Countermeasures	Short-term	Production interruption	Dual-site production to reduce the impact of extreme climate in a single area	Disruption to the supply chain and the Company's operations	The management needs to formulate strategies to deal with climate change, such as upgrading the production process to reduce carbon emissions; from the financial perspective, the climate risk may lead to a decline in asset value, and higher insurance premiums need to be paid to cover climate-related risks.	Medium-term	Changes in market structure and consumer behavior	Development and promotion of green products	Decline in sales revenue of non-green or low-carbon products	The Company needs to review the Company's business model and value chain, and take into account possible climate changes, adjust products to meet market demand, invest in R&D and innovation projects, and develop low-carbon, recyclable products or services. For the financial aspects, planning for additional capital investment is needed.	Long-term	Cost of responding to carbon reduction policies and	Use renewable energy and energy-saving equipment to improve energy	Additional cost of carbon reduction due to tightened regulations	Continue to monitor the trend of international carbon tax and carbon reduction laws and regulations
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Item	Implementation					
	<table border="1" data-bbox="1155 197 2013 229"> <tr> <td data-bbox="1155 197 1285 229"></td> <td data-bbox="1285 197 1420 229">regulations</td> <td data-bbox="1420 197 1585 229">efficiency</td> <td data-bbox="1585 197 1720 229"></td> <td data-bbox="1720 197 2013 229"></td> </tr> </table>		regulations	efficiency		
	regulations	efficiency				
<p>3. Describe the financial impact of extreme climate events and transformation actions.</p>	<p>3. Extreme climate events may have direct and indirect impacts on the Company's operations and finance. The direct impact includes production interruption, facility damage, supply chain interruption, etc., which will all lead to a decrease in the Company's profit. Indirect effects include increased insurance expenses, increased cost of capital, and decreased share price, which will all have a negative impact on the financial position. To cope with climate change, the Company will transform its energy and economic structure. This includes investing in renewable energy, improving energy efficiency, and developing low-carbon technologies. These transformation actions require a large amount of capital investment, but they also bring new business opportunities. By participating in these types of actions, we can also obtain</p>					

Item	Implementation
	new sources of income and improve financial performance.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>4. The identification, assessment and management of climate risks can be integrated into the overall risk management system through the following steps.</p> <ul style="list-style-type: none"> <li>i. Risk identification: Based on the characteristics of the Company's business, the risk identification of climate risks and opportunities is carried out every year.</li> <li>ii. Risk assessment: Work with the risk management department to integrate the overall risk assessment.</li> <li>iii. Risk management: Treat climate change as a strategic business risk and incorporate its identification, measurement and management into the Company's overall risk procedures.</li> <li>iv. Risk report: Use scenario analysis to evaluate the resilience in the face of climate change risks, and explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts.</li> </ul>
5. If using scenario analysis to evaluate the resilience in the face of climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts.	5. The Company has not used scenario analysis to evaluate the resilience in the face of climate change risks.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify	6. The Company currently does not have a clear transformation plan for responding to and managing climate-related risks.

Item	Implementation
and manage physical risks and transformation risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	7. The Company has not yet used internal carbon pricing as a planning tool.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) needs to be stated.	8. The subsidiary in Mainland China invested by the Company has established an "Energy-saving and Carbon Dioxide Reduction Team" to regularly prepare statistics of water consumption and the total weight of waste and formulate relevant energy-saving targets each year. Please refer to pages 43-45 for related targets.
9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans	9. The Company has established the "Greenhouse Gas Information Control Program" and set up a greenhouse gas (referred to as "GHG") inventory task force to develop a GHG inventory and prepare a GHG inventory report. Based on the considerations of strategy, business, stakeholder needs, risks and opportunities, the greenhouse gas reduction target is set in accordance with the "Management Plan and Target Achievement Control Procedure", which is included in the daily statistical management of the Engineering Affairs Department. Please refer to (2) for the explanation on greenhouse gas inventory and assurance.

(B) GHG inventory and assurance in the last 2 years

a. Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NTD million), and data coverage for the most recent two years.								
Greenhouse gas emission statistics for the most recent two years								
Year	Plant area (Note)	Unit	Category 1	Category 2	Category 3	Total	Turnover (NTD million)	Emission intensity
2023	Subsidiary	Metric tons CO <sub>2</sub> e	2,428.75	6,341.93	336.6	9,107.28	1,548.51	5.88
2024	Subsidiary	Metric tons CO <sub>2</sub> e	2,719.35	6,093.10	1,349.60	10,162.05	1,541.70	6.59

Note: Including Kunshan Aplus and Dongtai Aplus

Note 1: Direct emissions (scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and Other indirect emissions (scope 3: emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) shall be stated.

b. Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.					
Year	Plant area	Assurance range	Assurance institutions	Assurance criteria	Assurance opinion
2023	Kunshan	Category 1 Category 2 Category 3	TUV (TUV Rheinland (Guangdong) Ltd.)	ISO 14064-1:2018	<ol style="list-style-type: none"> <li>1. Currently, purchased electricity and natural gas combustion account for 57% and 23% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</li> <li>2. Currently, Kunshan Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</li> <li>3. At present, Kunshan Aplus does not purchase green power. It is recommended to purchase green power directly or purchase green certificates. The direct purchase of green power can be traded through the provincial electric power trading centers. The direct transaction of green power in Jiangsu Province has been carried out on a regular basis, and the purchase of REC can be made for those issued in China or overseas, such as, GEC (China's REC), I-Rec (International Green Certificate issued by a Dutch registration authority).</li> </ol>

2023	Dongtai	Category 1 Category 2 Category 3	TUV (TUV Rheinland (Guangdong) Ltd.)	ISO 14064-1:2018	<ol style="list-style-type: none"> <li>1. Currently, purchased electricity and natural gas combustion account for 48% and 27% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</li> <li>2. Currently, Dongtai Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</li> <li>3. At present, Dongtai Aplus does not purchase green power. It is recommended to purchase green power directly or purchase green certificates. The direct purchase of green power can be traded through the provincial electric power trading centers. The direct transaction of green power in Jiangsu Province has been carried out on a regular basis, and the purchase of REC can be made for those issued in China or overseas, such as, GEC (China's REC), I-Rec (International Green Certificate issued by a Dutch registration authority).</li> </ol>
2024	Kunshan	Category 1 Category 2 Category 3	SGS	ISO 14064-1:2018	<ol style="list-style-type: none"> <li>1. Currently, purchased electricity and natural gas combustion account for 46% and 17% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</li> <li>2. Currently, Kunshan Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</li> </ol>
2024	Dongtai	Category 1 Category 2 Category 3	SGS	ISO 14064-1:2018	<ol style="list-style-type: none"> <li>1. Currently, purchased electricity and natural gas combustion account for 36% and 16% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</li> <li>2. Currently, Dongtai Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</li> <li>3. At present, Dongtai Aplus does not purchase green power. It is recommended to purchase green power directly or purchase green certificates. The direct purchase of green power can be traded through the provincial electric power trading centers. The direct transaction of green power in Jiangsu Province has been carried out on a regular basis, and the purchase of REC can be made for those issued in China or overseas, such as, GEC (China's REC), I-Rec (International Green Certificate issued by a Dutch registration authority).</li> </ol>

Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the company has not obtained the full

assurance opinion of greenhouse gas by the date of publication of the annual report, it is necessary to indicate "full assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should be noted that "complete assurance information will be disclosed on the Market Observation Post System" and complete assurance information must be disclosed in the next annual report.

Note 2: The assurance institutions shall comply with the relevant requirements of Taiwan Stock Exchange Corporation and the Taipei Exchange of the Republic of China on the relevant regulations for the assurance institutions for sustainability reports.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

(C) GHG Reduction Targets, Strategies and Specific Action Plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.				
Striving to achieve the emission reduction target, the Company continues to invest in various energy-saving measures, which are detailed as follows:				
1. Asia Power Group's photovoltaic power generation:				
Projects	Company	Photovoltaic power consumption (10,000 kwh)	Carbon reduction (metric tons CO2e)	Remarks
Photovoltaic power generation	Kunshan Aplus	32.93	187.79	data between 2022.9 - 2023.12
	Dongtai Aplus	143.02	815.56	
Photovoltaic power generation	Kunshan Aplus	24.36	142.63	data between 2024.1 - 2024.12
	Dongtai Aplus	81.87	479.40	
Note: Source of data on converted carbon reduction: verification unit of partners				
2. Other energy-saving projects:				
Company	Projects	Energy saving and efficiency		
Kunshan Aplus	Replacing oil with natural gas	In 2015, the boiler fuel was changed from heavy oil to natural gas to reduce exhaust gas emissions and environmental pollution.		
	Introduced steam	Introduce energy steam in 2018 to reduce electricity consumption.		
	Condensed Water Recovery	9,000 tons of condensed water recycled and reused.		
	Boiler low nitrogen retrofit	Reduce nitrogen oxides emissions by about 1 ton (0.5 ton/year) from 2022 to 2023.		
	Air compressor heat recovery	Air compressor heat recovery in 2023 reduced diesel fuel by 7.89 tons and CO2e by 23.6 tons.		
	Green certification	The purchase of green certificates totaling 1,500 MWh in 2024 is equivalent to reducing carbon dioxide equivalent emissions by 878.4 tons.		

Note 1: It shall be processed in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the year that the inspection is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Article 10, Paragraph 2 of the Guidelines, companies with capital over NTD 10 billion should complete the 2024 consolidated financial statements in 2025. Therefore, the base year is 2024. If the Company has completed the carbon inventory of the consolidated financial statements ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

(VI) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
<p>I. Formulation of ethical corporate management policies and plans</p> <p>(I) Does the Company have an ethical corporate management policy approved by its Board, and rules and publicly available documents addressing its policy and measures of ethical corporate management, and commitment regarding active implementation of such policy from the Board and the senior management?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Has the Company clearly specified operating procedures,</p>	V		<p>(I) To healthily develop the Company’s business philosophy of incorruptibility, transparency, and responsibility based on ethics and integrity, the Board has approved and established the “Ethical Corporate Management Best Practice Principles,” stating ethical corporate management policies and plans, to establish a favorable business operating model and creates the corporate culture of ethical corporate management. We hope and require that our members, including the Board and the senior management, will actively implement the policies of ethical corporate management. For details of the Principles, please refer to the website of the Company (<a href="http://www.aemg.com.tw">http://www.aemg.com.tw</a>) and MOPS.</p> <p>(II) The "Asia Electronic Material Co., Ltd. Sustainable Development Best-Practice Principles" discloses anti-bribery and corruption, and avoidance of unfair competition.</p> <p>(III) The “Asia Electronic Material Co., Ltd. Code of Ethical Conduct” and “Asia Electronic Material Co., Ltd. Procedures</p>	No material difference

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?			<p>for Ethical Management and Guidelines for Conduct” have explicitly prohibited the provision or acceptance of bribery, provision of illegal political donations, provision or acceptance of unjust benefits, unjust transactions with third parties, violation of confidentiality, transactions violating the Fair Trade Act, and unauthorized disclosure of material insider information, and have stated that the charitable donations or sponsorships shall comply with the requirements under Article 10 “Procedures for charitable donations or sponsorships” of the “Asia Electronic Material Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct.”</p> <p>(IV) The Company shall establish a risk assessment mechanism to prevent unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly.</p> <p>(V) The Company has clearly defined operating procedures, guidelines, punishment for violations and a complaint system in the program to prevent dishonest conduct. For details, please refer to the Company's website (<a href="http://www.aemg.com.tw">http://www.aemg.com.tw</a>);</p> <p>(VI) The "Asia Electronic Material Co., Ltd. Code of Ethical Conduct" is a standard operating procedures and guidelines regulating the ethical behavior of all stakeholders of the Company, and to serve as a commitment to the implementation of ethical corporate management policy.</p> <p>(VII) The "Regulations Governing the Whistle-blowing System" for employees and relevant whistle-blowers to report any</p>	

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
			behavior that is illegal or in violating of the Code of Conduct or Ethical Corporate Management Best Practice Principles, in order to ensure the legitimate rights and interests of the whistle-blower and related parties. (VIII) Disciplinary measures for violation of the "Employee Rewards and Punishments Regulations".	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company assess the ethics records of whom it has business relationships and include business conduct and ethics-related clauses in the business contracts?</p> <p>(II) Has the Company set up a dedicated department that is subordinated to the Board to promote ethical corporate management, and does it regularly (at least once a year) report to the Board on its ethical corporate management policy and unethical conduct prevention program and monitor their implementation?</p> <p>(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels, and implement such policies properly?</p> <p>(IV) Has the Company established effective accounting and internal control systems in place for the implementation of ethical corporate management? Has the internal audit department formulated relevant audit plans based on the assessment results of unethical conduct risk to perform audits on compliance with the unethical conduct prevention program or engage CPAs to perform such audits?</p> <p>(V) Does the Company provide internal and external educational training in ethical corporate management on a regular basis?</p>	V	V	<p>(I) The "Asia Electronic Material Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" stipulate that the Company shall evaluate the legitimacy, ethical corporate management policy, and whether a supplier has any record of unethical conduct before establishing business relations with others to ensure the fair and transparent business operations of the supplier and that it will not require, provide, or accept bribery.</p> <p>(II) In the "Asia Electronic Material Co., Ltd. Corporate Social Responsibility Declaration", it expressly states that the supply chain of the Company (and its affiliated companies) complies with local regulatory requirements in terms of labor rights, health and safety, environment, ethics, and management systems. Based on the principle of due diligence, the Company's supply chain is required to comply with relevant regulations in order to establish a sustainable supply chain management mechanism.</p> <p>(III) To optimize our ethical corporate management, the Management Department is responsible for the formulation and promotion of the ethical corporate management policies, the Audit Department is responsible for monitoring the implementation, and it reports once a year to the Board</p>	No material difference

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
			<p>regarding the ethical corporate management policies, the plan to prevent dishonest behavior, and the status of supervision and implementation. On February 26, 2025, it reported to the Board of Directors on the Company's implementation of ethical management in 2024.</p> <p>(IV) A mailbox for whistleblowing has been set up on the Company's website (<a href="http://www.aemg.com.tw">http://www.aemg.com.tw</a>).</p> <p>(V) The Company has established the "regulations for Whistleblowing System," which specifies the processing and handling procedures for reports of illegal conduct.</p> <p>(VI) The financial report of the Company is prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs, IAS, interpretations, and interpretative bulletins recognized by the FSC. The Company determines the effectiveness of the design and implementation of its internal control system based on the determination of effectiveness under the Regulations Governing Establishment of Internal Control Systems by Public Companies. The internal audit department adopts relevant measures based on the materiality of the evaluation results of unethical conduct risks, such as formulating relevant audit plans. The content of an audit plan shall include the audit target, scope, item, and frequency, and compliance with the preventive plan shall be audited accordingly. The Company may engage CPAs to perform the audit, and experts may be engaged for assistance when necessary.</p> <p>(VII) In 2024, the Company held internal education and training related to the issue of ethical management (including analysis of the current status of corporate ethical management,</p>	

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
			interpretation of ethical management laws and policies, discussion of ethical management strategies and methods, and sharing of ethical management practice cases, etc).The training sessions were attended by 245 people for a total training time of 612.5 hours.	
<p>III. Implementation of the Company’s whistleblowing system</p> <p>(I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and designate responsible individuals to handle the complaints received?</p> <p>(II) Has the Company established its standard operating procedures for investigating the complaints received, subsequent measures to be adopted, and the related confidentiality system after the investigation?</p> <p>(III) Has the Company adopted proper measures to protect whistleblowers from inappropriate disposals due to whistleblowing?</p>	V		The Company has established its Regulations for Whistleblowing System and rewards, set up appropriate whistleblowing channels, kept the identity of whistleblowers and the reported content confidential, and provided rewards, accordingly. The Company has established operating procedures for accepting whistleblowing cases, and relevant confidentiality systems are adopted after the completion of investigations. The Company protects whistleblowers from unjust treatment or threats.	No material difference
<p>IV. Enhance information disclosure</p> <p>(I) Has the Company disclosed the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and MOPS?</p>	V		The Company’s “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Corporate Social Responsibility Declaration” are published on the Company’s website ( <a href="http://www.aemg.com.tw">http://www.aemg.com.tw</a> ) for employees to access at all times. In addition, the “Ethical Corporate Management Best Practice Principles” and “Code of Ethical Conduct” are published on MOPS.	No material difference
<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 differences from the principles in the Company’s operations:  Institutions subordinated to the Company engage in business activities based on the principles of fairness, honesty, credibility, and transparency. To implement our ethical corporate management policies and actively prevent unethical conduct, the Company has established the Principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” to specify matters of notice for staff of the Company when executing businesses.</p>				

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
<p>VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (i.e., the examination and modification to the Ethical Corporate Management Best Practice Principles established by the Company):</p> <p>(I) The Company adheres to ethical corporate management in terms of business transactions of companies we engage in business with and promotes to such companies our determination of ethical corporate management.</p> <p>(II) The Company has established its "Procedures for Ethical Management and Guidelines for Conduct" on 20 March 2020.</p>				

- (VII) Other important information to facilitate a better understanding of the Company’s implementation of corporate governance shall also be disclosed:
1. Apart from making disclosures on the corporate governance section of MOPS, does the Company disclose real-time information related to corporate governance to investors based on the materiality: None.

- (VIII) Implementation status of the internal control system
1. Statement of Internal Control: Please refer to page 114.
  2. For those who appointed CPAs to review the internal control system, the CPAs’ review report shall be disclosed: None.

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

1. Material resolution of the shareholders’ meeting

Meeting date	Material resolution
May 24, 2024	<ol style="list-style-type: none"> <li>1. Approved and ratified the 2023 business report and financial statements.</li> <li>2. Resolution to approve and ratify the proposal for 2023 earnings distribution.</li> </ol>

## 2. Material resolution of the Board meeting

date	Material resolution
February 2, 2024	<ol style="list-style-type: none"> <li>1. Proposal for reviewing and discussing the 2024 budgets of the Company and its subsidiaries, Kunshan Aplus Technology Corporation, and Aplus Technology Corporation (Dongtai)</li> <li>2. Review and discussion of the proposal for the distribution of year-end bonuses of managers in 2023.</li> <li>3. Review and discussion of the proposal for the distribution of employee remuneration of managers in 2022.</li> </ol>
February 27, 2024	<ol style="list-style-type: none"> <li>1. Proposal for the application of bank credit loan limits</li> <li>2. Proposal for the distribution of remuneration of employees and Directors for 2023.</li> <li>3. Review and discussion of the 2023 business report, individual financial statements, and consolidated financial statements of the Company.</li> <li>4. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in 2023.</li> <li>5. Proposal for the issuance of the 2023 "Statement of the Internal Control System."</li> <li>6. Proposal for the Company's 2023 earnings distribution.</li> <li>7. Proposal for the comprehensive re-election of the Company's Directors.</li> <li>8. Proposal for the nomination of the list of Director (including Independent Director) candidates for the Company's 2024 annual shareholders' meeting.</li> <li>9. Proposal for establishment of general policies for non-assurance services from Ernst &amp; Young and its affiliates, lifting of non-compete restrictions on the newly-elected directors of the Company.</li> <li>10. Proposal for the distribution of the remuneration of directors and the employee remuneration of managers in 2023.</li> <li>11. Proposal for the independence evaluation and appointment of CPAs of the Company.</li> <li>12. Re-confirmation of the Company's "General Policies for Pre-approved Non-assurance Services".</li> <li>13. Proposal for deciding the convening date, time, venue, and content of proposals of the Company's 2024 annual shareholders' meeting and matters related to the proposals of shareholders.</li> </ol>
April 2, 2024	<ol style="list-style-type: none"> <li>1. Change of nominated director candidates and review of director candidate list</li> <li>2. Proposal for lifting the non-competitive restrictions of newly elected directors of the Company</li> </ol>
May 7, 2024	<ol style="list-style-type: none"> <li>1. Proposal for the application of bank credit loan limits</li> <li>2. Review and discussion of the Company's first quarter consolidated financial statements for 2024</li> </ol>
May 24, 2024	<ol style="list-style-type: none"> <li>1. Proposal for the election of chairman</li> <li>2. Proposal for election of the 6th Remuneration Committee members</li> </ol>
August 7, 2024	<ol style="list-style-type: none"> <li>1. Proposal for the application of bank credit loan limits</li> <li>2. Review and discussion of the Company's consolidated financial statements for the second quarter of 2024</li> <li>3. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the second quarter of 2024.</li> <li>4. Proposal for the establishment of the Company's "Sustainable Development Committee Organization Charter"</li> <li>5. Appointment of the first Sustainable Development Committee members,</li> <li>6. The Company plans to set up a sustainable long-term plan</li> </ol>
November 7, 2024	<ol style="list-style-type: none"> <li>1. Review and discussion of the Company's third quarter consolidated financial statements for 2024.</li> <li>2. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the third quarter of 2024.</li> <li>3. Formulate the Company's 2025 audit plan</li> <li>4. Proposal for approval of the limit of loans to others provided by Kunshan Aplus Tec. Corporation, an investee of the Company.</li> <li>5. The overdue accounts receivable and other accounts receivable of the Company as of the end of September 2024 are not capital loans.</li> <li>6. Formulate the internal control system for the Company's "Sustainable Information Management Operation"</li> <li>7. Proposal for Ammon Tec. Investment Corp., a subsidiary of the Company's subsidiary, Asia Electronic Material Holding (Samoa) Co., Ltd., to invest in Aplus Technology Corporation (Dongtai).</li> </ol>
December 30, 2024	<ol style="list-style-type: none"> <li>1. Review and discussion of the Company's consolidated budgets for 2025.</li> <li>2. Proposal for the amendment to the Company's "Sustainable Information Management Operation"</li> </ol>
January 22, 2025	<ol style="list-style-type: none"> <li>1. Proposal for the application of bank credit loan limits</li> <li>2. Proposal to add the sixth production line at Aplus Technology Corporation (Dongtai)</li> <li>3. Review and discussion of the proposal for the distribution of year-end bonuses of managers for 2024.</li> </ol>
February 26, 2025	<ol style="list-style-type: none"> <li>1. Proposal for the application of bank credit loan limits</li> <li>2. Proposal for the distribution of remuneration of employees and directors for 2024</li> <li>3. Review and discussion of the 2024 business report, individual financial statements, and consolidated financial statements of the Company</li> <li>4. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company for 2024</li> <li>5. Proposal for the issuance of the 2024 "Statement of the Internal Control System"</li> <li>6. Proposal for the Company's 2024 earnings distribution</li> <li>7. Proposal for the distribution of the remuneration of managers for 2023 and the distribution of the remuneration of directors and managers for 2024</li> <li>8. Proposal for the independence evaluation and appointment of CPAs of the Company.</li> <li>9. Proposal to reconfirm the Company's "General Policy on Pre-approval of Non-assurance Services"</li> <li>10. Proposal for the amendment to the Company's "Articles of Incorporation"</li> <li>11. Define the scope of grassroots employees in the Company's "Articles of Incorporation" and proposal to revise the Company's internal control system - salary cycle</li> <li>12. Proposal for deciding the convening date, time, venue, contents and shareholder proposals of the Company's 2025 annual shareholders' meeting</li> </ol>

- (X) During the most recent year and up to the publication date of the annual report, the directors or supervisors had different opinions on important resolutions passed by the Board of Directors and there were records or written statements, the main contents of which were: None.

### III. Information on CPA fees

Unit: NT\$000'

Name of CPA's firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young	Chen Kuo-Shuai	January 1, 2024 -	4,787	162	4,949	
	Cheng-Wei Lin	December 31, 2024				

- (I) When the non-audit fees paid to CPAs, the CPA's firm, and its affiliated companies are more than one-quarter of the audit expenses, the amounts of audit and non-audit expenses and the content of non-audit services shall be disclosed: In 2024, the non-audit expense was \$150 thousand for guidance on the preparation of sustainability reports and \$12 thousand for business registration.
- (II) When the Company changes its CPA's firm and the audit fees paid for the year in which such change took place are lower than those for the preceding year, the amount of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.
- (III) When the audit fees paid for the current year are lower than those for the preceding year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reasons shall be disclosed: Not applicable.

### IV. Information on replacement of CPAs: None.

- V. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked in the firm to which the CPA belongs or its affiliated companies within the past year  
None.

### VI. Transfer of equity and changes in equity pledges of directors, managers, and shareholders with a shareholding of 10% and above in the most recent year and up to the date of publication of the annual report

#### (1) Changes in equity

Unit: share

Title	Name	2024		As of March 24, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman (Concurrently serves as general manager)	Lee Chien-Hui	0	(1,000,000)	0	0
Director (major shareholder)	E Ink Holdings Inc.	274,000	0	282,000	0
Corporate representative of Director	Representative of E INK HOLDINGS INC.: Chan Ning-Wei	0	0	0	0
Director	Bo Chun Investment Co., Ltd.	0	0	0	0
Corporate representative of Director	Representative of Bo Chun Investment Co., Ltd.: Huang Song-Zhen	0	0	0	0
Director	Tsai Sen	0	0	0	0
Director (Note 1)	Chen Ching-Chi	0	0	0	0
Director	KMO International Trading Inc.	256,000	0	0	0
Corporate representative of Director	KMO International Trading Inc. Representative: Lin Wei-Hong	0	0	0	0
Independent director (Note 1)	Yu Tsai-An	0	0	0	0
Independent Director	Hsu Ke-Ying	0	0	0	0
Independent Director	Chu Nien-Tzu	0	0	0	0
Independent Director	Li Chun-Ching	0	0	0	0
Independent Director	Hu Han-Liang	0	0	0	0

Title	Name	2024		As of March 24, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Vice President	Hsu Ming-Hua	10,000	50,000	23,000	300,000
Special assistant of the Chairman	Tseng Chi-Min	27,000	0	15,000	0
Assistant Vice President	Wang Chien-Chao	0	0	0	0
Assistant Vice President	Lin Chih-Ming	0	0	0	0
Chief of Finance and Accounting	Cheng Wan-Yu	0	0	0	0

Note 1: Director Chen Ching-Chi and Independent Director Yu Tsai-An were dismissed on May 24, 2024

(2) Information on equity transfer: Directors, supervisors, managers, and major shareholders have not performed any equity transfer to related parties.

(3) Information on equity pledge:

Name	Reason for changes in pledge	Date of change	Transaction counterparty	Relationship between transaction counterparty and Directors, supervisors, managers, and shareholders with a shareholding of 10% and above	Number of shares	Shareholding	Pledge ratio	Loans on pledge
Hsu Ming-Hua	Pledge creation	2025.02	Cathay United Bank	None	300,000	0.63%	48.77%	2,500,000
Hsu Ming-Hua	Pledge creation	2024.03	Cathay United Bank	None	300,000	0.63%	48.77%	2,500,000
Hsu Ming-Hua	Pledge cancelation	2024.03	Cathay United Bank	None	250,000	0.63%	40.64%	2,500,000
Lee Chien-Hui	Pledge cancelation	2024.04	Shin Kong Bank	None	1,000,000	4.84%	21.05%	50,000,000

**VII. Information on the relationships among the top ten shareholders in terms of shareholding ratio**

March 24, 2025; Unit: Share/%

NAME	SHARES HELD IN OWN NAME		SHARES HELD BY SPOUSE AND MINORS		TOTAL SHAREHOLDING BY NOMINEE ARRANGEMENT		INFORMATION ON THE RELATIONS AMONG THE TOP 10 SHAREHOLDERS IF ANYONE IS A RELATED PARTY, A SPOUSE, OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP OF ANOTHER AND THEIR NAMES.		REMARKS
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Title (or name)	Relationship	
E INK HOLDINGS INC.	10,321,000	10.51	-	-	-	-	None	None	None
E INK HOLDINGS INC. Representative: Li Cheng-Hao	0	0	0	0	0	0	None	None	None
Sheng Bo Investment Co., Ltd.	6,328,800	6.44	0	0	0	0	None	None	None
Sheng Bo Investment Co., Ltd. Representative: Lee Chien-Hui	4,751,153	4.84	8,219	0.01	0	0	Lee Chien-Hui	The responsible person	None
Lee Chien-Hui	4,751,153	4.84	8,219	0.01	6,328,800	6.44	Bo Chun Investment Co., Ltd.	The representative is a relative within the second degree of kinship	None
							Li Kuang-Nan	Relative within the first degree of kinship	
							Sheng Bo Investment Co., Ltd.	The representative is the shareholder itself	
Bo Chun Investment Co., Ltd.	2,860,080	2.91	0	0	0	0	None	None	None
Bo Chun Investment Co., Ltd. Representative: Huang Tsung-Ta	738,154	0.75	0	0	0	0	Lee Chien-Hui	A relative within the second degree of kinship of the representative	None
Lo Chien-Kuo	1,200,000	1.22	0	0	0	0	None	None	None
Wang Chih-Cheng	1,067,000	1.09	0	0	0	0	None	None	None
Li Kuang-Nan	1,054,433	1.07	0	0	0	0	Lee Chien-Hui	A relative within the first degree of kinship of the representative	None
Ji Jian Duan Investment Co., Ltd.	802,953	0.82	0	0	0	0	None	None	None
Huang Li-Chiang	785,000	0.80					None	None	None
Huang Tsung-Ta	738,154	0.75	0	0	0	0	Lee Chien-Hui	A relative within the second degree of kinship of the representative	None

**VIII. The number of shares held by the Company, its directors, supervisors, managers and the companies directly or indirectly controlled by the Company in the same reinvested company, and calculate the combined shareholding ratio**

Consolidated shareholding

Unit: Thousands shares; March 24, 2025

Investee	Investments of the Company		Investment of Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Consolidated investments	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Asia Electronic Material Holding (Samoa) Co., Ltd.	18,265	100.00%	0	0%	18,265	100.00%
Besttrade Co., Ltd.	2,950	100.00%	0	0%	2,950	100.00%
Ammon Tec. Investment Corp. (Note)	18,260	100.00%	0	0%	18,260	100.00%
Kunshan Aplus Tec. Corporation (Note)	0	100.00%	0	0%	0	100.00%
Aplus Tec. Corporation (DongtaI) (Note)	0	100.00%	0	0%	0	100.00%

Note: Companies indirectly invested via a third country

### Three.Fundraising Status

#### I. Capital and shares

##### (I) Source of share capital

##### 1. Changes in share capital as of the publication date of the annual report

Unit: NT\$000'/1,000 shares

Year/month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2003/7	10	100	1,000	100	1,000	Capital increase in cash		Fu-Jian-Shang-Zi No.09212504110 dated 7 July 2003
2003/8	10	12,000	120,000	3,549	35,490	Capital increase in cash 34,490		Fu-Jian-Shang-Zi No.09213942800 dated 5 August 2003
2003/10	10	22,000	220,000	15,070	150,700	Capital increase in cash 65,210	Using technologies for settling share payments 50,000	Fu-Jian-Shang-Zi No.09222390300 dated 8 October 2003
2003/12	10	22,000	220,000	22,000	220,000	Capital increase in cash 69,300		Fu-Jian-Shang-Zi No.09226687500 dated 11 December 2003
2004/2	10	38,000	380,000	28,500	285,000	Capital increase in cash 65,000		Fu-Jian-Shang-Zi No.09301171000 dated 12 December 2004
2004/5	20	50,000	500,000	32,500	325,000	Capital increase in cash 40,000		Fu-Jian-Shang-Zi No.09310804200 3 May 2004
2004/6	25	50,000	500,000	36,075	360,750	Capital increase in cash 35,750		Fu-Jian-Shang-Zi No.09312384500 17 June 2004
2005/9	15	50,000	500,000	41,000	410,000	Capital increase in cash 49,250		Fu-Jian-Shang-Zi No.09417850200 8 September 2005
2006/5	16	50,000	500,000	44,000	440,000	Capital increase in cash 30,000		Fu-Jian-Shang-Zi No.09575970310 5 May 2006
2006/12	16	50,000	500,000	50,000	500,000	Capital increase in cash 60,000		Jing-Shou-Shang-Zi No.09501274400 dated 12 December 2006
2007/10	18	70,000	700,000	53,000	530,000	Capital increase in cash 30,000		Jing-Shou-Shang-Zi No.09601248230 dated 12 October 2007
2008/7	10	70,000	700,000	54,500	545,000	Capital increase from earnings 15,000		Jing-Shou-Shang-Zi No.09701182700 dated 24 July 2008
2010/9	10	100,000	1,000,000	58,079	580,790	Capital increase from earnings 35,790		Jing-Shou-Shang-Zi No.09901206220 dated 14 September 2010
2011/7	10	100,000	1,000,000	65,226	652,259	Capital increase from earnings 71,469		Jing-Shou-Shang-Zi No.10001165840 dated 25 July 2011
2011/9	17.1	100,000	1,000,000	71,926	719,259	Capital increase in cash 67,000		Jing-Shou-Shang-Zi No.10001223690 dated 26 September 2011

2012/7	10	150,000	1,500,000	84,009	840,095	Capital increase from earnings 120,836	Jing-Shou-Shang-Zi No.10101127570 dated 12 July 2012
2013/1	17.76	150,000	1,500,000	84,020	840,204	Employee stock warrants 194	Jing-Shou-Shang-Zi No.10201005150 dated 10 January 2013
2013/8	10	150,000	1,500,000	86,961	869,611	Capital increase from earnings 2,941	Jing-Shou-Shang-Zi No.10201178120 dated 29 August 2013
2014/8	10	150,000	1,500,000	89,569	895,699	Capital increase from earnings 2,608	Jing-Shou-Shang-Zi No.10301161800 dated 5 August 2014
2014/11	10	150,000	1,500,000	97,321	973,219	Employee stock warrants 190.6 Conversion of corporate bonds 7,074.5	Jing-Shou-Shang-Zi No.10301241980 dated 25 November 2014

Unit: NT\$000'/1,000 shares

Year/month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2015/3	10	150,000	1,500,000	98,075	980,751	Employee stock warrants 14.625 Conversion of corporate bonds 738.6		Jing-Shou-Shang-Zi No.10401038070 dated 9 March 2015
2015/4	10	150,000	1,500,000	98,200	982,009	Employee stock warrants 125.725		Jing-Shou-Shang-Zi No.10401076150 dated 28 April 2015

## 2. Share category

Unit: Share

Share category	Authorized capital			Remarks
	Number of issued shares	Number of unissued shares	Total	
Ordinary shares listed on TPEX	98,200,868	51,799,132	150,000,000	-

## (II) List of major shareholders

### List of major shareholders

(shareholders holding 5% of total shares or above or with the top 10 equity ratio)

March 24, 2025

Name of major shareholder	Number of shares held	Shareholding (%)
E INK HOLDINGS INC.	10,321,000	10.51
Sheng Bo Investment Co., Ltd.	6,328,800	6.44
Lee Chien-Hui	4,751,153	4.84
Bo Chun Investment Co., Ltd.	2,860,080	2.91
Lo Chien-Kuo	1,200,000	1.22
Wang Chih-Cheng	1,067,000	1.09

Li Kuang-Nan	1,054,433	1.07
Ji Jian Duan Investment Co., Ltd.	802,953	0.82
Huang Li-Chiang	785,000	0.80
Huang Tsung-Ta	738,154	0.75

(III) The Company's dividend policy and implementation status

1. Dividend policy stated in the Articles of Incorporation

Article 31: The distribution of dividends and bonuses shall be based on the ratio of shareholding of shareholders. When the Company has no surplus, it may not distribute dividends or bonuses.

Article 32: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance.

The distribution targets of stocks or cash as remuneration of employees include employees of subsidiaries fulfilling certain conditions.

If the Company has earnings from the final account of the year, it shall pay taxes and compensate prior losses and then appropriate 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the Company's paid-in capital, such appropriations are exempted. After appropriation or reversal of special surplus reserve according to laws and regulations, the remaining balance shall be combined with the undistributed earnings at the beginning of the same period; after preserving partial earnings discretionally, the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

Article 33: Under the environment of increasing competition, the Company has adopted a dividend balance policy for the purpose of sustainable operation, taking into account long-term financial planning and capital needs. With equal considerations given to shareholder's interest and other factors, the Company appropriates 10% to 90% of earnings available for distribution as shareholders' dividends, in which the cash dividend payment ratio shall not be less than 10% of the total profit distribution dividends of the current year.

2. Intended dividend distribution of the year:

The Board of Directors approved the proposal for earnings distribution to distribute NT\$0.5 per share, with cash dividends to shareholders amounting to NT\$49,100,434 on February 26, 2025.

(IV) The impact of the proposed free allotment of shares on the Company's operating performance and earnings per share this year is as follows:

The Company had no stock grant in 2023; therefore, it is not applicable.

(V) Remuneration of employees, and directors

1. Percentage or scope of remuneration of employees, directors, and supervisors stipulated in the Articles of Incorporation

Article 28: The remuneration of the Company's directors shall be proposed by the Remuneration Committee according to the "Regulations for Distribution of Remuneration to Directors". The Board of Directors is authorized to determine and distribute such remunerations based on the level of participation in the Company's operations, the value of their contributions, and the general standards within the industry.

Directors of the Company may claim traffic allowances based on actual circumstances.

Article 32: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance.

The distribution targets of stocks or cash as remuneration of employees include employees of subsidiaries fulfilling certain conditions.

If the Company has earnings from the final account of the year, it shall pay taxes and

compensate prior losses and then appropriate 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the Company's paid-in capital, such appropriations are exempted. After appropriation or reversal of special surplus reserve according to laws and regulations, the remaining balance shall be combined with the undistributed earnings at the beginning of the same period; after preserving partial earnings discretionally, the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

2. Basis for estimation of the remuneration of employees and remuneration of Directors during the period, basis for the calculation of the number of shares for stock bonuses for distribution, and the accounting treatment if the distribution amount is different from the estimated amount:  
The Company recorded profits (i.e., the profit before tax minus the profit before distribution of employee and director remuneration, minus accumulated losses) of NT\$27,464,673 in 2024. The Company intends to appropriate 10% as remuneration to employees which was NT\$2,746,468 and 3.5% of director remuneration, which was NT\$960,000. Both will be paid in cash. The chairman is authorized to handle the matter on the date of payment. The actual amount of distribution will be no different from the estimated amount.
3. The proposal for earnings distribution has been approved by the Board of Directors but not yet resolved by the shareholders' meeting:  
The content of the proposal for earnings distribution approved by the Board of Directors on February 26, 2025 was as follows:  
The net profit after tax in 2024 was NT\$19,084,284. Adding the beginning distributable profit of NT\$175,487,577 and deducting the statutory surplus reserve of NT\$1,908,428, the total distributable profit was NT\$192,663,433. It is planned to distribute cash dividends to shareholders of NT\$49,100,434 in accordance with the provisions of the Company Act and the Articles of Incorporation, with a distribution of NT\$0.50 per share.
4. Information on the actual distribution of employee, Director, and supervisor remunerations in the preceding year:  
The actual distribution amount of the remuneration of employees and the remuneration of directors in 2023 was \$5,197 thousand and \$1,559 thousand, respectively, which has no material difference from the amount accounted for as expenses in the financial report for 2023.

(VI) Circumstances in which the company repurchased its own shares: None.

**II. Corporate bonds**

Not applicable.

**III. Preferred shares**

Not applicable.

**IV. Global depository receipts**

Not applicable.

**V. Employee stock warrants**

- (I) Status of employee stock option certificates that have not yet expired: None
- (II) Names, acquisition and subscription conditions of managers who have obtained employee stock option certificates as of the publication date of the annual report and the top ten employees who have obtained stock option certificates and can subscribe for shares with a subscription amount of NT\$30 million or more: None

**VI. New restricted employee shares:**

Not applicable.

**VII. Mergers or receipt of new shares issued by other companies**

Not applicable.

## **VIII. Implementation of capital utilization plans**

- (I) Content of plan  
As of the quarter preceding the publication date of the annual report, if any prior issuance or private offering has not been completed or has been completed, but the effects of the plan are not fully exerted: None.
- (II) Implementation  
Regarding the use of the plans in the preceding subparagraph, analyze, on an item-by-item basis, the implementation and the comparison with the initially estimated effects as of the quarter preceding the publication date of the annual report: None.

## Four. Operational overview

### I. Scope of business

#### 1. Scope of business

- (1) Major content of the scope of business
  - A. CC01080 Manufacture of Electronic Parts and Components
  - B. F119010 Wholesale of Electronic Materials
  - C. F219010 Retail Sale of Electronic Materials
  - D. F113010 Wholesale of Machinery
  - E. I501010 Product Designing
  - F. IZ99990 Other Industrial and Commercial Services (R&D of FPC and automated tape-on-reel)
  - G. F601010 Intellectual Property Rights
  - H. I199990 Other Consulting Service (consultant of PCB production technologies)

#### (2) Business proportion of major products

Unit: NT\$000'; %

Year	2023		2024	
	Operating amount	Business proportion	Operating amount	Business proportion
Protective film	1,409,956	91.05%	1,387,867	90.02%
FCCL	94,777	6.12%	92,368	5.99%
Others	43,777	2.83%	61,469	3.99%
Total	1,548,510	100.00%	1,541,704	100.00%

#### (3) Current products (services) of the Company

The Company primarily engages in the research, development, manufacture, and sales of flexible copper clad laminate (FCCL), cover lay (CL), stiffener, bonding sheet, conductive materials, EMI shielding film, and high-frequency and high-speed materials.

#### (4) New products (services) to be developed

The R&D direction of the Company focuses on the core technologies of “precision coating” and “high-performance adhesive” and carries out diversified product research and development and application expansion. Product research and development mainly revolves around three main axes: thin and colorful FPC, high frequency and high speed, and functionalization. For example, we cooperate with PI suppliers to develop thin, low CTE, low gloss, black, white and transparent covering films, quick pressing and curing covering films and self-made PI covering films in response to customer needs. Terminal system applications require high-frequency electromagnetic wave masking materials, conductive adhesive materials, high-reflective covering films, high-Tg covering films and low-dielectric FPC substrates required for high-speed transmission, high-frequency covering films, high-frequency adhesives, and heat dissipation substrates for LED vehicles and lighting. The above R&D directions have been approved. The Company intends to provide comprehensive support to the domestic FPC industry, improve the domestic industry supply chain, and gradually realize the localization of imported materials to improve the Company's revenue and profits. The major development direction is as follows:

R&D item	Description of usage
High-frequency materials	<p>Entering into the 5G era, and the popularity of cloud computing and the development of functional integration products are gaining momentum. Against this backdrop, it is an inevitable trend for communication electronic products to move towards high-quality, high-speed transmission. In the field of portable and wearable electronics and automotive electronics, the market demand for FPC that can achieve lightweight and thin assembly is increasing. At the same time, the transmission speed and quality of the FPC are also required to be higher. For instance, the wireless communication antenna and wiring for smartphones, tablets, and wearable electronic products will be required to expand its bandwidth and speed up transmission. Therefore, major terminal system manufacturers such as Apple have begun to use FPC materials with low dielectric constant and low dielectric loss in their designs. In terms of wearable devices, to achieve a stronger integration of functions and to meet the growing demand for service function transmission, the bandwidth is also increasing. Looking at the automotive application field, due to the long certification cycle, strict requirements on material properties, products that are not easily replaced and large profit margins, as the process of automotive electronics accelerates, the signal connection between the vehicle body and external devices and the needs related to autonomous driving and safe driving are becoming increasingly prominent, which undoubtedly promotes the development of carrier materials required for high-frequency and high-speed transmission.</p> <p>(1) High-frequency MPI materials: In response to the demand of end application products and customers, the Company made extensions to the existing adhesive technical platform, improved the electrical characteristics of adhesive to achieve the requirement of the high-frequency applications, and used the existing FPC process technology as a design requirement to develop high-frequency covering films, Bondply, pure glue, substrates, etc. for high frequency and high speed. The fourth generation high-frequency pure adhesive, high-frequency substrate, high-frequency covering film and other products are undergoing relevant verification by multiple downstream customers, and are expected to bring another wave of revenue growth.</p> <p>(2) Fluorine series substrate: PTFE is the resin material with the lowest dielectric constant and coefficient of dielectric loss; the fluorine series substrate from which it is made shows high flexibility and low transmission consumption in mmWave and is able to realize 5G and higher versions of telecommunication. In addition, PTFE possesses outstanding flexibility and is applicable to products that are required to be installed on curves. It can be used in the wiring of data centers, antenna and wiring materials of 5G stations and end equipment, radars, and sensors. The Company has completed the development of fluorine-based substrates with low hygroscopicity and low thermal expansion, with an insulation layer thickness ranging from 50-100 microns, and plans to add several production lines with an expected annual production capacity of 1 million square meters. In addition, the Company will proceed with the patent deployment simultaneously to create opportunities in the era of 5G and millimeter wave.</p>

EMI shielding materials	<p>Electromagnetic wave shielding film: In order to strengthen the Company's competitiveness in the market, the Company is deeply focused on this field, closely follows the market demand, and continues to increase R&amp;D investment. After diligent efforts, we have developed a series of new electromagnetic wave shielding film materials, further consolidating and expanding our competitive advantage in this type of products. In terms of product types, in addition to traditional ink-type EMI materials, the Company's independently developed PI-type EMI materials have a variety of stacking structures and formula designs, aiming to meet the diverse needs of different customers in terms of shielding rate and cost control. For example, the Company's high dB (<math>\cong</math> 80dB) electromagnetic wave shielding film can not only achieve efficient shielding, but also achieve ultra-thin design while maintaining high dB (<math>\cong</math> 80dB) characteristics, which perfectly meets the design requirements of folding screens, AI mobile phones and other products for thinness and lightness. After years of technology development and accumulation, the Company has successfully developed ultra-thin PI-type shielding film, which has successively entered the downstream user-end verification process. This has laid a solid foundation for our company to seize the initiative in the market and lead the development of the industry in the future.</p>
Conductive adhesive materials	<p>Conductive adhesive has been a new material that is essential in the electronics industry. Conductive adhesive is an adhesive having a certain level of conductivity after being solidified or dried. It can connect multiple conductive materials to form a circuit. Conductive adhesive can be used in microelectronic assembly, including the connection of thin lead wires and the metal layer or metal chassis of printed circuit boards, electroplated substrates, or ceramic adherends, adhesion of lead wires with sockets, adhesion of components with holes passing through printed circuit boards, and hole fixing. It can also be used to replace spot welding where the welding temperature is higher than the heat resistance temperature of the oxide film formed during welding and substitute for tin and lead solders. It is mainly applied in the following areas: telephones and mobile communication systems, radios, TVs, computers, car industry, medical equipment, and solving EMC issues. In addition to having conductive adhesive that has been put into mass production for marketing, we have a series of new products developed using our own technology on an ongoing basis, e.g., eco-friendly conductive adhesive with better SAT conductivity in line with future trends.</p>

Cover lay materials	<p>(1) Self-produced PI coverlay: Our self-produced PI has the advantages of adjustable thickness and a high price-performance ratio. The Company is committed to the development of self-produced yellow/black PI coverlay. Our formula design allows the black PI to maintain good mechanical performance and be resistant to height differences. Both our yellow PI and black PI offer a breakdown voltage and dielectric strength higher and better than those of outsourced PI, showing a high price-performance ratio. In addition, they can be used with different adhesive layers that can meet customers' various requirements for costs and ion migration resistance.</p> <p>(2) High-Tg cover lay: In response to customers' needs for a high Tg (90~150°C) for high heat resistance and bending resistance, The Company cooperates with customers to develop products with a Tg of about 100°C, which can meet customers' needs for high bending performance.</p> <p>(3) Transparent covering films: In recent years, mobile phones with transparent displays and foldable screens have emerged one after another. With the popularity of new technologies such as 5G and the Internet of Things, transparent screens will be combined with technologies such as AI and virtual reality to present more diversified application forms. The Company has also developed transparent covering films in response to market trends.</p> <p>(4) Rapid pressing and curing covering films: In the current fierce market competition, energy conservation and consumption reduction have become the key proposition for corporate development. To meet the urgent needs of customers for energy conservation, the Company has quickly assembled a professional R&amp;D team to work closely with customers in order to achieve in-depth cooperation. After diligent efforts, we have successfully launched a covering film with rapid pressing and curing characteristics. This product has outstanding practical value. From the perspective of production efficiency, it can significantly shorten the production cycle, significantly increase customer production capacity, and help customers to create more benefits within a limited time. From the perspective of cost control, the fast operating process can reduce the long-term occupation of space in the production process. At the same time, the characteristics of rapid pressing and curing make the production process more streamlined. Customers do not need to purchase too many equipment, which effectively reduces equipment investment costs and manpower investment costs. This covering film truly achieves the goal of reducing costs and increase efficiency, so that customers have a greater advantage in the market competition, and it is also a new opportunity for the Company and its customers to build a mutually beneficial and win-win cooperation bridge, to jointly embark on a new journey of working together and create a new era of glories.</p>
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## 2. Industry overview

### (1) Current status and development of the industry

Since the development of the Flexible Print Circuit (FPC) industry, the application field has involved almost all electronic products, mainly including communication, aerospace, industrial control, medical, consumer electronics, automotive electronics and other industries. The growth of the FPC industry is closely related to the development momentum of the downstream electronic information industry, and the two stimulate each other; specifically, automotive electronics, computers, and consumer electronics have become the three main application areas of FPC, thanks to the development of 5G communication technology, as well as the development trend of electric vehicles and smart cars, automotive electronics has become one of the fastest growing areas of FPC applications. In the future, with the continuous development of the electronic information industry, the application fields of FPC will become more and more extensive.

The introduction of new application products such as AI mobile phones, AI PC, AI servers, automobiles, industrial control and smart security, foldable mobile phones, full-screen mobile phones, and 5G has become the key to whether FPC can maintain the high growth in the market in the past. In the initial phase of the 5G market, hardware required for station establishment gives rise to the business opportunities, followed by 5G smartphones, and enormous business opportunities derived from various 5G applications, including automotive, IoT and smart security, and agriculture in the long run; 5G mobiles has driven the rapid development of the smartphone market. The phone exchange trend for 5G mobiles commenced in 2019, and it is expected that the shipping for smartphones will increase on a yearly basis in the following five years. FPC is in line with the thin and refined characteristics and constantly increasing functions. High-frequency and high-speed will be required for FPC in the future.

From 2G to 6G, the number of FPCs used in designs has been increasing. Each generation change brings about new room for growth for FPC.

The development of new energy vehicles is concurrently promoted in policies worldwide, such as the development of smart automotive, V2X applications, EVs, and self-driving vehicles; therefore, the importance of automotive electronics to automotive has been increasing on a daily basis. With the increasing level of intelligence of automotive and the application of FPC applications for years, FPC applications in new energy vehicles also increase, nurturing the Blue Ocean development environment for vehicle electronics. Nonetheless, various FPC companies have made arrangements in the field of vehicle FPC, which has high added value and stable orders. However, apart from the arrangements in the market, it is required to consider the reliability and safety of vehicles for such new applications. Companies who wish to enter the FPC supply chain shall improve their technologies and adopt corresponding measures for their quality systems. In addition, the introduction of automotive products requires a relatively long certification period (three years or above), and the production/manufacturing model is small-volume and large-variety. Such features are largely different from consumer electronic products and require the determination and change in the mindset of the business operators for support.

Under the target of carbon peaking and carbon neutrality, the estimated development of the energy storage industry is positive. Countries worldwide set the target of net zero emission in the second half of the century in the “Paris Agreement” in 2015, and multiple countries and governments, including the EU, the U.K., the U.S., Japan, Korea, and China, have proposed relevant planning and prospects, providing momentum for the development of the global energy storage market. In July, the National Development and Reform Commission and National Energy Administration printed and issued the “Guiding Opinions on Promoting Energy Storage Technology and Industry Development.” The Opinions have stated the realization of new energy storage technology transforming from the initial commercialization to scale development, with an installed capacity reaching 30GW or above by 2025, and state the realization of comprehensive market development of new energy storage by occupying a leading position worldwide in terms of innovation and industry standards, with the installed capacity fundamentally satisfying the corresponding requirements of the new power system by 2030. The development of the energy storage industry directly brings about the sales of energy-storing lithium batteries. At present, as it is the initial development period of the overall energy storage industry, and the maturity of the industry chain is insignificant, a material reverse process is required.

Currently, domestic FPC suppliers are actively making plans. Due to the threshold for the automotive power FPC field and differences in investment strategies of companies a few years back, the competition pattern of the power battery FPC industry for electric vehicles is entirely different from that of the consumer electronic field. The power battery FPC for electric vehicles fully replaced the traditional cable solutions, and explosive demand for the industry is, thus, recorded. As the energy storage industry has entered the rapid development period, driving the demand for energy-storing battery FPC/CCS, an explosive surge is recorded for the demand for automotive battery FPC and has brought tremendous market space.

With the rise of the global AR/VR/wearable market, large international electronic device manufacturers such as Google, Microsoft, Apple, Samsung, and Sony have increased their investment and research and development. Among Chinese companies, industry leaders such as Baidu, Tencent, Yahoo 360, and Xiaomi have also entered the wearable device field. FPC possesses thin and bendable features, bears the highest compatibility with wearable equipment, and is the first choice for wearable equipment in terms of connecting parts. The FPC industry will become one of the major beneficiaries of the prosperous development of the wearable equipment market. With the fast development of VR and AR technologies, the “metaverse” is becoming the “real world” in the virtual environment, and the gate between the virtual world and the real world is open. With accelerating evolution, the “metaverse” is becoming a virtual space that reflects the real world but is independent of the real world. People in the real world may use their digital identities to engage in entertainment, social communication, learning, and work in the “metaverse,” which completely broke the boundary between life and game and opened application scenarios from consumer-oriented Internet to industry-oriented Internet. AR/VR wearable equipment gives rise to the demand for FPC, which bears the highest compatibility with wearable equipment and is the first choice for wearable equipment in terms of connecting parts. The prosperous development of the wearable equipment market will provide drivers for tremendous demand for FPC.

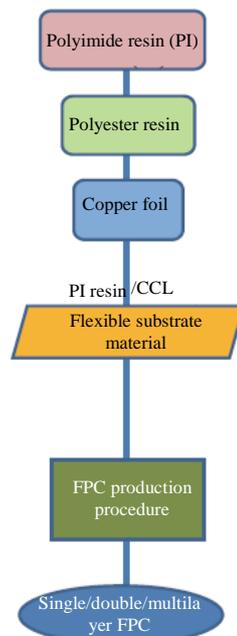
Even if the sales volume of smartphones worldwide may further drop, and the sales of traditional vehicles have been dropping, the outlook for the FPC market remains positive. On the contrary, the recovery of the smartphone market arising from the global application of the 5G network, the trend of electronic and smart automotive, and the explosive development of wearable equipment will provide great demand for FPC; therefore, the dropping in such sales has an insignificant effect on the

development, and the FPC market shows a positive growth trend overall.

(2) Connectivity between the upstream, midstream, and downstream of the industry

The FPC structure in Taiwan may be divided into the upstream raw material industry, the midstream FPC companies, and the downstream applications. Due to the insufficient domestic manufacturing capacity for PI film, rolled copper foil, and other upstream materials that are required by FPC, imports from Japan, Korea, and other countries are required. However, products of Taimide Technology, a domestic PI film production company, have been replacing a certain part of the imported PI films. For copper foil, electrolytic copper products from Nan Ya, Chang Chun, and LCY have been introduced to replace partial imports from Japan. However, imports from Japan are required for rolled copper foil; in particular, as end customers use rolled copper foil with high strength in the design of mobile device FPC, a rapid increase in the use of rolled copper foil was thus recorded in the past two years; as such, supplies from Japan is required due to the limited count of domestic copper foil in Taiwan. Another part of the upstream is FCCL manufacturing, including TAI FLEX, ThinFlex, Microcosm, Azotek, and the Company. Products cover all series of basic materials, cover lays, stiffeners, and bonding sheet products. At present, the quality and production capacity can replace Japan or Korea to provide abundant suppliers for the downstream FPC manufacturing requirements. In recent years, material companies in China have entered the upstream field of FPC to compete by way of low prices and large-scale production expansion, causing the crisis of price collapse of upstream materials. However, materials produced in China have quality issues and will not affect material companies in Taiwan in the short term. However, in the long run, with assistance from the red supply chain, such companies in China will invade the part of the market, which is worthy of notice for upstream material companies. Midstream FPC companies record favorable development and have been growing in recent years, and most of them have set up plants in China, including Zhen Ding, CareerTech, FLEXIUM, ICHIA, Uniflex, and COMPEQ; Zhen Ding has become the top PCB company worldwide with Apple Inc. being its major customer. In the past, due to the development of mobile devices, the FPC industry had enjoyed great benefits arising from the significant growth in the market. However, mobile devices with mobile phones as the focus, have a concentrated major customer base, and the production capacity and order volumes have great differences based on the time of new phones released to customers. On the other hand, alongside the saturation of the mobile market, the high growth of the past no longer exists. It is hoped that the following development in the wearable device, IoT, and automotive application fields will provide drivers for a new wave of demand and continue the prosperous growth of FPC, or the development of FPC will experience a period of low times. At the same time, as China has support from its extensive domestic demand market, it has become the main player in maintaining the FPC market in the next round. Therefore, breaking through the mindset and operating model with a long-term reliance on the U.S. brands, dispersion of order sources, utilizing the comprehensive industrial supply chain and leading technologies in Taiwan, the improvement in securing orders from the self-owned mobile brands in China, and the arrangements for low-to-mid-tier mobiles in Southeast Asia and India will become the key to successful businesses for FPC companies in the future. In terms of downstream end applications, including domestic and foreign system companies, given that FPC has been developing in Taiwan for years, there are multiple foreign customers apart from domestic customers. The major customers are the U.S. companies (including Apple) and Korean companies; however, as changes in orders from Korean customers are relatively more material, the competitiveness of Korean customers dropped in recent years, and their orders returned to the Korean supply chain, orders for such parts will be decreasing. Orders from U.S. customers have the trend of over-concentration, causing crisis upon any transfer of order. Therefore, the FPC companies are considering the reduction in demand for human resources by automation at present to improve the manufacturing yield by adopting the roll-to-roll method. Meanwhile, they consider the stability of orders and risk dispersion and start to have thoughts about entering into fields of automotive, wear, IoT, and other end application products of novelty and high profits.

The diagram of the FPC industry is set out as follows:



Source: IEK, ITRI

### (3) Development trends and competition of products

The ratio frequency used for mobile telecommunication has been increasing with the development from 1G to 5G. The dielectric property of general PI is not able to satisfy the requirement of losses from the transmission of high-frequency and low-signal. MPI and LCP, as the new materials for FCCL, made their debut in the market, and they are primarily used in the antenna of high-frequency smartphones.

5G is divided into two frequency bands of Sub-6GHz (3.5GHz) and mmWave (above 28GHz); the performance of signal transmission loss with an MPI performance below the frequency band of 15-20GHz is equivalent to that of LCP. Under the careful considerations of material performance, workability, and price, it is estimated that the antenna for the Sub-6GHz frequency band will primarily adopt MPI, and the LCP frequency band will primarily adopt LCP.

At present, the frequency of 5G is the most favorable. The higher the frequency, the shorter the wavelength, and the easier to decline in the communication media are the features of the electromagnetic wave; therefore, the high frequency of 5G requires low consumption of antenna materials. The high frequency of 5G mobiles requires antenna materials of low consumption. For smartphones, as one of the crucial scenarios of 5G application, the development of 5G undoubtedly brings opportunities for the development and revolution of the smartphone antenna.

MPI is the mainstream material option for the initial development of 5G mobiles. PI films (polyimide) started to be adopted as antenna manufacturing materials in the 4G era. However, PI has significant losses in an environment above 10GHz, and is unable to satisfy the end requirement of 5G; leveraging on the minor dielectric losses and conductor losses, LCP (liquid crystal polymer) of flexibility and airtightness has gradually been adopted for use. LCP requires high production cost and complicated technics; therefore, MPI (modified polyimide) is likely to become one of the mainstream antenna material options in the 5G era at present due to the wide range of operating temperatures, the ease of attaching its surface to copper, its affordable price, and other advantages.

## 3. Technology and R&D overview

### (1) Technological capabilities and overview of R&D

The main technology R&D focus of the Company adopts our existing core technologies, including two technical platforms of high-end adhesive and precision coating, as our basis and considers the technical and product development of the overall FPC industry for establishing our R&D strategies and policies. Taking into account the major trend of IoT in the future, wearable and automotive products will become the key to the next wave of FPC growth and application. Therefore, the Company has opted for high-frequency, functionalization, and colorization as our main focuses for product R&D. High-frequency products mainly focus on EMI shielding materials and high-frequency and high-speed adhesive materials. At present, such products have entered the stage of mass production and sales and have successfully secured orders from customers in Taiwan and the U.S.. At present, we have successfully developed conductive FPC materials for functionalized FPC and carried out mass production and sales for applications in rear lamps of automobiles. In addition, for conductive materials, the mass production and sales of EMI shielding film and conductive resin film for general use with a high price-performance ratio commenced in the year before last. The Company has also been making

arrangements among downstream customers. The mass production with increased volume is expected to begin in the current year and the following year, which will give rise to a significant increase in operating income. Moreover, for thin FPC materials, the Company has long been investing in such areas and keeping abreast of the mainstream specifications and product requirements in the market. The Company carried out a small-scale mass production for thin cover lays and is expecting to increase the volume of production during the year. Lastly, for CCL, the Company commenced the development of self-owned TPI technologies in the year before the last and has gained initial achievements. Through the verification of downstream customers, we have begun the sales in the hope of securing a seat in the matured CCL field. For colorization, apart from reducing the manufacturing cost of traditional cover lay and improving product profitability by way of cost control measures, the black cover lay of end customers has emerged and been introduced in response to the black PI film of the raw material suppliers, the material has become the standard product and requirement within the industry. In the future, the Company will continue to expand its scope of application and sales to create profits for the Company. Regardless of the increased consumption volume of black cover lays, for the black stiffener under the patented structure of the Company, mass production was performed in the preceding year, and we received favorable market acceptance, bringing significant assistance to the improvement in the average selling unit price. For materials of high reflection cover lay and transparent FPC, we are transforming from R&D to order acceptance. High reflection cover lays have become the options for LED light bars, high-end displays, and lighting with expanding market performance and are highly asked in the market. Transparent PI materials have the chance to become an option for wearable and automotive applications, and the Company is in hope that such materials will be featured in products in the next generation.

(2) R&D personnel and their academic background (career achievements)

Unit: Person

Year		2022	2023	2024	Q1 2025
		Number of persons	Number of persons	Number of persons	Number of persons
R&D personnel	Above master	3	6	3	3
	College/university	17	21	20	20
	High school (vocational high school)	4	2	3	3
	Total	24	29	26	26

Note: The abovementioned number of persons includes subsidiaries

(3) The R&D expenses invested in the most recent year and up to the publication date of the annual report

Unit: NT\$000'

Item	Year	113
A. R&D expenses		87,451
B. Operating income		1,541,704
A/B		5.67%

## (4) Technologies or products successfully developed in the most recent five years

Year	Item	R&D achievement
2020	High EMI shielding film	With the rapid development and popularization of 5G, it is expected that the market of EMI shielding will expand, and the products will transform following the trend of high coverage, lightness, high standard, and scale. There is no feedback of anomaly of the Company's high EMI shielding film from the sample presentation. Currently, the Company continues the scaled mass production for stocking.
	High-frequency bonding sheet	Developed the 4th generation high-frequency bonding sheet, and the electric property performance recorded was favorable; currently, the product is in the course of sample presentation, proofing, and verification by customers.
2021	Ion migration-resistant cover lay	Developed ion-resistant migration cover lays with different resin series, and such cover lays possess favorable ion-resistant migration effects and a high price-performance ratio; currently, the Company continues to make promotions to customers.
	Self-produced black PI cover lay	Our self-produced PI has the advantages of adjustable thickness and a high price-performance ratio; our formula design also allows the black PI to maintain favorable mechanic features.
	Conductive adhesive	To improve the SAT conductivity, the Company has developed a new generation conductive adhesive with favorable conductivity for vacuum hot press SAT.
2022	Self-produced PI EMI	We use multiple stacking and formula designs to meet different customers' requirements for shielding rate and costs.
	Fluorine series substrate	Such substrate has better electrical and insertion loss performance than LCP substrates of similar specifications. We also offer multiple thickness specifications to meet customers' needs.
2023	Transparent material	Develop transparent materials with light transmittance > 90%, b value < 2, and haze < 5%, which can be used in transparent displays and foldable displays.
	Self-made PI type EMI/black cover film	Adjustment and optimization of the process parameters of the self-made black PI layer to achieve mass production to meet customer needs.
2024	Ultra-thin PI type EMI	The total thickness is 6um, the thinnest EMI product in the industry.
	Homemade TPI substrate	Proprietary TPI technology has greater market competitiveness and cost advantages.
	Ultra-thick composite film	The total thickness is 800um, the thickest composite film in the industry.
	Rapid pressing and curing covering films	The pressing time is shortened and the customer's production capacity is increased by 4 times.

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

## (1) Short-term business development plan

## A. Marketing strategy

- a. Focus on improving the market share of current products and concurrently support the product design development of the market and customer. Strengthen customer services, establish a healthy interactive relationship with customers, and build customers' and markets' trust in the Company, and in turn, seek higher customer satisfaction.
- b. Keep abreast of the dynamics of product design and major material use of direct customers based on the requirements of end customers and provide real-time feedback to the R&D, Production, and Quality Assurance Departments so as to improve the procurement loyalty and preference of customers.
- c. Adjust customer structure and focus on domestic and foreign listed companies as our major customers.

## B. Production strategy

- a. Improve production yield and availability and improve the effective output; make use of production lines effectively and adopt effective production models.
  - b. Effectively shorten the production lead time and raw material delivery term and confirm the delivery term of the period and its accuracy to achieve the competitive standard required by the market and the target of reducing the inventory turnover of the Company.
  - c. Seek material suppliers with appropriate costs and quality, require suppliers to regularly carry out examinations and modifications for the selling price, and consider the target of local supply by taking into account the long-term cost reduction and dispersion of supply risks.
- C. Product development strategy
- a. Optimize current products and applications.
  - b. Improve the manufacturing quality and yield of products.
  - c. Select material products that are in line with the market based on the R&D achievement in the past years for mass production and reinforce the efficacy of transforming R&D to mass production.
- D. Business scale and finance accommodation
- Following the main goal of mitigating the risk of bad debts and controlling inventories, improving our operating income and focusing on reducing production costs, material raw material localization, and cultivation of premium Taiwanese, U.S., and Japanese customers.
- (2) Long-term business development plan
- A. Marketing strategy
- a. Disperse customer orders to avoid a single customer from accounting for an overly high ratio and improve the sales and order ratios of Chinese-invested and other customers.
  - b. Explore niche markets (automotive and wear) to avoid the effects of market fluctuation of current products on our operations.
  - c. Segregate product market and improve market share (EMI shielding film, conductive adhesive, high-speed transmission materials and self-produced basic materials).
- B. Production strategy
- a. Effectively make use of the multi-function system, reinforce production efficiency and production quality, and create a premium manufacturing environment.
  - b. Enhance the system for production and sales communication and coordination and improve production efficiency to achieve the target of real-time production and inventory avoidance.
  - c. Adopt the dual model of production by plan and production in order to improve the availability and duly perform the control for production costs and product quality.
- C. Product development strategy
- The Company will introduce advanced material technologies from foreign countries through international cooperation to develop the next generation of products and technologies to achieve the goal of product differentiation. Develop material technology capacity and cooperate with governmental policies; explore local material technologies and work with corporate research institutions; organize product R&D alliance in response to an industry association and build an integrated R&D system from upstream to downstream, allowing the Company to become a globally renowned electronic coated material supplier and realizing the product R&D efficiency. Meanwhile, the Company will fully utilize our precision coating technologies to develop products with wide applications and diversification, make arrangements for patents to protect the Company's intellectual properties and disperse operating risks.
- D. Business scale and finance accommodation
- For the development of the long-term business scale, we aim at internationalization and diverse development and utilize various financial instruments based on our business requirements to minimize financial costs and support the requirements of our operating targets.

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

### 1. Market analysis

#### (1) Sales region of major products (services)

Unit: NT\$000'

Year		2023		113	
		Sales	(%)	Sales	(%)
Domestic sales	Taiwan	54,599	3.53	60,511	3.92
Export sales	Asia	1,493,911	96.47	1,481,193	96.08
Total		1,548,510	100.00	1,541,704	100.00

#### (2) Market share

Based on the market survey by JMS in Japan, the global FCCL market in 2024 was USD2.3 billion, and the consolidated sales of the Group in 2024 was NT\$1.54 billion (about USD50 million). Regardless of the production loss of downstream customers, the global market share of the Company was approximately 2.17%.

(3) Future market demand and supply and growth potential

The Company is an FPC material supplier, primarily engaging in FCCL, CL, stiffener, RMI film, conductive adhesive, and high-frequency materials.

According to various domestic and foreign market surveys and research reports, smartphones, tablets, ultra-books, and other mobile information and electronic communication products have entered the saturation period. Regarding the release of 5G in 2019, in the initial phase of the market, hardware required for station establishment gives rise to the business opportunities, followed by 5G smartphones, and enormous business opportunities derived from various 5G applications, including automotive, IoT and smart security, and agriculture in the long run. The phone exchange trend for 5G mobiles commenced in 2019, and it is expected that the shipping for smartphones will increase on a yearly basis in the following five years. Mobile communication evolves into a new generation approximately every decade. With the thin and refined characteristics and constantly increasing functions at a fast speed, the number of FPCs used has been increasing for the design from 2G to 5G. Each generation change brings about new room for growth for FPC.

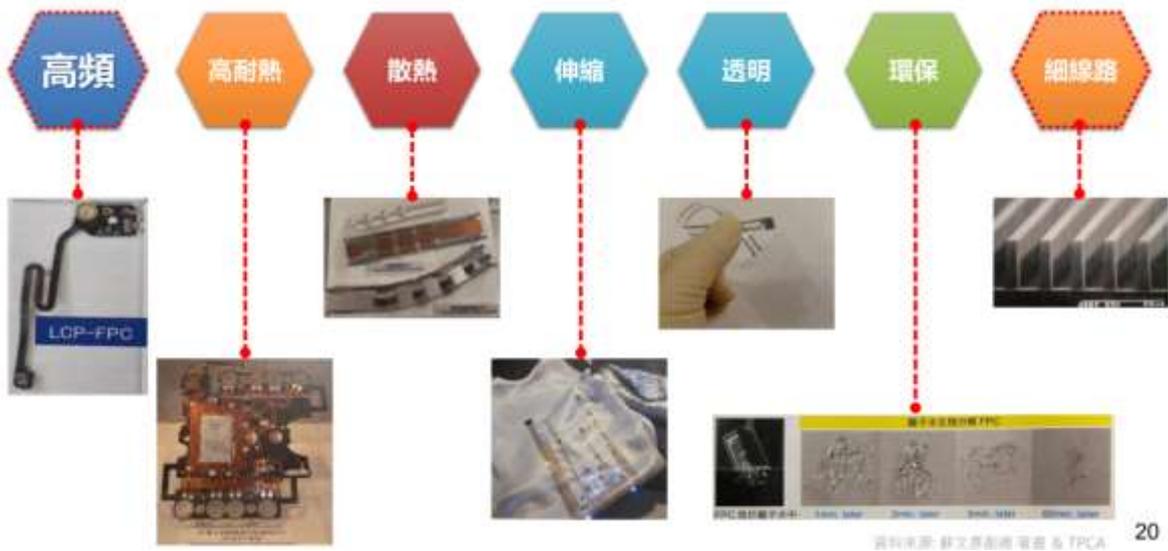


Source: IEK, ITRI

Consumer electronics development trends



Source: 5G High-frequency FPC/Assembly, Test, Design, and Simulation Forum in 2022/11



Source: TPCA

## AR/VR頭戴裝置是通往元宇宙的入口



資料來源: DIGITIMES Research整理, 2021/11

In the next 3 years, AR/VR headsets will record rapid growth, and emerging industries will bring opportunities for FPC materials

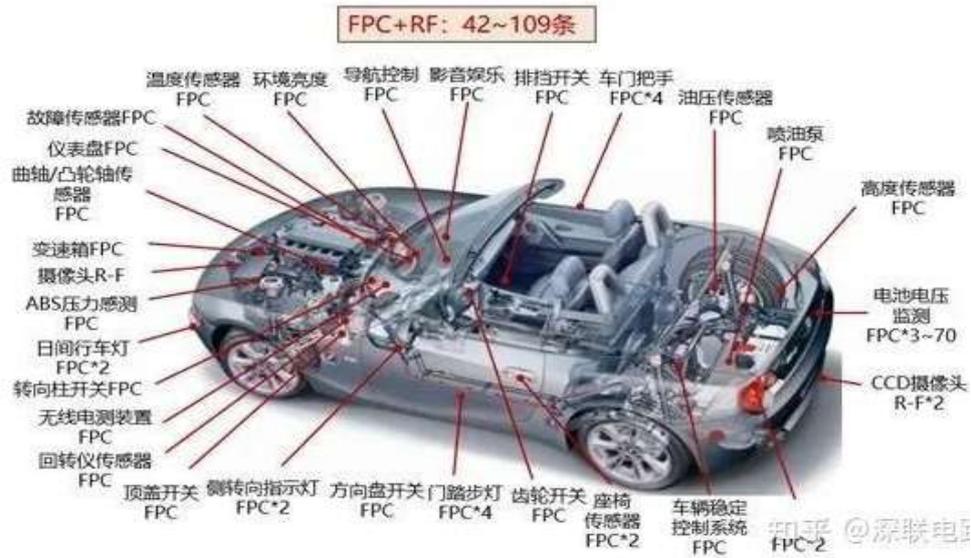
- The rigid demand for AR/VR headsets arises due to the outbreak.
- Apple will lead mobile companies to formally enter the AR/VR headset market.
- Under the technical advances, the comfort of wearing AR/VR headsets has been significantly improved, giving rise to the purchase intention of consumers.

FPC materials are widely used in the fields of consumer electronics (4K TV, 5G heat spreading materials, and foldable mobile phones), AI consumer electronics, automotive electronics, 5G communication facilities, and national defense and military industry, and the overall production value of FPC showed an increasing trend.

New energy vehicles are not only a material direction for the transformation and upgrade of the global automotive industry but also a material catch in response to the energy crisis and the relief of environmental pollution. The National Energy Administration in China commenced the new energy vehicle activities in the countryside in 2021 to stabilize the increase in automotive consumption, facilitate the promotion and use of new energy vehicles in rural areas, promote environmental transport to residents in rural areas, and facilitate the overall revitalization of townships to support the realization of the target of carbon peaking and carbon neutrality.

Furthermore, with the increasing level of intelligence and use of FPC, such as the development of smart vehicles, V2X application, EVs, and self-driving vehicles, the importance of automotive electronics among vehicles is increasing.

As new energy vehicles are the main development path of the automotive industry in the future, it has become a trend for automotive FPC to replace wiring harnesses. Automotive FPC will be used in many aspects of the vehicle body. With the improvement in sensor technology applications and the penetration of the Internet into automotive, the usage in the automotive industry has become more significant, and the ratio of automotive electronics to finished vehicles has been increasing. In 2010, the ratio of automotive electronics to finished vehicles reached 29.6%; it is estimated that the ratio will reach 34.3% by 2020 and nearly 50% by 2030. At present, automotive electronics used in new energy vehicles account for more than 50% of the total vehicle cost. The proportion of FPC in the total vehicle usage will also significantly increase; it is estimated that the use of automotive FPC will exceed 100 pieces.



Source: Automotive FPC

**Mektec Automotive FPC**  
不断扩大的多样化车载需求



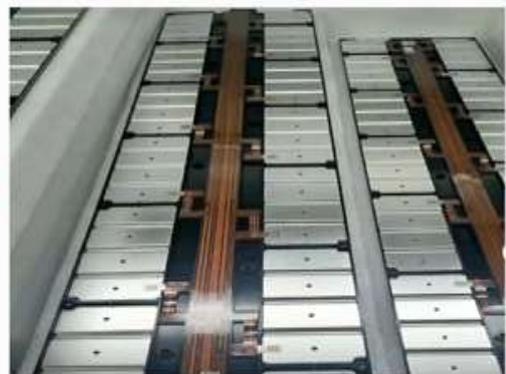
资料来源: Mektec

Source: Mektec

**新能源车行业之动力电池FPC**



软板FPC替代传统线束运用创新



Source: Automotive FPC

At present, the competitive model of the new energy vehicle power battery FPC industry is vastly different from that of the field of consumer electronics. Due to the vast room for growth in the new energy vehicle power battery FPC industry, the power battery FPC for new energy vehicles fully replaced the traditional cable solutions, and explosive demand for the industry is, thus, recorded. As the energy storage industry has entered the rapid development period, driving the demand for energy-storing battery FPC/CCS, an explosive surge is recorded for the demand for automotive battery FPC and has brought tremendous market space.

(4) Competitive niche

A. Actively develop new markets and new customers

The Company is an FPC material supplier that has established marketing joints in the Great China Region to provide services to customers in the neighboring regions and expand the domestic and foreign markets, and in turn, create rapid growth of its performances and improve its reputation; the Company also plans for the optimum product portfolio to achieve the best profitability. In the future, we will focus on the cultivation of customers, optimize our product portfolio, replace unfavorable Chinese customers and products, and implement a profit-oriented sales philosophy.

B. Excellent new product R&D capacity

The Company is committed to the product formula research and coating manufacturing procedures of FCCL and cover lay, and other core technologies. All our products are self-developed, and we have obtained patent rights to protect our intellectual property rights. We have comprehensive product categories and have developed environmental materials and high-end niche products to enter the market, complying with the diverse FCCL applications. Currently, we have introduced high-frequency and high-speed materials (i.e., high-frequency bonding sheet, high-frequency bondply, and high-frequency cover lay); subsequently, we will develop high-frequency substrates for downstream customers to perform verification. Conductive materials (i.e., EMI shielding film and conductive resin materials with a high price-performance ratio) are under normal mass production; subsequently, we will continue to develop self-produced TPI substrate, thin materials, and other new products that comply with the requirements of the industry to expand our core competitiveness on the core technology platform of the Company.

C. Provide a strong technical service team

The Company integrates business, R&D, customer service, and other professional elites to reinforce customer services and improve our market share. Apart from providing products of high quality, we also provide technical support in time based on customers' requirements to shorten the time for customers to become familiar with the products and satisfy customers' diverse requirements. We align with customers' requirements by providing improved product performances through R&D and creating a win-win position of profitability and competitive strength. Furthermore, through domestic and international cooperation, we introduced overseas advanced materials and technologies to help the development efficiency of new products, create added value for products, and keep pace with the requirements of end applications.

D. Effectively control costs and commit to profit improvement

Actively develop crucial raw materials and seek substitutes and reinforce the principle of localized supply of raw materials in the hope of reducing costs and improving profitability. Meanwhile, we examine and integrate the existing layout for tool manufacturing and production line and cultivate the multi-function of field employees to improve the manufacturing quality and yield and minimize manufacturing costs.

E. Positive industrial outlook

Even though the growth and demand for mobile phones and other mobile devices may have reached saturation, the market growth in terms of the consumption requirements for electronic products remains positive alongside the development of the requirements for IoT, wear, and automotive devices, bringing forward positive outlook of the overall demand for FPC. FCCL and protection films are the main raw materials of FPC; with the constant launches of new FPC products, the potential of FPC materials will also increase. As mobile phones and future wearable smart devices require further thinness, more FPC designs may be required considering the space to achieve the thinness requirements of products. Therefore, the increase in the requirements of smart automotive and other wearable devices will also drive the growth of FPC development at the same time. The constant releases of new FPC products create the continual growth of markets of various electronic products. It is expected FPC will show relatively stable growth to bring about the demand for FCCL and protection films. In addition, due to the high-speed and high-frequency development of mobile and wearable devices, new corresponding FPC materials have been introduced, and the demand for high-frequency materials, EMI shielding, conductive adhesive, and other FPC peripheral

materials has been emerging; new FPC materials will provide momentum for the industry development.

(5) Favorable and unfavorable factors for future development and countermeasures

A. Favorable factors

- a. The market demand for new products continues to emerge (AI, smart wear, IoT, automotive, 5G, wireless charging, and antenna), bringing about the overall market demand.
- b. The Company possesses favorable customization capacity with sufficient resources to provide services to downstream customers.
- c. Make arrangements in China in advance in the hope of taking over markets related to mobile phones and relevant mobile devices of Chinese brands.

B. Unfavorable factors

- a. Emergence of the local supply chain in Mainland China results in the intense industry competition

The annual growth of FPC demand brought by the mobile industry attracts the participation of new FPC competitors from Mainland China and results in increasing competition within the industry; therefore, the overall profit is compressed, and the order competition condition resulted from the red supply chain in China has emerged.

Countermeasures:

- (a) Continue to develop new products and maintain the leading position in terms of technologies within the industry. Apart from continuing to expand our market share for high-frequency FPC materials and EMI shielding materials, we carried out the development and mass production of LED light bars, white cover lays, LED lighting and heat conduction materials, transparent basic materials, and relevant green energy products, wearable and automotive products; such products are transforming into products of high profits for product differentiation.
  - (b) Make appropriate feature adjustments for FCCL based on the equipment and manufacturing procedures of downstream customers to achieve customized services. In addition, the Company also provides customer production and troubleshooting for customers, continues to improve its manufacturing and technical capacity, and produces premium products. Meanwhile, we establish long-term partnerships with customers and seek business opportunities for new products through feedback from customers and the application market.
  - (c) Explore new customer bases and focus on exploring new Taiwanese and U.S. customers. Minimize the ratio of small-scale customer ratio in China and change product portfolio, and eliminate unprofitable products and customers.
- b. Concentration of crucial upstream raw materials with minor suppliers

The major raw materials of FPC basic materials are copper foil, PI films, release papers, and chemicals. The main suppliers of PI films are from Japan, Taiwan, and Korea, and rolled copper foil and electrolytic copper foil are primarily from Japanese companies. Based on the consideration for product quality stability and raw materials designated by customers, the raw materials used by the Company are concentrated in several foreign companies.

Countermeasures:

To ensure the market competitiveness of procurement prices and maintain abundant sources of supplies, the Company maintains healthy and long-term cooperation with existing suppliers, appropriately adjusts and disperses procurements sources to avoid over-concentration with minor suppliers, nurtures substituting suppliers and secures second sources to acquire a better room for price negotiation. Execute supply contracts with material suppliers to ensure the table source of supplies. At the same time, establish the local supply principle of raw materials by adopting the localization of local chemicals and release materials with the combination of R&D and material strategies, which not only takes into account the costs but also reduces the inventory demand for raw materials.

- c. The increasingly stringent environmental protection regulations results in an increase in product costs

In recent years, occupational safety incidents have constantly occurred, and the standards of environmental protection regulations have become increasingly strict; therefore, the Company shall adopt more stringent measures for in-house production and raw material keeping and control, causing a further increase in the operating costs of producers.

Countermeasures:

Improve the onshore procurement ratio in China and transfer the risk of raw material inventory and management to suppliers. We set up an occupational safety team in our plant to implement environmental protection and occupational safety work in our plant.

- d. Selling price of FPC drops fast

Due to the intense competition in the electronic industry, profits are pressured; customers constantly require price reductions from upstream suppliers, together with the price reduction competition within the industry, resulting in the continuous downward adjustment of prices.

Countermeasures:

- (a) Actively explore new customers, improve the yield of products, adhere to the implementation of spending-saving strategies, and control manufacturing, operating, and R&D expenses to effectively minimize costs.
- (b) Replace products with low profits, reinforce the sales of products with high profits, and alter product portfolio to maintain overall profitability.
- (c) Continue to expand the market share of niche products (i.e., high-frequency materials, EMI shielding, conductive adhesive, and other new products of high-end FPC materials) and create product differentiation and added value to maintain the operating income and growth of the Company.

## 2. Important usage and production processes of main products

### (1) Usage of main products

The current FPC forms and materials used are diversified; in particular, in recent years, the increasing demand for FPC arising from a certain new market requirement on a yearly basis (i.e., AI, smart wear, robots, and automotive electronics, together with the existing market (i.e., mobile phones, digital cameras, laptops, and LCD display monitors), facilitated the rapid development of FPC. Major applications for electronic products are set out as follows:



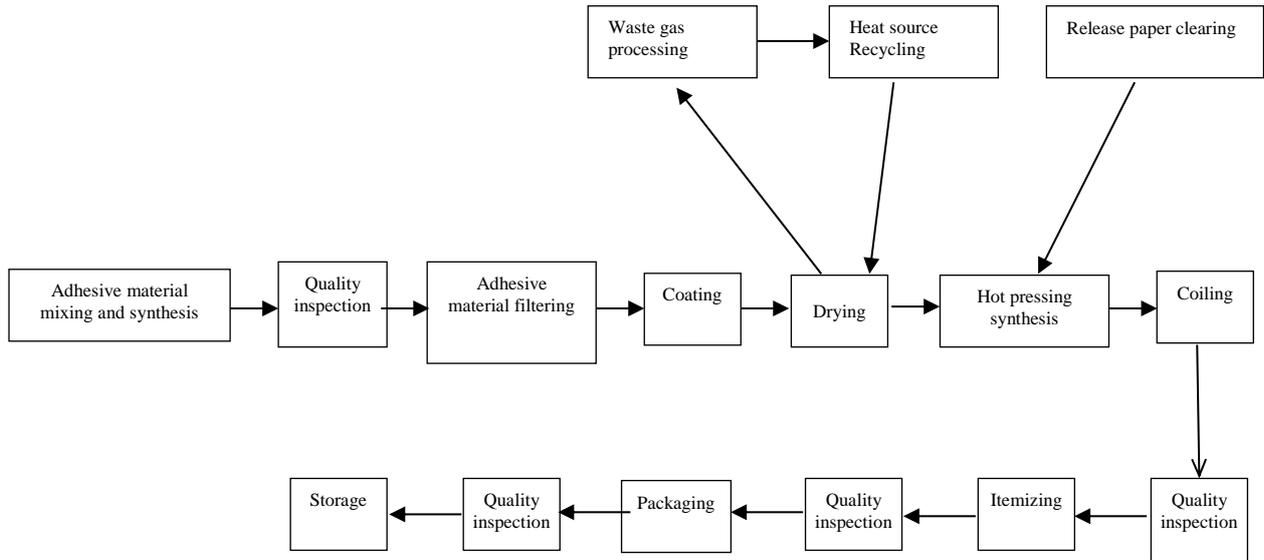
Source: 5G High-frequency FPC/Assembly, Test, Design, and Simulation Forum in 2022/11

### (2) Production processes

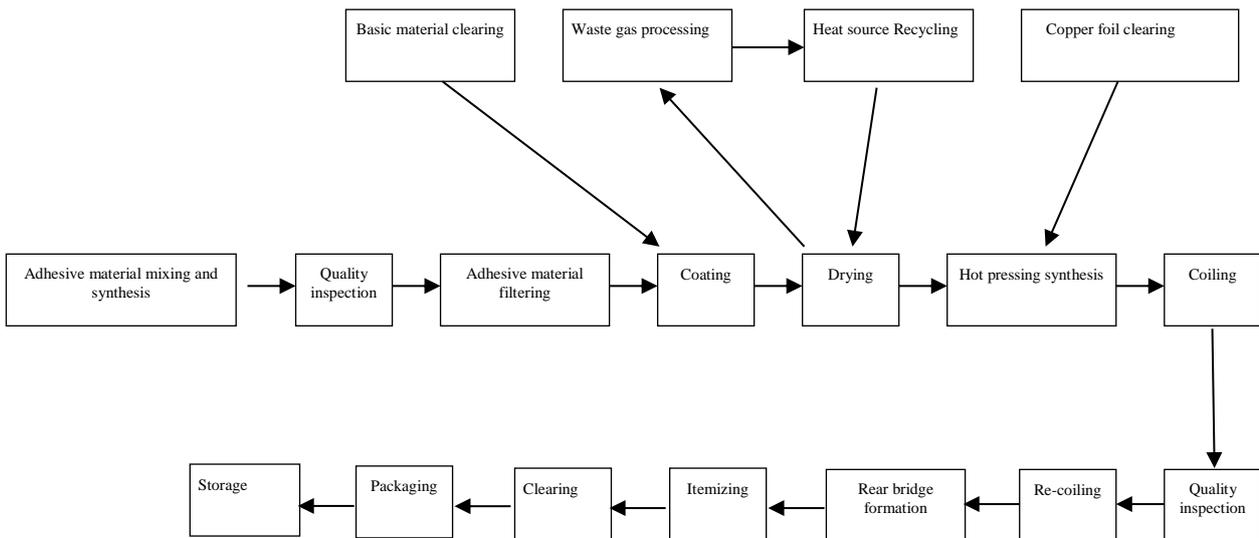
The main products of the Company are CVL and FCCL. The manufacturing procedures are as follows:

A. CVL:

Manufacturing procedures of CVL



B. FCCL:



3. Analysis of supplying sources of main raw materials

Name of main raw materials	Main source	Supplying status
PI	Japan, Taiwan, and Korea	Favorable
Copper foil	Japan and Taiwan	Favorable
Release paper	Japan	Favorable
Chemicals	Japan and Taiwan	Favorable
Bonding sheet	Japan	Favorable

Regarding the abovementioned main raw materials, the Japanese companies possess the economy of scale due to the advanced technologies, and they have nearly secured the upstream raw material markets worldwide; therefore, based on the considerations for product quality and costs, and under the effects of

industry characteristics, the raw materials are majorly sourced from a few large-scale companies overseas. Based on the considerations for risks, we introduced Taiwanese and Korean companies for PI films, accounting for the highest proportion of raw materials; therefore, there would not be material lacking. For release papers and chemicals, as the development of suppliers invested by Chinese and Taiwanese enterprises is becoming mature, the Company will turn to local supplies for development for the benefit of inventory and cost control.

4. Description of material changes in the profit margin of major products or departments in the most recent two years

(1) Changes in profit margin in the most recent two years

Unit: NT\$000'

Item	Year	2023	2024
Net operating income		1,548,510	1,541,704
Gross profit		338,993	325,705
Profit margin (%)		21.89	21.13
Changes in gross profit (%)		0.05%	-3.47%

For 2023 and 2024, the Company's net consolidated operating income was \$1,548,510 thousand and \$1,541,704 thousand, respectively. The decrease in 2024 as compared to the previous year was primarily due to decline in demand for FPC market due to the impact of the global economic climate. The gross profit margin in 2024 is consistent with that in 2023.

(2) For changes in profit margin reaching 20% as compared with the preceding year, the key factor causing the changes in the price and quantity shall be analyzed: Not applicable.

5. List of major customers of purchases and sales

(1) Name of customers accounting for 10% of the total purchase amount or above in any of the most recent two years and the ratio:

Unit: NT\$000'

Item	Title	2023			113			
		Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer
1	Supplier A	377,694	45.84%	None	Supplier A	374,100	44.67%	None
2	Supplier B	127,553	15.48%	None	Supplier B	122,611	14.64%	None
	Others	318,700	38.68%	None	Others	340,759	40.69%	None
	Net purchase	823,947	100.00%		Net purchase	837,470	100.00%	

Description of reason for changes:

The Company and its subsidiaries are professional manufacturers of FPC materials such as flexible copper foil substrate (FCCL), covering film (CL), stiffener and bonding sheet. The main supplier in the past two years is Manufacturer A. The combined net purchases of Manufacturer A in 2023 and 2024 accounted for 45.84% and 44.67% of the combined net purchases of the Company and its subsidiaries in those years, respectively. This was mainly due to the adjustment of material policies by the Company and its subsidiaries for cost considerations.

(2) Name of customers accounting for 10% of the total sales amount or above in any of the most recent two

years and the ratio:

Unit: NT\$000'

Item	2023				113			
	Title	Amount	As a percentage of the annual net sales (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net sales (%)	Relations with the issuer
1	Client A	227,024	14.66%	None	Client A	208,978	13.55%	None
2	Client B	185,338	11.97%	None	Client B	214,255	13.90%	None
	Others	1,136,148	73.37%	None	Others	1,118,471	72.55%	None
	Net sales	1,548,510	100.00%		Net sales	1,541,704	100.00%	

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

Unit: Person; %

Item	Year	2023	113	March 31, 2025
	Number of employees (person)	Direct employee	133	107
Indirect employee		94	112	110
R&D personnel		29	26	26
Total		256	245	242
Average age (year old)		36.6	36.3	37.1
Average years of service (year)		9.0	8.1	8.9
Educational background ratio (%)	Doctoral degree	0.78%	0.41%	0.41%
	Master degree	4.30%	2.86%	2.89%
	College/university	40.23%	38.37%	38.43%
	High school	49.61%	51.84%	52.07%
	Below high school	5.08%	6.53%	6.20%

Note: The abovementioned number of persons includes subsidiaries

### IV. Information on environmental protection expenditure

1. According to laws and regulations, if it is required to apply for a permit for installing anti-pollution facilities, or permit for pollution drainage, or to pay anti-pollution fees, or organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made. However, the R&D Section is responsible for contacting professional waste processing companies to handle the waste generated by the Company due to R&D.
2. Investment in the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced: None.
3. Describing the process undertaken by the Company on environmental pollution improvement for the most recent two years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process shall also be described: The Company has no losses or punishments due to environmental pollution in the most recent two years and up to the publication date of the annual report.
4. List losses that occurred to the Company due to environmental pollution and the total punishments imposed in the most recent two years and up to the publication date of the annual report and disclose the future countermeasures and potential expenditures: In the most recent two years and up to the publication date of the prospectus, the Company has no dispute related to pollution, nor punishment due to environmental pollution or compensation arising from disputes.
5. Effects of the current pollution status and its improvement on the earnings, competitive position, and capital expenditure of the Company and the estimated material capital expenditure for environmental

protection in the following two years: in the most recent two years and up to the publication date of the annual report, the Company has no dispute related to pollution, nor estimated material capital expenditure for environmental protection.

## V. Labor-capital relations

1. Set out the welfare measures, continuing education, training, and retirement systems of employees and their implementation, and the labor-capital agreements and measures for protecting employees' interests

- (1) Employee benefit measures and the implementation

- A. Employee insurance

- a. All employees have participated in labor insurance and health insurance.
- b. Group insurance: The Company purchases personal accident and medical insurance for employees based on their work nature with the premium borne by the Company.

- B. Employee bonuses and stock options: Arrangements are made according to relevant laws and regulations as well as the Company's Articles of Incorporation and relevant regulations.

- C. Regular health inspection: The Company organizes regular health inspections for all employees.

- D. The Company has established the Employee Benefits Committee and organizes gatherings, trips, and other activities.

- (2) Continuing education and training of employees

In response to the long-term development of the Company and the improvement in employee quality, the Company has established its Regulations for Educational Training and organized professional programs for different departments and training and license courses for knowledge required for work. In 2024, a total of 36 employees participated in the continuing professional education of corporate governance, accounting professional training, auditing and quality technology professional training, etc., with a total cost of NT\$97 thousand. The total training hours of the Group's employees reached 4,047 hours.

- (3) Retirement system and its implementation

The retirement regulations of the Company complies with the requirements of the Labor Standard Act. The Company appropriates labor retirement pension allowance at the rate of 2% of the total salaries paid to the account of the Labor Retirement Pension Allowance Supervisory Committee for saving and expenses. The Company applied for the payment of retirement pension settlement for the old system with the Hsinchu County Government and the retrieval of the balance of labor retirement pension allowance on October 26, 2020 and received the approval letter from the Labor Affairs Department, Hsinchu County Government, on November 5, 2020.

The Labor Pension Act was implemented on July 1, 2005, and the defined appropriation system was adopted. After the implementation, employees may opt to apply the pension requirements related to the "Labor Standard Act" or apply the retirement pension system under the Act and maintain work seniority before the implementation of the Act.

For employees subject to the Act, the employee retirement pension borne by the Company each month shall not be less than 6% of the monthly wages of employees. The Company was established in 2003; therefore, no employee has applied for the receipt of the retirement pension as of today.

- (4) Labor-capital agreements and measures for protecting employees' interests:

The Company has harmonious labor-capital relations and primarily adopts labor-capital communication and negotiation to allow both parties to achieve a consensus so as to facilitate the smooth promotion of work.

- A. Monthly meeting of employees: Carry out appropriate communication, education, and policy promotion through the meeting, including the operating status, quality targets, environmental policies, establishment of environmental protection-related philosophy, public safety, fire and disaster prevention, and the establishment of other knowledge and concepts of work and life that are beneficial for the Company and employees; by doing so, cultivate the favorable tradition and offer an environment for employees and the Company to jointly learn and grow.
- B. Department meeting: Carry out appropriate communication with employees, explore the root issue, and promote corporate policies through the meeting to allow employees to fully understand production technologies, safety and health, and quality control, and to reflect their opinions in due course, and in turn, achieve a consensus.
- C. The labor-capital conference and Benefits Committee meeting: Laborers and the management may have discussions on various benefits measures to improve their relations and to provide a reference for administrative management through the meeting.
- D. The Company has its working rules in place that specify the behaviors and conduct of employees.

2. List any losses suffered by the Company in the most recent year and up to the publication date of the

annual report due to labor disputes and disclose an estimate of possible expenses that could incur currently and in the future and countermeasures:

The Company had no labor disputes since its establishment. Under the circumstances that the Company continues and actively promotes and implements various employee benefit measures in the future, it is estimated that there shall be no loss arising from labor-capital disputes.

## **VI. Cybersecurity management**

1. Describe the cybersecurity risk management structure, the cybersecurity policy, the specific management plan, and the resources invested in cybersecurity management.

- (1) Cybersecurity risk management structure

To ensure the safety of the information assets of the Company, customers, and partners, in light of the information safety risk evaluation and the protection of the interest of the Company and stakeholders, the Company has established the Information Safety Committee and has a dedicated Information Safety Office in place to be in charge of the formulation of the annual information safety principles, supervise and negotiate the overall annual information safety plans and information safety inspection standards. It coordinates relevant resources, cross-department activities, information safety event management, plans for information safety education, and formulates and executes information safety audits. The Information Safety Committee convenes meetings every half-year, examines the determines the information safety and information protection policies, and implements the effectiveness of information safety management measures.

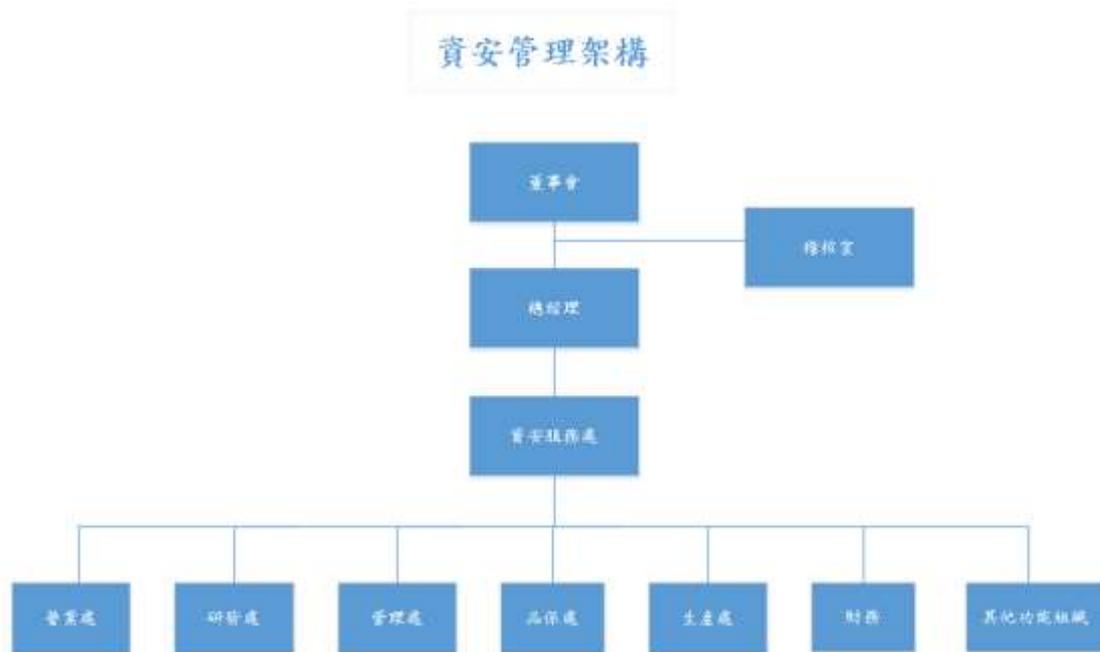
- (2) Cybersecurity policy

Establish information safety policies, Regulations for Information Safety Management, information safety event reports and management operating procedures and formulate the Regulations for Business Secret Management and Regulations for Personal Data Management with reference to the governmental regulations. Collect and analyze the latest regulations related to information safety at all times to formulate or amend relevant regulations, and regularly examine operations related to information safety to be executed to ensure compliance with safety policies.

- (3) Specific management plan and the resources invested in the cybersecurity management

The Company attaches additional attention to information safety risk control and protection, sets up multi-layer information control and protection network with defense in depth, and implements stringent control measures. For example, classification and grading of information assets and control over data transmission to external parties require applications for approval; the mail system protection, control over printing/copying/fax data, network anomaly inspection, and the access of information equipment shall be subject to the application for approval according to the procedures; personal storage devices are forbidden and the use of personal equipment for photos or videos is forbidden; reinforce access control and carry out re-examination regularly regarding the access; provide physical or online programs to carry out information safety educational training for new employees, perform information educational training for new employees on the date they report to work to assist them in understanding relevant information safety specifications, and announce information safety control and material information safety events on a regular basis for awareness promotion; receive material external information sharing, participate in information safety-related or hacker attach/defense technical courses, cultivate information safety technicians, reinforce physical protection, and carry out upgrades, acquisitions or introduce new technologies for information safety control based on the annual plan. In recent years, network attacks frequently occurred, in particular, the blackmailing viruses, causing extensive impacts on a wide range of aspects and great damage to enterprises, and enterprises shall not take such circumstances slightly. The Company has carried out in-depth analysis and exploration of domestic and external material information safety events (i.e., cross-border financial crimes, remote control, blackmailing, secret leakage, and incidents of domestic large-scale semiconductor companies plagued by blackmailing virus ), reinforced internal and external network

attacks and protection, educational training and awareness promotion, strictly executed the review of firewall policy, mainframe terminal protection, network invasion detection, anti-virus system updates, mainframe and network equipment loophole fixing, real-time attack protection, phishing e-mail detection, anomaly judgment, and computer facilities management. Through the information maintenance platform, the Company regularly carries out system audits and improvements, and introduces new technologies to enhance our data protection. The information safety for the transacting supply chain has also been becoming more material; therefore, the Company attaches particular attention to such area. The Company carries out regular information safety audits with customers or suppliers to satisfy the high specifications and standards of both parties in terms of information safety. The Company adheres to the concept of mutual benefits and joint success and the business philosophy of practicality and realism to create values for customers and shareholders and duly fulfill its social responsibilities.



2. List any losses suffered by the Company in the most recent year and up to the publication date of the annual report due to significant cybersecurity incidents, the possible impacts therefrom, and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. In the most recent year and up to the publication date of the annual report, the Company had no material cybersecurity incident.

**VII. Important contracts**

None

## Five. Review and analysis of the financial condition and financial performance and risk issues

### I. Analysis of financial condition

#### 1. Consolidated balance sheet - Adoption of IFRSs

Unit: NT\$000'

Item \ Year	2024	2023	Difference	
			Amount increased (decreased)	Percentage of change (%)
Current assets	1,641,967	1,530,615	111,352	7.27%
Non-current assets	1,135,188	1,113,164	22,024	1.98%
<b>Total assets</b>	<b>2,777,155</b>	<b>2,643,779</b>	<b>133,376</b>	<b>5.04%</b>
Current liabilities	956,023	753,857	202,166	26.82%
Non-current liabilities	272,496	371,747	(99,251)	-26.70%
<b>Total liabilities</b>	<b>1,228,519</b>	<b>1,125,604</b>	<b>102,915</b>	<b>9.14%</b>
Share capital	982,009	982,009	0	0.00%
Capital reserve	192,899	192,899	0	0.00%
Retained earnings	309,163	339,179	(30,016)	-8.85%
Other equity	64,565	4,088	60,477	1479.38%
<b>Total equity</b>	<b>1,548,636</b>	<b>1,518,175</b>	<b>30,461</b>	<b>2.01%</b>
<p>For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:</p> <ol style="list-style-type: none"> <li>1. Current liabilities: Due to the increase of short-term loans and transfer of long-term loans upon maturity during the current period, current liabilities increased compared with the same period last year.</li> <li>2. Non-current liabilities: As long-term borrowings were transferred to current liabilities upon maturity in the current period, non-current liabilities decreased YoY.</li> <li>3. Other equity: due to changes in the exchange difference from the translation of the financial statement of foreign operations, other equity increased from the same period of last year.</li> </ol>				

2. Individual balance sheet - Adoption of IFRSs

Unit: NT\$000'

Item	Year	2024	2023	Difference	
				Amount increased (decreased)	Percentage of change (%)
Current assets		610,685	604,533	6,152	1.02%
Non-current assets		1,735,401	1,675,803	59,598	3.56%
<b>Total assets</b>		<b>2,346,086</b>	<b>2,280,336</b>	<b>65,750</b>	<b>2.88%</b>
Current liabilities		573,030	439,807	133,223	30.29%
Non-current liabilities		224,420	322,354	(97,934)	-30.38%
<b>Total liabilities</b>		<b>797,450</b>	<b>762,161</b>	<b>35,289</b>	<b>4.63%</b>
Share capital		982,009	982,009	0	0.00%
Capital reserve		192,899	192,899	0	0.00%
Retained earnings		309,163	339,179	(30,016)	-8.85%
Other equity		64,565	4,088	60,477	1479.38%
<b>Total equity</b>		<b>1,548,636</b>	<b>1,518,175</b>	<b>30,461</b>	<b>2.01%</b>

For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:

1. Current liabilities: Due to the transfer of short-term loans and long-term loans upon maturity during the current period, current liabilities increased compared with the same period last year.
2. Non-current liabilities: As long-term borrowings were transferred to current liabilities upon maturity in the current period, non-current liabilities decreased YoY.
3. Other equity: due to changes in the exchange difference from the translation of the financial statement of foreign operations, other equity increased from the same period of last year.

## II. Financial performance:

### 1. Consolidated income statement - Adoption of IFRSs

Unit: NT\$000'

Item	2024	2023	Amount increased (decreased)	Percentage of change (%)
Operating income	1,541,704	1,548,510	(6,806)	-0.44%
Operating costs	1,215,999	1,209,517	6,482	0.54%
Gross profit	325,705	338,993	(13,288)	-3.92%
Operating expenses	290,593	257,369	33,224	12.91%
Operating gains (losses)	35,112	81,624	(46,512)	-56.98%
Non-operating income and expenses	(3,507)	(31,719)	28,212	-88.94%
Net profit (loss) before tax	31,605	49,905	(18,300)	-36.67%
Income tax expenses (gains)	12,521	13,583	(1,062)	-7.82%
Net profit (loss) for the period	19,084	36,322	(17,238)	-47.46%
Other comprehensive income for the period (net after taX)	60,477	(14,731)	75,208	-510.54%
Total comprehensive income for the period	79,561	21,591	57,970	268.49%

For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:

1. Operating income (loss): Operating profit decreased compared with the same period last year due to the decrease in revenue and the increase in operating expenses caused by continued investment in the development of new products and the provision of expected credit losses.
2. Non-operating income and expenses: Primarily due to the recognition of foreign currency exchange gains due to exchange rate fluctuations in this period.
3. Net profit (loss) before tax: Net profit (loss) before tax decreased compared with the same period last year due to the decrease in revenue and the increase in operating expenses caused by the continuous investment in the development of new products and the provision of expected credit losses.
4. Net profit (loss) for the current period: Net profit (loss) for the current period decreased compared with the same period last year due to the decrease in revenue and the increase in operating expenses caused by the continuous investment in the development of new products and the provision of expected credit losses.
5. Other comprehensive income for the period (net after taX): Due to the depreciation of NTD against the USD during the period, the exchange differences arising from the translation of financial statements of overseas operations increased; furthermore, due to the unrealized valuation difference of the securities held by the subsidiaries recognized as reinvested investments at fair value, other comprehensive income for the period (net after taX) increased compared to the same period last year.
6. Total comprehensive income for the current period: Due to the increase in other comprehensive income (net after taX) for the current period, the total comprehensive income for the current period increased compared with the same period last year.

## 2. Standalone balance sheets - Adoption of IFRSs

Unit: NT\$000'

Item	2024	2023	Amount increased (decreased)	Percentage of change (%)
Operating income	913,018	991,610	(78,592)	-7.93%
Operating costs	820,160	889,638	(69,478)	-7.81%
Gross profit	92,858	101,972	(9,114)	-8.94%
Unrealized losses (gains) of sales	(3,478)	(4,024)	546	-13.57%
Operating expenses	74,507	72,425	2,082	2.87%
Operating gains (losses)	21,829	33,571	(11,742)	-34.98%
Non-operating income and expenses	1,929	11,642	(9,713)	-83.43%
Net profit (loss) before tax	23,758	45,213	(21,455)	-47.45%
Income tax expenses (gains)	4,674	8,891	(4,217)	-47.43%
Net profit of continuing operations for the period	19,084	36,322	(17,238)	-47.46%
Other comprehensive income for the period (net after taX)	60,477	(14,731)	75,208	-510.54%
Total comprehensive income for the period	79,561	21,591	57,970	268.49%

For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:

1. Operating income: Due to the decrease in revenue and the increase in operating expenses, the operating income decreased year-on-year.
2. Net profit (loss) before tax: Due to the sluggish industry climate, the revenue declined and the invested subsidiary suffered losses, so the net profit before tax decreased compared with the same period last year.
3. Net profit of continuing operations for the period: Due to the decrease in net profit before tax in the current period, the net profit of continuing operations for the current period decreased compared with the same period last year.
4. Other comprehensive income for the period (net after taX): Due to the depreciation of NTD against the USD during the period, the exchange differences arising from the translation of financial statements of overseas operations increased; furthermore, due to the unrealized valuation difference of the securities held by the subsidiaries recognized as reinvested investments at fair value, other comprehensive income for the period (net after taX) increased compared to the same period last year.
5. Total comprehensive income for the current period: Due to the increase in other comprehensive income (net after taX) for the current period, the total comprehensive income for the current period increased compared with the same period last year.

## 3. Estimated sales volume for the following year and its basis:

Based on the current progress of customers, overview of the industry, market scale, and the growing status, it is estimated that the sake volume in the following will maintain a stable growth as compared to the preceding year, which offers a positive assistance to the Company in terms of finance in the future, which renders positive assistance to the finance of the Company.

## III. Analysis of cash flows

### 1. Analysis and description of changes in cash flows during the most recent year:

- (1) Operating activities: The cash inflow during the period was \$49,466 thousand, representing an increase of \$19,086 thousand as compared to the previous period, primarily due to active collection of accounts receivable and proper inventory control in 2024, which resulted in net cash inflow from overall operating activities.

- (2) Investing activities: The net cash outflow for the period was \$54,470 thousand, representing an increase of \$12,031 as compared to the last period, primarily due to the cash inflow caused by the disposal of financial assets in 2023, while there was no such situation in 2024.
- (3) Financing activities: The net cash inflow for the current period was \$124,157 thousand, an increase of \$390,454 thousand compared to the previous period, mainly due to the increase in short-term debt in this period, while the short-term debt in 2023 was repaid.
2. Improvement plan for insufficient liquidity: None.
3. Liquidity analysis for the following year:
- (1) Operating activities: Primarily due to the growth of the operating scale and more efforts put into the collection of receivables, the cash inflow from operating activities and the cash expenditure for material purchases and operating expenses were \$2,628,699 thousand and \$2,493,966 thousand, respectively, which will result in a net cash inflow from operating activities of \$134,733 thousand.
- (2) Investing activities: In response to the Company's operational needs, it is estimated that investee subsidiaries will need to invest additional \$97,834 thousand in purchasing equipment during this period.
- (3) Financing activities: The cash outflow of \$62,640 thousand from the repayment of bank borrowings and the distribution of cash dividends of \$49,100 thousand will result in a net cash outflow from financing activities of \$111,740 thousand.

#### IV. Effect of major capital expenditures on finance and business in the most recent year

To expand the market in Mainland China and develop the local supply chain, the Board of the Company resolved to invest in a newly established electronic functional material project in Dongtai Economic Development Zone, Jiangsu, on 27 April 2018. The Company transferred the investment amount of RMB30,000 thousand, RMB20,000 thousand, and RMB20,000 thousand (totaling RMB70,000 thousand) in 2018, 2019, and 2021, respectively, by way of reinvestments from the distribution of the earnings of Kunshan Aplus Tec. Corporation via Ammon Tec. Investment Corp., a subsidiary of the Company's investee Asia Electronic Material holding (Samoa) Co., Ltd., to acquire the entire equity of Aplus Tec. Corporation (Dongtai). After the transfer of investing amount by the partnership formed by employees, Aplus Tec. Corporation (Dongtai) will be owned by Ammon Tec. Investment Corp. and the partnership formed by employees by 85% and 15%, respectively. As of the date of the financial report, the investment project is undergoing.

As of December 31, 2024, the details of the Group's outstanding major property, plant and equipment contracts are as follows: (Foreign currencies: Thousands)

Nature of contract	Amount of contract	Amount paid	Amount unpaid
Plant construction	RMB 83,591	RMB 82,526	RMB1,065

**V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan, and investment plans for the following year**

Unit: NT\$/foreign currencies 000'

Company name	Main scope of business	(Losses) gains on investees	(Losses) gains on investments recognized during the period
Asia Electronic Material Holding (Samoa) Co., Ltd.	Investment	(7,040)	(7,040)
Besttrade Co., Ltd.	Electronic material trading and import/export	(2,339)	(2,339)
AMMON TEC. INVESTMEST CORP.	Investment	(7,040)	(7,040)
Kunshan Aplus Tec. Corporation	Production of FPC base materials and protective films	40,930	40,930
Aplus Tec. Corporation (Dongtai)	Production of multilayer FPC, CCL, and development of electronic materials	(47,970)	(47,970)

Regarding the investments of the Company in the most recent year, Kunshan Aplus Tec. Corporation recorded a YoY reduction in profits for the period due to the depreciation of the RMB against the USD; Aplus Tec. Corporation (Dongtai) experienced losses throughout the year as a result of reduced operating income caused by a market downturn and the depreciation of the RMB against the USD.

The Company will continue to enhance the account collection from customers and inventory control and reduce bad debts of accounts receivable and slow-moving inventories. The Company will add a coating line in Dongtai Aplus in the coming year, and the capital expenditure for equipment and related projects is expected to be approximately \$97,834 thousand.

**VI. Risk analysis**

(I) Risk factors

- Effects of changes in the interest rate and exchange rate and inflation on the Company's profit or loss in the most recent year and up to the publication date of the annual report and future countermeasures

Unit: NT\$000'; %

Item	Year	
	2023	2024
Consolidated interest income (1)	3,315	2,753
Consolidated interest expense (2)	29,097	25,708
Consolidated exchange (losses) gains (3)	(14,175)	5,454
Consolidated net operating income	1,548,510	1,541,704
Consolidated net profit before tax (4)	49,905	31,605
Ratio of consolidated interest income to consolidated net profit before tax (%) (1)/(4)	6.64	8.71
Ratio of consolidated interest expense to consolidated net profit before tax (%) (2)/(4)	58.30	81.34
Ratio of consolidated exchange (losses) gains to consolidated net profit before tax (%) (3)/(4)	(28.40)	17.26

Source: Financial reports certified by CPAs.

(1) Interest rate

The ratio of consolidated interest income and consolidated interest expense to consolidated net profit before tax of the Company and its subsidiaries in 2023 was 6.64% and 58.30%, respectively, and the ratio of consolidated interest income and consolidated interest expense to consolidated net profit before tax in 2024 was 8.71% and 81.34%, respectively. Both the ratio of interest income to net

profit before tax and the ratio of interest expense to net profit before tax in 2024 increased as compared to 2023, primarily due to the decrease in net profit before tax in 2024.

The requirement of working capital of the Company is primarily from the issuance of securities, self-owned funds, and operating profits of the Company, supplemented by bank facilities; therefore, changes in interest rate have no significant effect on the Company's profit or loss. The Company also keeps abreast of changes in the interest rate at all times and adopts necessary countermeasures to minimize the effects of changes in the interest rate on the Company's profit or loss.

(2) Exchange rate

The suppliers of purchases and customers of sales of the Company and its subsidiaries are mostly overseas suppliers and customers. In 2023 and 2024, the consolidated exchange gains (losses) were \$(14,175) thousand and \$(5,454) thousand, accounting for (28.40)% and 17.26% of consolidated net profits before tax, respectively. Even if changes in exchange rates have effects on the Company's operating income and profits, the Company adopts a prudent and conservative principle in foreign currency fund management and strives to avoid the adverse effects that may be caused by exchange rate fluctuations. Financial personnel of the Company also keep close contact with banks and collect information related to exchange rates in the hope of comprehensively understanding of the development of exchange rates. Apart from the receivables and payables in foreign currencies, the business department also fully considers the price adjustment caused by exchange rate fluctuations when quoting to ensure profits and minimize the impact of exchange rate fluctuations on profits and losses.

(3) Inflation

The Company was not materially affected by inflation. Furthermore, transaction prices between the Company and its customers and suppliers are, in principle, flexibly adjusted subject to market development; therefore, inflation has limited effects on the Company's profit or loss.

2. Policies regarding high-risk investments, high-leverage investments, loans to others, endorsement/guarantees, and derivative transactions, main reasons for gains or losses, and countermeasures in the future

(1) Loans to others

Regarding loans of Kunshan Aplus Tec. Corporation, an investee of the Company, to Aplus Tec. Corporation (DongtaI), another investee of the Company, all procedures were performed in accordance with the "Procedures for Loans to Others" of the Company and announced and declared on MOPS.

(2) Endorsement and guarantee

The endorsement/guarantee provided by the Company is to assist investees in acquiring bank facility limits, and all procedures were performed in accordance with the "Procedures for Endorsements and Guarantees" of the Company.

(3) Derivatives

The Company has always adhered to its major business and the principle of pragmatism for its operations, and the principle of conservatism is adopted for its financial policies. The Company has not engaged in any high-risk or high-leverage investments. In addition, as of the publication date of the annual report, the Company has not engaged in any derivative transaction.

Countermeasures:

In the future, the Company will continue to focus on its major business operations. For policies of loans to others, endorsement and guarantee, and derivative transactions, the Company will comply with the

requirements under its “Procedures for Loans to Others,” “Procedures for Endorsements and Guarantees,” and “Procedures for Derivative Transactions” and consider our financial and business requirements for such matters.

3. Future R&D plan and R&D expenses expected to be invested

(1) Future R&D plan

The research development of the Company will primarily focus on the core technologies of “precision coating” and “high-performance adhesives,” and the diversified products and applications derived. The Company will primarily carry out its new product R&D based on three major aims, including thin and colorful FPC, high-frequency and high-speed FPC, and FPC functionalization. For instance, we cooperate with PI suppliers to develop low CTE, low gloss, thin and colorful (black, white and transparent) covering films; the system applies customer-oriented high-frequency electromagnetic wave masking materials, conductive adhesive materials, high reflective materials, low dielectric FPC substrates, etc. to replace imported materials and increase the Company's revenue and profits. The major development direction is as follows:

Requirements for thin FPC high-density assembly - Continue to develop materials of covering films within an overall covering film thickness of less than 20um, using 9um, 7.5um and 5um black and yellow PI films or self-coating 3um, 5um, 8um black and yellow PI (adjustable thickness ), with our 10um, 8um and 5um adhesives with high peel strength and high adhesive flow properties, to meet the needs of the industry, using new structures and process methods to reduce the base material of the pressed glue-free FCCL from 25um to below 15um, and develop copper foil towards rolled copper foil below 9um to meet the future trend and demand for high-density assembly and thinning of FPC.

FPC colorization - Apart from continuing to maintain the production of the existing yellow and black cover lays, The Company will perform R&D on high reflection coverlays, white and transparent coverlays, FCCL, and white EMI in response to the demand for automotive and LED lighting.

High-frequency FPC - Develop basic materials, including high-frequency FCCL, cover lays, bonding sheets, bondply, and FRCC, through the transformation of PI materials to satisfy the requirements of end customers for high-end communication products, improve the convenience and universality of materials used by customers, and reduce and introduction threshold of materials. In addition, for the development of high-frequency EMI shielding materials, apart from continuing to expand the market share of existing products, the Company continues to develop materials with a shielding rate ranging from 80dB to 100dB and ultra-thin materials to satisfy the requirements of high-end and high-frequency applications.

FPC functionalization - Apart from continuing the production and sales of thermally conductive FPC, the Company will also pay long-term attention to and plan for FPC materials embedded in active and passive components, such as researching and developing printed resistors and high-dielectric capacitor materials, to achieve the goal of shrinking FPC and improving electrical properties, and provide preparatory material technology for future wearable devices. Together with the development of printing technologies, the Company intends to carry out research on printed circuit material technologies through planning or the cooperation model to set foot in the FPC industry of green manufacturing. On the other hand, we will always put customer needs first, deeply understand customer's demand for cost control and efficiency improvement, actively invest in product research and development, and strive to build high-quality products that can truly meet customers' needs for cost reduction and efficiency improvement.

R&D item	Description of usage
High-frequency FPC material	(1) High-frequency MPI materials: Entering into the 5G era, cloud calculation, products with integrated functions, and the high-quality and high-speed transmission of electronic communication products have become inevitable trends. The requirement for portable and wearable electronic products and automotive electronics for light and thin FPC for assembly will be increasing; however, the demand for high-transmission speed and quality of FPC also arises; for instance, the wireless communication antenna and wiring for smartphones, tablets, and certain wearable electronic products will be required to improve its bandwidth and transmission speed. Therefore, the demand for FPC materials with a

R&D item	Description of usage
	<p>high-frequency electric property, low dielectric constant, and low dielectric loss have risen. In response to the requirements of end application products and customers, certain high-frequency materials were sold to customers in Taiwan and the U.S. in 2015 and further penetrated the material end application field in the U.S. in 2016. In the future, the Company intends to carry out customized R&amp;D based on the requirements of individual customers and requirements of end product development to achieve the double targets of timeliness and efficiency, realize R&amp;D benefits, and reduce R&amp;D costs. In addition, the combination of the new generation high-frequency substrate and the Company's high-frequency cover lay/high-frequency bonding sheet/high-frequency EMI shielding film is able to provide comprehensive high-frequency and high-speed transmission FPC solutions for customers.</p> <p>(2) Fluorine series substrate: PTFE is the resin material with the lowest dielectric constant and coefficient of dielectric loss; the fluorine series substrate from which it is made shows high flexibility and low transmission consumption in mmWave and is able to realize 5G and higher versions of telecommunication. In addition, PTFE possesses outstanding flexibility and is applicable to products that are required to be installed on curves. It can be used in the wiring of data centers, antenna and wiring materials of 5G stations and end equipment, radars, and sensors. During the year, the Company has been committed to the development of fluorine series substrate to develop products with low moisture absorption and low thermal expansion. Meanwhile, we made arrangements for different patents to create early opportunities for the 5G and mmWave era.</p>
High-frequency EMI shielding materials	<p>When applying FPC to mobile communication systems, under the high-frequency trend of communication systems, the EMI issues will have to be solved; in particular, for display panels and touch panels that emphasize high definition and the reaction velocity, attaching EMI shielding films is necessary. Furthermore, the current smart and electronic level and scope of the automotive market have become more popularized, and its demand for EMI shielding film materials is also the target for the Company's efforts spent on promotion. In 2014, the Company successfully performed the mass production of EMI shielding film materials by adopting the new structure and formula designs, making a breakthrough in terms of the prior monopoly status of Japanese companies. In 2016, the Company successfully developed EMI shielding film products with a high price-performance ratio and commenced scaled mass production.</p> <p>To sharpen the competitive edge of our existing products, we developed a new series of EMI shielding film materials this year. In addition to traditional ink EMI, the self-produced PI EMI that</p>

R&D item	Description of usage
	<p>features multiple stacking and formula designs has been developed in the hope of meeting different customers' requirements for shielding rate and costs. Furthermore, high dB (<math>\geq 80</math>dB) EMI shielding film is the future market trend. The Company continues to develop extensive products with higher EMI shielding efficiency to respond to the market demand and expand the sustainable competitiveness of this type of products.</p>
Conductive adhesive materials	<p>Conductive adhesive has been a new material that is essential in the electronics industry. Conductive adhesive is an adhesive having a certain level of conductivity after being solidified or dried. It can connect multiple conductive materials to form a circuit. Conductive adhesive can be used in microelectronic assembly, including the connection of thin lead wires and the metal layer or metal chassis of printed circuit boards, electroplated substrates, or ceramic adherends, adhesion of lead wires with sockets, adhesion of components with holes passing through printed circuit boards, and hole fixing. It can also be used to replace spot welding where the welding temperature is higher than the heat resistance temperature of the oxide film formed during welding and substitute for tin and lead solders. It is mainly applied in the following areas: telephones and mobile communication systems, radios, TVs, computers, car industry, medical equipment, and solving EMC issues. In addition to having conductive adhesive that has been put into mass production for marketing, we have a series of new products developed using our own technology on an ongoing basis, e.g., eco-friendly conductive adhesive with better SAT conductivity in line with future trends.</p>
Cover lay materials	<p>(1) Ion migration-resistant cover lay: The thin and easily portable development trend of mobile phones, notebooks, and other electronic products continued, resulting in the rather concentrated circuit design and narrow gaps between holes and circuits for PCB. To ensure the insulation reliability of products, more and more attention has been attached to the ion migration-resistant feature. Under an environment of high humidity and potential gradient, ion migration occurs to PCB and forms conductive anodic filament (CAF), which is one of the material reasons that results in malfunctions. The development of ion migration-resistant materials can satisfy the requirement for ion migration of PCB; such materials adapt to the trend of high-density interconnected development of electronics and possess broad future prospects in the market. During the year, the Company continued the sales of its existing ion-resistant migration covering films; it has also developed ion-resistant migration covering films with different resin series, which have both good ion-resistant migration performance and high cost performance, and are currently being continuously promoted among clients.</p> <p>(2) Self-produced PI cover lay: Our self-produced PI has the advantages of adjustable thickness and a high</p>

R&D item	Description of usage
	<p>price-performance ratio. The Company is committed to the development of self-produced yellow/black PI cover lay. Our formula design allows the black PI to maintain good mechanical performance and be resistant to height differences. Both our yellow PI and black PI offer a breakdown voltage and dielectric strength higher and better than those of outsourced PI, showing a high price-performance ratio. In addition, they can be used with different adhesive layers that can meet customers' different requirements for costs and ion migration resistance.</p> <p>(3) High-Tg cover lay: In response to customers' needs for a high Tg (90~150°C) for high heat resistance and bending resistance, we have developed products with a high Tg up to about 100°C and they are to be sampled and tested.</p> <p>(4) Transparent cover film: In recent years, mobile phones with transparent displays and foldable screens have emerged one after another. With the popularity of new technologies such as 5G and the Internet of Things, transparent screens will be combined with technologies such as AI and virtual reality to present more diversified application forms, the Company has also developed transparent coverlays in response to market trends.</p> <p>(5) Rapid pressing and curing covering films: In the current fierce market competition, energy conservation and consumption reduction have become the key proposition for corporate development. To meet the urgent needs of customers for energy conservation, the Company has quickly assembled a professional R&amp;D team to work closely with customers in order to achieve in-depth cooperation. After diligent efforts, we have successfully launched a covering film with rapid pressing and curing characteristics. This product has outstanding practical value. From the perspective of production efficiency, it can significantly shorten the production cycle, significantly increase customer production capacity, and help customers to create more benefits within a limited time. From the perspective of cost control, the fast operating process can reduce the long-term occupation of space in the production process. At the same time, the characteristics of rapid pressing and curing make the production process more streamlined. Customers do not need to purchase too many equipment, which effectively reduces equipment investment costs and manpower investment costs. This covering film truly achieves the goal of reducing costs and increase efficiency, so that customers have a greater advantage in the market competition, and it is also a new opportunity for the Company and its customers to build a mutually beneficial and win-win cooperation bridge, to jointly embark on a new journey of working together and create a new era of glories.</p>

(2) The future R&D expenses of the Company will be adjusted appropriately based on the product

- development progress and the estimated revenue forecasts. It is estimated that the consolidated R&D expenses in 2025 shall be approximately NT\$82,159 thousand.
4. Effect of changes in domestic and foreign policies and laws of significance on the finance and business of the Company and countermeasures
 

The Company keeps abreast of the changes in domestic and foreign policies and laws of significance and evaluates their effects on the Company. As of the publication date of the annual report, there were no effects on the Company's finance and business due to changes in domestic and foreign policies and laws of significance.
  5. Effect of technological changes and industrial changes on the Company's finance and business, and countermeasures
 

The Company possesses multiple patents for its products. In the future, the Company will continue to increase investments in R&D and keep abreast of technological changes and industrial changes; therefore, technological changes and industrial changes have no material effects on the Company's finance and business.
  6. Effect of changes in the corporate image on corporate crisis management and countermeasure
 

Since its establishment, the Company has been committed to maintaining a favorable corporate image and complying with regulatory specifications. As of the publication date of the annual report, there has been no circumstance that occurred that may affect our corporate image.
  7. Expected benefits and possible risks related to mergers and acquisitions and countermeasures
 

In the most recent year and up to the publication date of the annual report, the Company has no plans for a merger or acquisition.
  8. Expected benefits and possible risks related to plant expansion and countermeasures
 

In the most recent year and up to the publication date of the annual report, the Company has no plans for plant expansion.
  9. Risks related to concentrated sales or purchases and countermeasures
    - (1) Risks related to concentrated purchases
 

Under the effects of industry characteristics, based on the quality stability of products and raw materials designated by customers, the raw materials are majorly sourced from a few large-scale companies overseas. Based on the risk considerations, the Company made purchases from suppliers in Japan, Taiwan, and Korea for PIs, accounting for the major part of raw materials, and made purchases from Mitsui Mining & Smelting and Fukuda Metal Foil & Powder for copper foils to ensure the competitiveness of the procurement price in the market and the sufficient source of supplies. In general, the quality and term of deliveries made by suppliers in the past years have been within the normal scope, and there was no shortage in sources or material quality anomaly.
    - (2) Risks related to concentrated sales
 

The top ten customers of sales of the Company and its subsidiaries in the most recent year account for 60.49% of the operating income for the year, and sales made to a single related customer have not exceeded 15%; therefore, there were no concentrated sales.
  10. Effects of mass transfer or change in the equity held by Directors, supervisors, or major shareholders with a shareholding over 10% of the Company, risks, and countermeasures
 

In the most recent year and up to the publication date of the annual report, there was no mass transfer in the equity held by Directors, supervisors, or major shareholders with a shareholding over 10% of the Company.
  11. Effects of changes in ownership of the Company, risks, and countermeasures
 

In the most recent year and up to the publication date of the annual report, there was no change in ownership of the Company.
  12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the Company and its Directors, supervisors, President, persons with actual responsibility for the Company, major shareholders holding a stake of greater than 10%, and subsidiaries that have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties involved in the dispute, and the status of the dispute as of the publication date of the annual report: None.
  13. Other important risks and countermeasures:
 

Risk of information safety:
  14. For the safety of our information systems, the Company has established the firewall, anti-virus software, spam prevention, and other systems, performed weekly auto-backup for the system, and kept the backup device remote to minimize the risk of system interruption and data losses resulted from natural disasters and human errors. Also, to ensure the normal operation of the information equipment, the Company also reinforces the access control of the server room, the regular inspection and maintenance of A/C, power, and fire alarm systems, and sets up a UPS system so as to ensure the smooth operation of

systems and equipment related to information.

**VII. Other important matters**

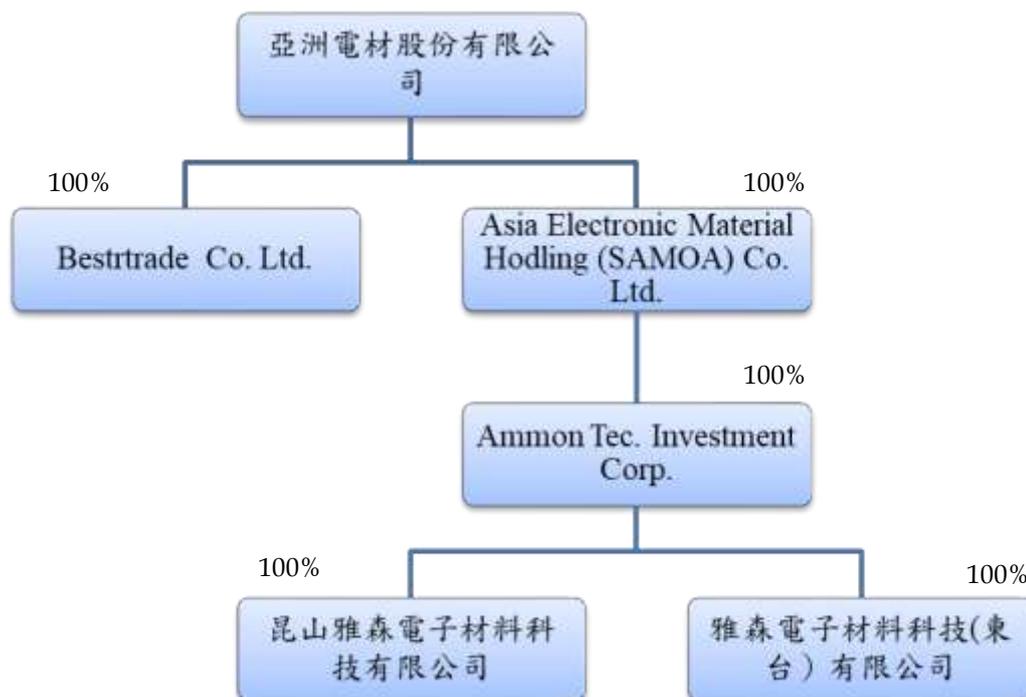
None.

## Six. Special matters to be recorded

### I. Information on affiliates

- (I) The 2024 consolidated business report of affiliates  
1. Organizational structure of affiliates

December 31, 2024



### 2. Basic information on affiliates

Unit: 000'

Company name	Establishment date	Address	Paid-in capital	Main business or item produced
Asia Electronic Material Holding (Samoa) Co., Ltd.	2003/8	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 18,265	Investment
Besttrade Co., Ltd.	2003/8	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 2,950	Electronic material trading and import/export
Ammon Tec. Investment Corp.	2003/8	Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Torola, British Virgin Islands	USD 18,260	Investment
Kunshan Aplus Tec. Corporation	2003/8	No.169, Middle Huangpujiang Road, Economic & Technical Development Zone, Kunshan City, Jiangsu Province	USD 18,250	Manufacturing and sales of electronic materials and parts
Aplus Tec. Corporation (Dongtai)	2018/7	No.9, 2nd Road, East District, Economic & Technical Development Zone, Dongtai City, Jiangsu Province	RMB 70,000	Production of multilayer FPC, CCL, and development of electronic materials

3. Information on the same shareholder of associates presumed to have a relationship of control or subordination: None.
4. Business sectors covered by associates, transactions and division of labor

Company name	Relation with the scope of business of other affiliates
Asia Electronic Material Holding (Samoa) Co., Ltd.	Overseas investment and holding company
Besttrade Co., Ltd.	Overseas sales company
Ammon Tec. Investment Corp.	Overseas investment and holding company
Kunshan Aplus Tec. Corporation	Manufacturing and sales base in Mainland China
Aplus Tec. Corporation (Dongtai)	Manufacturing and sales base in Mainland China

5. Data on directors and supervisors of affiliates

Unit: share

Company name	Title	Name or representative	Number of shares	
			Number of shares	Shareholding
Asia Electronic Material Holding (Samoa) Co., Ltd.	Chairman	Lee Chien-Hui	-	-
Besttrade Co., Ltd.	Chairman	Lee Chien-Hui	-	-
Ammon Tec. Investment Corp.	Chairman	Lee Chien-Hui	-	-
Kunshan Aplus Tec. Corporation	Chairman	Hsu Ming-Hua	-	-
Aplus Tec. Corporation (Dongtai)	Chairman	Hsu Ming-Hua	-	-

6. Business overview of affiliates

December 31, 2024; Unit: NTD/USD Thousands

Company name	capital	Total assets	Total liabilities	per share	Operating income	Operating gains	Profit or loss for the period (after taX)	Earnings per share (after taX)
Asia Electronic Material Holding (Samoa) Co., Ltd.	587,534	1,627,859	90	1,627,769	0	0	(7,040)	-
Besttrade Co., Ltd.	97,471	160,565	74,251	86,314	0	(40)	(2,339)	-
Ammon Tec. Investment Corp.	USD 18,260	USD49,661	USD8	USD49,653	0	0	(7,040) (USD219)	-
Kunshan Aplus Tec. Corporation	USD 18,250	USD70,253	USD26,998	USD43,255	USD46,131	USD1,817	40,930 (USD1,275)	-
Aplus Tec. Corporation (Dongtai)	RMB 70,000	USD33,334	USD26,928	USD6,406	USD10,233	USD(1,404)	(47,970) (USD(1,494))	-

- (II) Consolidated financial statements of affiliates:

## Declaration

The companies that should be included in the preparation of the consolidated financial statements of related enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2024 (from January 1 to December 31, 2024) are the same as the companies that should be included in the preparation of the consolidated financial statements in accordance with International Financial Reporting Standard No. 10. The relevant information that should be disclosed in the consolidated financial statements of related enterprises has been disclosed in the aforementioned consolidated financial statements. Therefore, the consolidated financial statements of related enterprises will not be prepared separately.

Declared by

Company name: Asia Electronic Material Co., Ltd.

Person in charge: Lee Chien-Hui

February 26, 2025

(III) Affiliation report: Not applicable.

**II. Private placement of securities in the most recent year and up to the publication date of the annual report**  
None.

**III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report**  
None.

**IV. Other matters that require additional explanation**

(I) Outstanding commitments for the listing on TPEX:

Commitments for the listing on TPEX	Status of commitments
We promise to add the following to the "Procedures for the Acquisition or Disposal of Assets". The Company shall not give up the capital increase in Asia Electronic Material Holding (Samoa) Co., Ltd. (hereinafter referred to as Asia Electronic), Besttrade Co., Ltd. and Global-One Tec. Co., Ltd. in the future years; Asia Electronic shall not give up the capital increase in Ammon Tec. Investment Corp. (hereinafter referred to as Ammon Tec.) in the future years; Ammon Tec. shall not give up the capital increase in Kunshan Aplus Technology Co., Ltd. in the future years; if the Company needs to give up the capital increase or disposal of the above-mentioned companies due to strategic alliance considerations or other reasons agreed by your center in the future, it must be approved by the special resolution of the Board of Directors of Asia Electronic Material Co., Ltd. If there is any amendment to the Procedures, the Company shall disclose it as material information on MOPS and report to the TPEX for future reference.	The shareholders' meeting approved the amendments to the "Procedures for the Acquisition or Disposals of Assets" on April 27, 2012. Furthermore, due to the implementation of the Economic Substance Act in BVI, the Company liquidated and dissolved Global-One Tec. Co., Ltd. on September 8, 2021; and the shareholders' meeting on May 17, 2022 passed a resolution to amend the relevant regulations.

**V. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that occurred in the most recent year and up to the date of publication of the annual report shall be clearly stated.**  
None.

Asia Electronic Material Co., Ltd.  
Statement of the Internal Control System

Date: February 26, 2025

The Company's internal control system in 2024, as per the results of our self-assessment, was hereby declared as follows:

- I. The Company is fully aware that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Company's Board and managers, and the Company has established such a system. The system aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. Certain limitations are inherent in all internal control systems. Regardless of the comprehensive design, an effective internal control system may only provide reasonable assurance regarding the achievement of the three intended objectives above; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.
- III. The Company judges whether the design and implementation of the internal control system are effective based on the criteria for judging the effectiveness of the internal control system set out in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Regulations"). The said criteria adopted for the internal control system under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.
- IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the preceding assessment, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, transparent reporting, and in compliance with relevant standards and applicable laws and regulations, is effective and can reasonably ensure the achievement of the above-mentioned objectives.
- VI. The statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false, or if there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. It is also hereby declared that the statement was approved by Company's Board of Directors on February 26, 2025 and that among the nine Directors who attended, none of them raised any objection and all agreed with the contents of this statement and hereby declare it.

Asia Electronic Material Co., Ltd.

Chairman: Lee Chien-Hui

President: Lee Chien-Hui

Company name: Asia Electronic Material Co., Ltd.

Chairman: Lee Chien-Hui