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Tegrity and Honesty, Innovation and Advancement

2024 Annual Report

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A. Letter to Shareholders

I. 2024 Operating Results:

(I) Accomplishments in Implementing the Business Plan:

Dear Shareholders,

Thank you for your support and encouragement for Hong Tai over the years. Under the efforts of all employees, our annual net consolidated revenue came to NT\$6.584 billion and the consolidated after-tax net profits totaled NT\$753 million, an increase for the consolidated revenue by 6.28% from the preceding year. The earnings per share after tax amounted to NT\$2.38, representing an increase of 19.8% from last year.

Looking back at 2024, it was the global election year. Inflation cooled down and the United States started a cycle of interest rate cuts. Geopolitical conflicts continued, and China's economic recovery was weaker than expected, resulting in slow economic growth. International stock markets continued to hit new highs driven by AI innovation; domestically, private consumption was strong, and demand for tourism, youth housing loans, and sports events remained high. In terms of investment, monetary policy increased the capital costs, and the topic of high dividend investment became popular. And with respect to exports, driven by the demand for AI business opportunities and the emergence of new technological products, the main growth momentum was concentrated in the supply chains of servers, power supplies, networking devices, etc.

Looking ahead to 2025, the global economic recovery is still full of uncertainty due to the impact of the US tariff and trade war policies. However, thanks to the expected easing of geopolitical conflicts that will drive reconstruction demand, the spillover of AI business opportunities from the cloud to end consumer products, and the supply chain ecosystem divided by US-China barriers, Taiwan's external demand and investment still have the opportunity to grow steadily amid the turbulent situation. In the electricity industry, we continue to participate in the government's promotion of energy transformation and meet the cable sales value and demand of the power grid resilience enhancement project, while striving for orders and business opportunities in the construction industry, industrial plant construction, technology industry plant establishment plans and key civil engineering projects, promoting a new economic model that combines green energy power generation and expanding the green energy industry map.

Since its establishment, the Company has been adhering to its management belief of “integrity and honesty, innovation and advancement” and devoted to optimizing the quality of its products, reinforcing corporate governance and enhancing its long-term competitive advantages and corporate value. The Company has continued to promote corporate ESG sustainable development, and combining corporate social responsibility with business strategies to create sustainable competitiveness. Looking ahead to the coming year, the management team will continue to optimize our core business - wire and cable business, adhere to the innovation-driven, quality-oriented development strategy, launch high value-added products, and actively invest in the technologies required for future growth to promote continued growth and profitability, become a company with growth potential and market leadership, and work together with all colleagues to create more value for shareholders and partners. Thank you.

(II) Budget Implementation: (Showing only the parent company)

Unit: NTD thousand

Item	Budget	Actual	Completion Rate
Operating income	6,487,644	6,579,634	101.42%
Operating cost	(5,489,223)	(5,541,754)	100.96%
Operating gross profit	998,421	1,037,880	103.95%
Operating expense	(235,069)	(239,939)	102.07%
Operating profit	763,352	797,941	104.53%
Non-operating income and expenditure	154,441	145,604	94.28%
Pre-tax income	917,793	943,545	102.81%

The internal budget of 2024 has not been reviewed by the CPAs.

(III) Financial income/expenditure and profitability:

1. Consolidated:

Unit: NTD thousand

Item	2024	2023	Change volume	Change ratio
Net operating income	6,583,904	6,195,025	388,879	6.28%
Net profit (loss) before tax	944,903	756,588	188,315	24.89%
Profit rate	14.35%	12.21%	2.14%	17.53%

2. Individual:

Unit: NTD thousand

Item	2024	2023	Change volume	Change ratio
Net operating income	6,579,634	6,186,918	392,716	6.35%
Net profit (loss) before tax	943,545	754,586	188,959	25.04%
Profit rate	14.34%	12.20%	2.14%	17.54%

(IV) R&D Overview:

1. TUV energy-storage cable:

In response to the rapid development of energy storage systems in the green energy industry, energy storage cables play the role of power transmission in energy storage systems, allowing the grid power supply and load to maintain a stable balance and smoothing the green power output, suitable for satisfying the power transmission needs in high-voltage environments. They can provide reliable and efficient power transmission to maintain the operation of various systems.

2. Low smoke non-toxic gopher and termite resistant cable:

Low smoke non-toxic cables are used for power transmission and distribution in public places such as airports, hospitals, MRT systems, and subways. In addition to having good flame retardancy, low smoke concentration, low corrosion, low halogen, etc., they are also gopher and

termite resistant, extending the service life of the cables and avoiding secondary hazards in electricity use.

3. Ultra-heat resistant aluminum steel-reinforced conductor:

With economic developments, the demand for electricity in our country is increasing each day. Due to rising public opinions, however, it is difficult to increase the power supply capacity by building new overhead power transmission lines now. As such, power transmission lines need to be ultra-heat resistant aluminum steel-reinforced conductors. They are an effective solution to increasing the power transmission current without adding power transmission lines and help effectively address the issue of power transmission lines for offshore green power to be connected to the grid and at the power transmission bottleneck. Taiwan Power Company (TaiPower) has also included the first, second, and third ultra high voltage power transmission line update plans as part of its resilient grid project.

4. Waste reduction, recycling and reuse of materials:

The development of a green supply chain is a major challenge for enterprises. The reuse of waste reduction and recycling materials is to effectively classify and manage source waste, use recycled material remanufacturing technology, and recycle and reuse materials to achieve the purposes of reducing material consumption and waste, and minimize the environmental impacts caused by the product and service processes.

5. With cost-saving and quality enhancement as the guiding directive, other sources of supply are being proactively developed to bring down the risk and to advance operational performance.

II. Overview of 2025 Business Plan:

(I) Management Policy:

1. Precisely standardize the production process for improved yield rate, reinforced competitiveness, and to make a difference for customers because customer is king and create business opportunities.
2. Keep track of inventories of raw materials and supplies and seasonal products; lock in the prices of copper as needed for purchase orders in order to render optimal profits.
3. The government's energy policy is to build a nuclear-free homeland, with the goal of achieving a 50% share of gas and 20% of renewable energy by 2025. However, the goal of 20% of green electricity has been postponed. As the COVID-19 pandemic has affected the development progress of international manufacturers, it is estimated that the proportion of renewable energy will not be achieved until October 2026. In addition to the thermal power plant renewal plan, the demand for green energy-specific cables such as solar energy and offshore wind power continues to increase, and the development and certification of 230kV land cables for the offshore wind power to be combined in the grid are planned.
4. The government's promotion of Energy Transformation 2.0 will cover aspects such as diversified green energy, deep energy conservation and advanced energy storage. According to the program, we will accelerate the development of emerging energy sources such as geothermal energy, hydrogenic energy, biomass energy and ocean energy, and explore related energy business opportunities.
5. Response to the TaiPower project to enhance the resilience of the power grid in order to

comprehensively improve the ability to cope with sudden accidents that occur to the domestic power grid and to get ready for the net zero transformation goal by 2050. Power generated by power plants, in particular, is supplied directly to the Park; therefore, the demand for 345kV cables is high. We are proactively developing and obtaining qualifications for 345kV cables.

6. Proactively devote to the R&D and patent application of new products to realize sustainable corporate management.
7. Reinforce service for the plan to add units in thermal power plants after nuclear power plants are decommissioned while exploring opportunities to work with off-shore wind power and solar power plants and developers in undertaking public and private projects.
8. Support respective urban areas in their demand for development of MRT systems.
9. Consolidate demand-oriented production and strictly control the procurements of raw materials and supplies to reduce inventories, improve the product sales turnover rate, minimize invalid inventories, and reinforce services available for customers so that the needs of customers may be addressed.
10. Proactively fight for various public and private constructions and prioritize traffic, aviation, railway, and highway cases.
11. Expand the deployment of gopher and termite resistant cables to boost advantages in the industry and augment the market share.
12. Proactively get involved in the government's green energy policy and secure related engineering projects.
13. Continue to sell annual distribution network contracts, extend corporate advantages, and augment the market size.
14. Respond to the domestic resilient power grid project, strengthen the future development of the wire/cable business, transfer the land and buildings of the copper clad laminate business to the wire/cable business.
15. Focus on the industry, gain insight into changes in the industrial structure, and continue to improve and innovate in order to expand performance and profits.
16. Carefully assess new business targets or products with a view to maximizing investment benefits, thus achieving new business development.

(II) 2025 Sales and Rationales:

Main product	Sales volume (Annual budget)	Rationale
Power cable	18,586 tons	The quantity is assigned according to the ratio of the product to be sold based on the annual plan.
Bare copper wire	155 tons	
Communication cable	100 tons	Forecasted with the sales of each product over the past few years.
Total	18,841 tons	

(III) Important Production and Sales Policies:

1. Proactively take part in offshore wind power generation plans and form strategic alliance with system developers, E&M service providers, and engineering companies to secure business opportunities for marine and land cables required for offshore wind power generation.
2. Effectively arrange production lead time in order to address the demand for ultra-high voltage

transmission lines of the additional booster stations and feeder stations of TaiPower.

3. Balance between the south and the north in promoting the brand to maximize the customer base and reach out the general public.
4. Proactive take part in various activities held by clients and for technicians and interact with them and provide planning, design, regulations, and budget for reference.
5. Enhance the product turnover rate to fulfill the low inventory goal and bring about optimal interests reflective of customers' needs.
6. Continue to reinforce, expand, and secure solar power photovoltaic, thermal, and water power plant projects.
7. Proactively secure projects from well-known domestic and international electronic technology plants with new constructions to increase profits from high, medium, and low-voltage cables.
8. Strengthen the sales of green and Ecogreen cables to create value for our products and develop project-based customers.
9. Pay attention to information about constructions of plants by returning Taiwanese businesses and secure construction projects in respective technology or science parks.
10. Lead sales by production to proactively develop the market and marketing networks and secure various major public and private projects.

III. Future Development Strategy:

1. Continue to consolidate the main cable business through promotional campaigns from time to time and enhance the domestic market share and the sales of high-profit products to secure the foundation for corporate operation.
2. To nurture and develop new niche-oriented products, improve additional value, and lay the groundwork for sustainable corporate operation.
3. Explore new sales networks by adding distributors in other counties and cities and offshore islands to further corporate advantages and expand the market share.
4. Strengthen project-based services for wind power generation, solar power systems, and related power plant constructions.
5. Expand direct-sale networks and the market share of professional customers in central and southern parts of Taiwan to boost operating income and profit.
6. As part of the government's policy to gradually decommission the nuclear power plant, power-generating units at domestic thermal power plants are being eliminated and replaced and new ones are being added, which has driven up the demand for ultra-high-voltage cables and rubber cables. Eliminate and replace ultra-high voltage cables that are more than 30 years old.
7. In terms of public constructions, addition and extension of MRT lines, Taiwan Railway Administration's stations, substations, airports, and harbors will bring about quite impressive business opportunities in the future. Therefore, their business is also prioritized.
8. Proactively keep track of news about constructions taking place at private corporations, such as petrochemical, iron and steel, and electronics industries, secure public construction projects such as urban renewal, public housing for young people, social housing, among others, and reinforce

the quality of service, bring down the cost, and improve competitiveness.

9. Keep track of the international situation and the economic policies of the government in the future at all times, adjust the sales strategy and research and development of new products, and introduce them into the market to improve profitability of products.
10. Develop new professionals and improve professionalism in order to provide the Company with innovative ideas and increase new developmental opportunities on the market. In addition, make sufficient use of information and computerization to create competitive advantages.
11. Transform digitally, computerize cable design and production process flows, effectively bring down the production cost, build smart manufacturing, and enhance production competitive advantages.

IV. Impacts of External Competitive Environment, Regulatory Environment, and Overall Operating Environment:

1. Segment the market by the attribute of product to avoid price-cutting competition with counterparts.
2. Properly take advantage of the minimal copper mechanism, stabilize relative gross profits, and avoid the volatility risk since the unit price of copper and XLPE, among other primary raw materials, impacts gross profits quite significantly due to fluctuating exchange rates.
3. Develop special cables and green environmentally friendly lead-free cables, among other niche products, to improve gross profits.
4. 2025The demand for green energy is greatly enhanced because of the policy goal of non-nuclear homes by 2025.
5. Reinforce the capabilities to research and develop and sell top-notch products in order to effectively segment the market for improved revenue and profits.
6. Boost the production and manufacturing capabilities of plants, bring down the production cost, and flexibly adjust the sales strategy in response to changes on the market in order to create maximum profits and cope with the extra-market competitive environment.
7. Promote benign competition on the market and adjust the throughput to avoid vicious competition among similar products.

It is my hope that you, as the shareholders, can continue to support and provide guidance to the management of Hong Tai. Thank you.

And I wish you the best in all your endeavors and good health.

Chairman: Chiu Chiang Investment Co., Ltd.

Manager: Li Wen-Pin

Accounting Manager Pan Shao-Ping

Representative: Chen Shi-Yi

B. Corporate Governance Report

I. Profile of Directors, Supervisors, President, Vice President, Senior Vice President, Department Heads, and Heads of Branches:

(I) Director:

1. Director Profile: April 20, 2025

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Commencement date of the first term	Shares held upon inauguration		Number of shares currently held		Number of shares currently held by spouse and underage children		Number of shares held in someone else's name		Main experience (education)	Other current positions within the Company and in other companies	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C	Chiu Chiang Investment Co., Ltd.	--	2022.06.21	3 years	2004.05.28	15,734,514	4.98%	15,734,514	4.98%	0	0%	0	0%	--	--	None	None	None	
		Representative: Chen Shi-Yi	Male 71-75 years old	2022.06.21		1981.10.17	13,622,563	4.31%	13,622,563	4.31%	2,159,485	0.68%	0	0%	Master of Business Administration, California State University, USA National Taiwan University YAMAHA MOTORS CORP USA President of HONG TAI ELECTRIC INDUSTRIAL CO., LTD.	Chairman of Hong Tai Electric Industrial Co., Ltd. (Institutional Representative) Director of Etron Technology, Inc (Institutional Representative) Director of Shenjinyuan Investment Co., Ltd. (Institutional Representative) Director of Southern Star Investment Co., Ltd. (Institutional Representative)	Director	Chen Liang-Hua	First degree of kinship	
Director	R.O.C	Qiqingxin Investment Corporation	--	2022.06.21	3 years	2019.06.13	6,000,000	1.90%	6,000,000	1.90%	0	0%	0	0%	--	--	None	None	None	
		Representative: Chen Chih	Male 36-40 years old	2022.11.11		2022.11.11	449,732	0.14%	323,732	0.10%	0	0%	0	0%	Master of Electrical Engineering, University of Southern California Research Fellow, Yenwen Asset Management Co., Ltd. Vice Head of the Business Planning Center, iCatch Technology, Inc. Vice Head of the Business Planning Center, iCatch Technology, Inc	Director of Safety Investment Co., Ltd. (Institutional Representative)	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Commencement date of the first term	Shares held upon inauguration		Number of shares currently held		Number of shares currently held by spouse and underage children		Number of shares held in someone else's name		Main experience (education)	Other current positions within the Company and in other companies	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C	Jyh Tai Investment Co., Ltd.	--	2022.06.21	3 years	2004.05.28	11,650,029	3.69%	11,972,029	3.79%	0	0%	0	0%	--	--	None	None	None	
		Representative: Chen Liang-Hua	Male 46-50 years old	2022.06.21	3 years	2015.06.29	22,884,153	7.24%	22,884,153	7.24%	6,884,746	2.18%	0	0%	Master of Business Administration, University of California - San Bernardino, USA RHB Hong Kong Limited (RHB Hong Kong) (Former Vice President of Capital Market Department of OSK Securities)	Chief Strategy Officer, Vice President of Investment Division and South Africa Division, Hong Tai Electric Industrial Co., Ltd. Chairman of Chiu Chiang Investment Co., Ltd. Director of Safety Investment Co., Ltd. (Institutional Representative) Supervisor of Raytek Semiconductor, Inc. (Institutional Representative) Chairman of Jyh Tai Investment Co., Ltd. (Institutional Representative) Director of EYS3D Microelectronics, Co. (Institutional Representative) Director of Great Team Backend Foundry, Inc. Director of South Ocean Holdings Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative) Director of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Supervisor of Shiliangze Investment Co., Ltd. Director of Cheng Ta Star Investment Co., Ltd. (Institutional Representative) Supervisor of Yuan Chuang Co., Ltd.	Chairman	Chen Shi-Yi	First degree of kinship	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Commencement date of the first term	Shares held upon inauguration		Number of shares currently held		Number of shares currently held by spouse and underage children		Number of shares held in someone else's name		Main experience (education)	Other current positions within the Company and in other companies	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C	Shinn Bang Investment Co.	--	2022.06.21	3 years	2010.06.15	5,390,500	1.71%	5,390,500	1.71%	0	0%	0	0%	--	--	None	None	None	
		Representative: Pan Shao-Ping	Male 46-50 years old	2022.06.21	3 years	2022.06.21	2,613,593	0.83%	2,613,593	0.83%	0	0%	0	0%	Business Administration of the THUNDERBIRD School of Global Management Assistant Vice President of the Auditing Office of Hong Tai Electric Industrial Co., Ltd.	Chief Operating Officer, Senior Vice President of Management Service Department, Hong Tai Electric Industrial Co., Ltd. Supervisor of Shinn Bang Investment Co. Director of Safety Investment Co., Ltd. (Corporate Representative) Supervisor of Lianfa Metal Enterprise Co., Ltd.(Corporate Representative) Director of Moneywin International Ltd. (Corporate Representative)	None	None	None	
Independent Director	R.O.C	Chao Jang, Jing	Female 71-75 years old	2022.06.21	3 years	2004.05.28	461,913	0.15%	461,913	0.15%	0	0%	0	0%	Master of in Economics, California State University, USA Chief Financial Officer, General Management Department, China Times Media Group Standing directors of China Television Company Supervisor of CTI Television Incorporation	Director, DerMauShin Capital Co., Ltd. Director of China Times Publishing Co. (Institutional Representative) Director of Ardentec Corporation (Institutional Representative) Supervisor of Suhai Design and Production Inc.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Commencement date of the first term	Shares held upon inauguration		Number of shares currently held		Number of shares currently held by spouse and underage children		Number of shares held in someone else's name		Main experience (education)	Other current positions within the Company and in other companies	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	R.O.C	Lu Chih-Yuan	Male 71-75 years old	2022.06.21	3 years	2016.06.21	0	0%	0	0%	0	0%	0	0%	PhD in Physics, Columbia University, USA Deputy General Director of ERSO, ITRI General Manager, Ardentec Corporation President of Vanguard International Semiconductor Corporation	Chairman and ECO of Ardentec Corporation Director and President of Macronix International Co., Ltd. Chairman of GIGA SOLUTION TECH. CO., LTD. (Institutional Representative) Chairman of Sheng Tang Investment Ltd. (Institutional Representative) Chairman of Ardentec Semiconductor., Ltd. (Institutional Representative) Director, Macronix (Hong Kong) Co., Ltd. Board Director, Feng Chia University Director, Ardentec Singapore Pte.Ltd. Director, Ardentec Korea Co., Ltd. Chairman of Macronix America Inc. Director, Macronix Europe NV. Director of Macronix Education Foundation Director of Columbia University Foundation Supervisor of Electronics Devices and Materials Association Director of Sun Yun-suan Foundation	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Commencement date of the first term	Shares held upon inauguration		Number of shares currently held		Number of shares currently held by spouse and underage children		Number of shares held in someone else's name		Main experience (education)	Other current positions within the Company and in other companies	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	R.O.C	Lo Hsueh-Yu	Male 61-65 years old	2022.06.21	3 years	2016.06.21	0	0%	0	0%	0	0%	0	0%	Master of Accounting and Information Technology, National Chung Cheng University Chairman of Grand Fortune Securities Investment Advisory Co., Ltd. President of Grand Fortune Securities Co., Ltd. Executive Vice President of Taiwan International Securities Co., Ltd. Director of Welldone Company. Independent Director of Everfocus Electronics Corp.	Chairman of Tungying International Co., Ltd. Supervisor of Ze Yang Construction Co., Ltd.	None	None	None	

2. Major shareholders of institutional shareholders:

April 20, 2025

Name of institutional shareholder	Primary shareholders of institutional shareholders
Chiu Chiang Investment Co., Ltd.	Chen Tse-Yu (48.82%), Chen Liang-Hua (35.02%), Chen Shi-Yi (2.70%), Hsu Wei-Tzu (6.05%), Chang Chun-Fei (3.80%), Li, Ya-Ming (3.61%).
Qiqingxin Investment Co., Ltd.	Chi Kuei-Hua (100%)
Jyh Tai Investment Co., Ltd.	Chiu Chiang Investment Co., Ltd. (100%)
Shinn Bang Investment CO., Ltd.	Pan Wu-Hsiung (36.90%), Wu Ting-Ying (26.09%), Pan Shao-Ping (25.99%), Pan Hsin-Pin (11.02%).

3. Disclosure of professionalism of directors and independence of independent directors:

Criteria Name	Professionalism and experience (Note 1)	Independence (Note 2)	Number of other public companies with the position of independent director
Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	Master of Business Administration, California State University, USA Current Chairman of Hong Tai Electric Industrial Co., Ltd., director of Etron Technology, Inc, director of Shen Chin Yuan Co., Ltd., director of Southern Star Investment Co., Ltd., with experiences in different industries and various fields in different markets, commercial, legal, finance, accounting, and other work experiences required to support corporate operations, as well as familiarity with industry trends and leadership capabilities. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Qiqingxin Investment Co., Ltd. Representative: Chen Chih	Master of Electrical Engineering, University of Southern California Vice Director at the Operation and Distribution Planning Center, iCatch Technology Inc., with leadership in professional fields and commercial, management, and other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	Master of Business Administration, University of California - San Bernardino, USA With international perspectives and experience with overseas investment markets as well as commercial, legal, finance, accounting, and other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Shinn Bang Investment CO., Ltd. Representative: Pan Shao-Ping	Business Administration of the THUNDERBIRD School of Global Management Having worked for the Company for years and served multiple positions, with commercial, management, finance, accounting or other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None

Criteria Name	Professionalism and experience (Note 1)	Independence (Note 2)	Number of other public companies with the position of independent director
Independent Director Chao Jang, Jing (Convener)	Master of in Economics, California State University, USA Current convener of the Company's Audit Committee and Compensation and Remuneration Committee, as well as Chief Financial Officer of DerMauShin Capital Co., Ltd., with commercial, legal, financial, accounting, and other experiences required to support corporate operations. Certified Public Accountant in the United States, Taiwan and China.	Fulfillment of respective independence criteria below for the two years prior to inauguration and during service: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company of any of its affiliates (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (3) Not a natural person shareholder who, in person or in someone else's name, or whose spouse or underage child holds more than 1% of the Company's outstanding shares or is a Top-10 natural-person shareholder of the Company. (4) Not the spouse or a relative within the second degree of kinship, or a direct blood relative within a third degree of kinship of the manager listed in (1) or the person listed in (2) or (3). (5) Not a director, supervisor, or employee of the institutional shareholder that directly holds at least 5% of outstanding shares of the Company, is one of the Top 5 shareholders of the Company or has a representative to serve as the director or supervisor of the Company in compliance with Article 27 Paragraph 1 or 2 of the Company Act (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (6) Not a director, supervisor, or employee of another company that holds a majority of the Company's director seats or shares with voting rights and is controlled by a single person (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (7) Not a director, supervisor, or employee of a company or institution that has the same chairman, president, or the equivalent position holder as the Company or is owned by the spouse of the person holding the said position (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the company. (Unless the said specific company or institution holds at least 20% and no more than 50% of outstanding shares of the Company and it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over the past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act. (10) Not the spouse or a relative within the second degree of kinship of other directors. (11) Without any of the conditions under Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.	None
Independent Director Chih Yuan Lu	PhD in Physics, Columbia University, USA Deputy General Director of ERSO, ITRI Current Chairman and Chief Executive Officer of Ardentec Technology Inc. and member of the Company's Audit Committee and Compensation and Remuneration Committee, with commercial, legal, finance, accounting, and other work experiences required to support corporate operations, and possesses international perspective, global professional market competition judgment and innovative leadership. He is a state scholar at the industrial, governmental, academic, and research levels at the same time in the semi-conductor sector.		None
Independent Director Hsueh Yu Lo	Master of Accounting and Information Technology, National Chung Cheng University Chairman of Grand Fortune Securities Investment Advisory Co., Ltd. Currently member of the Company's Audit Committee and Compensation and Remuneration Committee, with commercial, legal, financial, accounting, and other experiences required to support corporate operations, specializing in corporate finance and accounting affairs, and possessing rich experience in industrial planning.		None

4. Diversification and independence of the Board of Directors:

According to Article 20 of the Company’s “Corporate Governance Best-Practice Principles”, the composition of the Board of Directors shall be determined by taking diversity into consideration and preparing a suitable diversification policy reflective of its own operation, the operational pattern, and developmental demand. Members of the Board of Directors shall possess the required skills for them to fulfill their duties and in order to accomplish corporate governance, the Board of Directors as a whole shall possess the following capabilities (1) operational judgment, (2) accounting and financial analysis, (3) business management, (4) crisis management, (5) industrial knowledge, (6) international market perspective, (7) leader, and (8) decision-making.

Currently, the Company’s Board of Directors consists of 7 directors, including 3 independent directors and among them is one female director, accounting for 14.3% of all directors. Directors aged between 71 and 80 account for 42.9%, directors aged between 61 and 70 account for 14.3%, directors aged between 41 and 50 account for 28.6%, directors aged between 31 and 40 account for 14.3%, and the average age of all directors is about 60 years old.

Title	Name	Gender	Diversification								
			Operational judgment	Financial and accounting analysis	Business management	Crisis management	Industrial and academic knowledge	International horizon	Leadership ability	Decision-making ability	Industrial experience/ professional skills
Representative of Chiu Chiang Investment Co., Ltd.	Chairman Chen Shi-Yi	Male	V	V	V	V	V	V	V	V	Wire/cable
Representative of Qiqingxin Investment Co., Ltd.	Director Chen Chih	Male	V	V	V	V	V	V			Technology
Representative of Jyh Tai Investment Co., Ltd.	Director Chen Liang-Hua	Male	V	V	V	V		V			Finance and investment
Representative of Shinn Bang Investment Co. Ltd.	Director Pan Shao-Ping	Male	V	V	V	V					Finance and accounting
Independent Director	Chao Jang, Jing	Female	V	V	V	V	V	V	V	V	Finance and accounting
Independent Director	Chih Yuan Lu	Male	V	V	V	V	V	V	V	V	Semi-conductor sector
Independent Director	Hsueh Yu Lo	Male	V	V	V	V				V	Finance and investment

Diversification	Fulfillment of substantial management goals	so far
Gender	Including at least 1 female director	Fulfilled
Expertise or background	At least 1 with the eligibility of an CPA	Fulfilled

If the number of directors of the same gender on the board of directors is less than one-third, the reasons and measures to be taken to improve the gender diversity of directors shall be stated: The term of office has not yet expired. It is expected that one new female independent director will be added in the 2025 re-election.

5. Independence of Board of Directors:

The Company's Board of Directors consists of 7 directors, including 3 independent directors. The Audit Committee, composed of all independent directors, exercises its powers independently.

Among the members of the Board of Directors, except for Chairman Chen Shi-Yi and Director Chen Liang-Hua, who are of the first degree of kinship, the other (5) directors are free of the conditions specified in Article 26-3 Paragraphs 3 and 4 of the Securities and Exchange Act.

All independent directors meet regulatory requirements.

Note 1: Professionalism and experience: Specify the professionalism and experience of individual directors and supervisors. If a member of the Audit Committee possesses accounting or financial expertise, for example, the accounting or financial background and work experience as well as the conceptions in respective sub-paragraphs of Article 30 of the Company Act shall be specified.

Note 2: The independent directors shall describe their independence, including but not limited to whether the directors and their spouses and relatives within second degree serve as directors, supervisors, or employees of the Company or any of its affiliates; the number and proportion of shares of the Company held by the directors and their spouses and relatives within second degree (or in the name of others); whether serving as a director, supervisor, or employee of a company with which the Company has a specific relationship (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

(II) Profile of President, Vice Presidents, Senior Vice Presidents, Department Heads and Heads of Branches:

April 20 2024

Title	Nationality	Name	Gender	Date elected (inaugurated)	Number of shares held		Number of shares held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Current positions held in other companies	Manager who is a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C	Li Wen-Pin	Male	2021.09.07	1,010,000	0.32%	0	0%	0	0%	Department of Electrical Engineering, National Cheng Kung University Assitant Vice President of the Power Cable Division of Hong Tai Electric Industrial Co., Ltd. Vice President	None	None	None	None	
Chief Strategy Officer/Vice President	R.O.C	Chen Liang-Hua	Male	2021.09.14	22,884,153	7.24%	6,884,746	2.18%	0	0%	Master of Business Administration, University of California - San Bernardino, USA RHB Hong Kong Limited (RHB Hong Kong) (Former Vice President of Capital Market Department of OSK Securities)	Chief Strategy Officer, Vice President of Investment Division and South Africa Division, Hong Tai Electric Industrial Co., Ltd. Chairman of Chiu Chiang Investment Co., Ltd. Director of Safety Investment Co., Ltd. (Institutional Representative) Supervisor of Raytek Semiconductor, Inc. (Institutional Representative) Chairman of Jyh Tai Investment Co., Ltd. (Institutional Representative) Director of EYS3D Microelectronics, Co. (Institutional Representative) Director of Great Team Backend Foundry, Inc. Director of South Ocean Holdings Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative) Director of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Supervisor of Shiliangze Investment Co., Ltd. Director of Cheng Ta Star Investment Co., Ltd. (Institutional Representative) Supervisor of Yuan Chuang Co., Ltd.	None	None	None	
Chief Operation Officer/Vice President (Head of Finance and Accounting)	R.O.C	Pan Shao-Ping	Male	2021.09.07	2,613,593	0.83%	0	0%	0	0%	Business Administration of the THUNDERBIRD School of Global Management Assistant Vice President of the Auditing Office of Hong Tai Electric Industrial Co., Ltd.	Chief Operating Officer, Senior Vice President of Management Service Department, Hong Tai Electric Industrial Co., Ltd. Supervisor of Shinn Bang Investment Co. Director of Safety Investment Co., Ltd. (Corporate Representative) Supervisor of Lianfa Metal Enterprise Co., Ltd. (Corporate Representative) Director of Moneywin International Ltd. (Corporate Representative)	None	None	None	

III. Remuneration paid to Directors (including Independent Directors), Supervisors, President, and Vice Presidents in Recent Years:

(I) Remuneration for general directors and independent directors (overview and range, with disclosure of the name):

Unit: NTD thousand

Title	Name	Remuneration for directors								Sum of A+B+C+D and its ratio to after-tax net profit (Note 10)		Related remuneration for those who are also employees of the Company								Sum of A+B+C+D+E+F+G and its ratio to after-tax net profit (Note 10)		Remuneration received from reinvestments other than subsidiaries or the parent company (Note 11)
		Remuneration (A)(Note 2)		Severance pay and pension (B)		Remuneration for directors (C) (Note 3)		Business expenses (D)(Note 4)				Salaries, bonuses, allowances, etc. (E)(Note 5)		Severance pay and pension (F)		Remuneration for employees (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 (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 (Note 7)			
Chairman	Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	0	0	0	0	29,231	29,231	480	480	29,711	29,711	12,117	12,117	284	284	1,738	0	3,619	0	43,850	45,731	None
Director	Qiqingxin Investment Co., Ltd. Representative: Chen Chih																					
Chief Strategy Officer / Vice President	Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua																					
Chief Operation Officer / Vice President	Shinn Bang Investment Co. Representative: Pan Shao-Ping																					
Independent Director	Chao Jang, Jing	1,920	1,920	0	0	1,875	1,875	360	360	4,155	4,155	0	0	0	0	0	0	0	0	4,155	4,155	None
Independent Director	Chih Yuan Lu																					
Independent Director	Hsueh Yu Lo																					

- Please clarify the payment policy, system, criteria, and structure of remuneration for independent directors and the association between factors such as responsibilities assigned, risks, and time spent, among others, and the value of the rewards paid:
Article 19 of the Company's Articles of Incorporation stipulates that directors of the Company may receive compensation unaffected by profits or losses according to their involvement in and their contributions to the Company's operation. The industrial standards may be referred to. Such compensation is determined by the Board of Directors as authorized after it is deliberated by the Compensation and Remuneration Committee.
Article 21 of the Company's Articles of Incorporation stipulates that: no more than 3% of the annual earnings shall be the remuneration for directors.
- Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g. acting as a non-employee consultant of the parent company/all companies covered in the financial statements/investees) rendered to the Company: 0

Remuneration bracket table

Bracket by which remuneration is paid to individual directors of the Company	Name of Director			
	Sum of the first four types of remuneration (A+B+C+D)		Sum of the first seven types of remuneration (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 \$1,000,000.00				
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	Independent Director: Chao Jang, Jing Independent Director: Chih Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Chao Jang, Jing Independent Director: Chih Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Chao Jang, Jing Independent Director: Chih Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Chao Jang, Jing Independent Director: Chih Yuan Lu Independent Director: Hsueh Yu Lo
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)				
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)				
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	General director: Chiu Chiang Investment - Chen Shih-Yi General director: Qiqingxin Investment - Chen Chih General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Chiu Chiang Investment - Chen Shih-Yi General director: Qiqingxin Investment - Chen Chih General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Qiqingxin Investment - Chen Chih	General director: Qiqingxin Investment - Chen Chih
\$10,000,000.00 (inclusive) to \$15,000,000 (exclusive)			General director: Chiu Chiang Investment - Chen Shih-Yi General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Chiu Chiang Investment - Chen Shih-Yi General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping
\$15,000,000.00 (inclusive) to \$30,000,000 (exclusive)				
\$30,000,000.00 (inclusive) to \$50,000,000 (exclusive)				
\$50,000,000.00 (inclusive) to \$100,000,000 (exclusive)				
Greater than NT\$100,000,000				
Total	7	7	7	7

(II) Remuneration for supervisors (overview and range, with disclosure of the names):

The Company re-elected its directors and established an Audit Committee on June 21, 2016; no supervisor has been set up.

(III) Remuneration for the General Manager and Vice General Manager (overview and range, with disclosure of the names): Unit: NTD thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses, allowances, etc. (C) (Note 3)		Employee remuneration (D)(Note 4)				Sum of A+B+C+D and its ratio to after-tax net profit (%) (Note 8)		Remuneration received from reinvestments other than subsidiaries or the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Chen Shi-Yi	8,538	8,538	392	392	10,549	12,427	2,631	0	2,631	0	22,110 2.9358%	23,988 3.1852%	None
President	Li Wen-Pin													
Chief Strategy Officer/Vice President	Chen Liang-Hua													
Chief Operation Officer/Vice President	Pan Shao-Ping													

Remuneration bracket table

Bracket by which remuneration is paid to individual General Managers and Vice General Managers of the Company	Name of General Manager and Vice General Manager	
	The Company(Note 6)	All companies in the financial statements(Note 7) E
Below \$1,000,000.00		
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)		
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)	Chen Liang-Hua	
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)	Pan Shao-Ping	Chen Liang-Hua, Pan Shao-Ping
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	Chen Shi-Yi, Li Wen-Pin	Chen Shi-Yi, Li Wen-Pin
\$10,000,000.00 (inclusive) to \$15,000,000 (exclusive)		
\$15,000,000.00 (inclusive) to \$30,000,000 (exclusive)		
\$30,000,000.00 (inclusive) to \$50,000,000 (exclusive)		
\$50,000,000.00 (inclusive) to \$100,000,000 (exclusive)		
Greater than NT\$100,000,000		
Total	4	4

(IV) Names of managers to whom employee remuneration is distributed and distribution status:

Unit: NTD thousand

	Title(Note 1)	Name(Note 1)	Stock value	Cash value	Total	Ratio of the sum to after-tax net profit(%)
Manager	Chairman	Chen Shi-Yi	0	2,631	2,631	0.3493%
	President	Li Wen-Pin				
	Chief Strategy Officer / Vice President	Chen Liang-Hua				
	Chief Operation Officer / Vice President	Pan Shao-Ping				

Note 1: The name and title of the individual shall be disclosed yet distribution of profits may be disclosed in an overview.

Note 2: It is the employee remuneration (including stock and cash) distributed to managers through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. After-tax net profit refers to that in the most recent year; when the International Financial Reporting Standards are already adopted, after-tax net profit refers to that shown in the individual financial statements of the most recent year.

Note 3: The scope of applicability for managers is based on the Taiwan-Finance-Securities-III-0920001301 letter dated March 27, 2003 and is defined as follows:

- (1) President and equivalent
- (2) Vice President and equivalent
- (3) Senior Vice President and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other people entitled to corporate administration and with the right to sign on behalf of the Company

Note 4: If directors, general managers, and vice general managers receive employee remuneration (including stock and cash), besides Exhibits 1-2, this table needs to be completed, too.

- (V) Related information of remuneration paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement over the past two years:

1. Analysis of the ratio to after-tax net profit:

Title	2024	2023
	Ratio of the sum of remuneration paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement	Ratio of the sum of remuneration paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement
Director	6.62%	6.49%
Supervisor	0%	0%
President and Vice President	3.18%	4.29%

Notes: After-tax net profit refers to that in the most recent year; when the International Financial Reporting Standards are already adopted, after-tax net profit refers to that shown in the individual financial statements of the most recent year.

2. Correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future:

(1) Remuneration for directors:

Articles of Incorporation 21 of the Company stipulates that no more than 3% of annual earnings, if any, shall be set aside to be the remuneration to directors. With reference to the Company's operational strategy, operating performance, future developments, and the industrial setting as well as their involvement in and contribution to corporate operations, directors are provided with reasonable remuneration. In addition, in accordance with the "rules for performance evaluation of the board of directors", a board performance evaluation shall be conducted at the end of each year. The directors' self-evaluation items include: six aspects which are the mastery of Company goals and duties, the awareness of director responsibilities, the degree of participation in company operations, the internal relationship management and communication, the profession and continuing education of directors, and the internal control. The "Board of Directors Performance Evaluation Results" for each year will be provided to the Compensation and Remuneration Committee as a reference for individual director's compensation, which will be reviewed by the Compensation and Remuneration Committee on a regular basis. A proposal will be made and submitted to the Board of Directors for approval before it is enforced.

The operating performance in 2024 increased compared to that in 2023, with an increase of approximately 60% in EPS (earnings per share after tax). Therefore the remuneration for directors in 2024 also increased compared to that in 2023.

(2) Remuneration for managers:

The overall compensation of the Company's managers shall be approved by the

Compensation and Remuneration Committee at the time of appointment. The composition of the compensation mainly consists of salaries, bonuses, employee compensation, etc., and the assessment is made based on job content, market salary level and other factors, so as to ensure that the compensation of the Company's management is competitive in the industry in order to retain outstanding management talent. In addition, if the company makes a profit in the current year, 2% to 8% will be set aside as employee remuneration in accordance with Article 21 of the Company's Articles of Incorporation. In addition to salary, the distribution of rewards take into account their contribution, including: 1. Contribution of each business unit to the company's income statement and the target achievement rate. 2. Overall management operations and risk control capabilities. 3. Contribution to the future development of the Company. After calculation, the Compensation and Remuneration Committee will review it and make recommendations, which will be implemented after approval by the Board of Directors to recognize and reward the managers' efforts and contributions at work.

The Company's remuneration package, which is determined in accordance with the rules and regulations of the Compensation and Remuneration Committee, consists of cash compensation, stock options, stock dividends, retirement or termination benefits, various allowances, and other substantial incentives. The scope of remuneration is in line with relevant directors' and managers' remuneration as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

IV. Operational Status of Corporate Governance:

(I) Information on the Operational Status of the Board of Directors:

The Board of Directors met 6 times over the past year (2024) (A) and attendance (seating) of directors in the meetings is shown below:

Title	Name(Note 1)	Attendance in person B	Attendance by proxy	Ratio of attendance in person (%) [B/A](Note 2)	Remarks
Chairman	Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	6	0	100%	Re-elected
Director	Qiqingxin Investment Co., Ltd. Representative: Chen Chih	6	0	100%	Re-elected
Director	Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	6	0	100%	Re-elected
Director	Shinn Bang Investment CO., Ltd. Representative: Pan Shao-Ping	6	0	100%	Re-elected
Independent Director	Chao Jang, Jing	6	0	100%	Re-elected
Independent Director	Chih Yuan Lu	4	2	67%	Re-elected
Independent Director	Hsueh Yu Lo	6	0	100%	Re-elected

Other details to be documented:

- I. The date and session number of the meeting of the Board of Directors, proposal contents, opinions of all Independent Directors, and Action's reactions towards Independent Director's opinions shall be specified in case of the following conditions in respect of the operation of the Board of Directors:
- (I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has the Audit Committee in place; the requirement under Article 14-3 of the Securities and Exchange Act does not apply according to Article 14-5 of the Securities and Exchange Act.
- (II) Besides those stated above, other matters decided through the Board of Directors meeting, for which Independent Directors expressed opposition or qualified opinions that were recorded or declared in writing: None
- II. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described:
- In the 12th meeting of the 23rd Board of Directors on March 22, 2024, the manager personnel change of the Company was discussed. Director Chen Liang-Hua and Director Pan Shao-Ping were stakeholders and, in honor of the recusal principle in case of conflicting interests, did not take part in the discussion and voting session and were disallowed to exercise voting rights on behalf of other directors. The proposal was approved as proposed after consultation with the other attending directors without objection by the Chairman.
- In the 13th meeting of the 23rd Board of Directors on May 10, 2024, the distribution of managers' remuneration and the remuneration policies of the Company were discussed. Chairman Chen Shi-Yi, Director Chen Liang-Hua, and Director Pan Shao-Ping in attendance were recused director's first-degree blood relatives and had interested relationship with company managers, respectively, and, in honor of the recusal principle in case of conflicting interests, did not take part in the discussion and voting session and were disallowed to exercise voting rights on behalf of other directors. The proposal was approved as proposed after consultation with the other attending directors without objection by Chao Jang, Jing, the acting chairman appointed by the chairman and an independent director.
- In the 16th meeting of the 23rd Board of Directors on December 20, 2024, the distribution of managers' year-end bonus and the remuneration policies of the Company were discussed. Chairman Chen Shi-Yi, Director Chen Liang-Hua, and Director Pan Shao-Ping in attendance were recused director's first-degree blood relatives and had interested relationship with company managers, respectively, and, in honor of the recusal principle in case of conflicting interests, did not take part in the discussion and voting session and were disallowed to exercise voting rights on behalf of other directors. The proposal was approved as proposed after consultation with the other attending directors without objection by Chao Jang, Jing, the acting chairman appointed by the chairman and an independent director.
- III. TWSE/TPEX listed companies shall disclose the evaluation cycle and duration, and scope, approach, and content of the evaluation, among other information, of the reviews performed independently by the Board of Directors or peer reviews and complete the implementation status of Board of Directors reviews in Exhibit 2 (2):

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Details of evaluation
Once a year	January 1, 2024 through December 31, 2024	1. Board of Directors as a whole 2. Composition Functional Committees (Audit Committee and Compensation and Remuneration Committee)	Self-evaluation inside the Board of Directors	Board of Directors Performance Evaluation: 1. Participation in Company operations 2. Improving decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control
				Board Directors Performance Evaluation: 1. Familiarity with the goals and missions of the Company 2. Recognition of duties as Directors 3. Participation in Company operations 4. Management of internal relations and communication 5. Directors' professionalism and continuing education 6. Internal control
				Functional committee performance evaluation: 1. Participation in Company operations 2. Awareness of the responsibilities of functional committee 3. Improving decision-making quality of functional committee 4. Composition of functional committee and selection of its members 5. Internal control
At least once every three years	January 1, 2022 through December 31, 2022	1. Board of Directors as a whole 2. Composition 3. Functional Committees (Audit Committee and Compensation and Remuneration Committee)	The evaluation was performed by the authorized external professional independent institution "EY Business Advisory Services Inc."	Evaluated domain: 1. Board of Directors structure and procedure 2. Members of the Board of Directors 3. Legal entity and organizational structure 4. Roles and responsibilities 5. Behavior and culture 6. Director training and development 7. Risk control supervision 8. Filing, disclosure, and performance supervision - 8 domains in total (Note)

Notes: The external evaluator conducted the evaluation through questionnaires, written review, and site visits that covers 3 major constructs, namely the structure, members, procedure and information of the Company's Board of Directors and 8 major domains, namely the Board of Directors structure and procedure, members of the Board of Directors, legal entity and organizational structure, roles and responsibilities, behavior and culture, director training and development, risk control supervision, and filing/disclosure and performance supervision.

IV. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:

- (I) In order to implement corporate governance and to promote the functionality of the Company's Board of Directors, define performance goals, and reinforce the operation of the Board of Directors, the self-evaluation is performed each year and an external evaluation is performed by a professional independent contractor at least once every three years (which already took place in 2022). The self-evaluation performed on the members of the Board of Directors and functional committees as a whole in 2024 rendered optimal results and no major items requiring improvement. Results of the internal evaluation was brought forth in the Board of Directors meeting on March 21, 2025. Related information has been uploaded to the Market Observation Post System, too.
- (II) Since the re-election during the shareholders' meeting in June 2016, the Audit Committee has been in place. It consists of all independent directors and meets at least once quarter to review financial reports of the Company, the hiring (dismissal) and compensation of CPAs, the effectiveness of internal control and the applicable regulatory rules. The Audit Committee met 5 times in 2024. Related personnel were seated during meetings to answer questions and discuss related operations. Communications have been going on well. Annual work highlights are as follows:
1. The adoption of or amendments to the 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. Implementation or amendment of guidelines for major financial operations including asset acquisition and disposal, trading derivatives, lending funds to other parties, and making of endorsement and guarantees for other parties pursuant to Article 36-1 of the Securities and Exchange Act.
 4. Matters in which a director is an interested party.
 5. Asset transactions or derivatives trading of a material nature.
 6. Loans of funds, endorsements, or provision of guarantees of a material nature.
 7. The offering, issuance, or private placement of equity-type securities.
 8. The hiring or dismissal of a certified public accountant, or their compensation.
 9. The appointment or discharge of a financial, accounting, or internal audit officer.

10. Annual and semiannual financial statements.

11. Other material matters as may be required by this Corporation or by the competent authority.

(III) Proactively provide information on various continuing education courses and encourage directors to participate in corporate governance courses to enhance the role as Board members. In 2024, 7 directors participated in continuing education for a total of 54 hours, with an average of 7.7 hours of study per director.

(IV) Amendments to the Company's "Corporate Governance Best Practice Principles" to prohibit insiders of the Company from trading in securities using unpublished information in the market. The Company's directors are prohibited from trading in shares during the closed periods of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.

(II) Operations of the Audit Committee:

The Committee met 5 times (A) over the past year (2024) and attendance (seating) of independent directors in the meetings is shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Ratio of attendance in person (%) (B/A)(Note)	Remarks
Independent Director	Chao Jang, Jing	5	0	100	Re-elected
Independent Director	Chih Yuan Lu	4	1	80	Re-elected
Independent Director	Hsueh Yu Lo	5	0	100	Re-elected

Other details to be documented:

I. When the operation of the Audit Committee is found with one of the following conditions, the date, session No., details of proposals, objection, qualified opinion or significant recommendation from independent directors, decisions made by the Audit Committee, and how the Company addressed opinions from the Audit Committee in the Audit Committee meeting shall be stated.

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

Audit Committee	Agenda and follow-up	Matters specified in Article 14-5 of the Securities and Exchange Act	Objection, qualified opinion or significant recommendation from independent directors
Ninth meeting of the 3rd Audit Committee on March 22, 2024	1. 2023 Individual Financial Statements and Consolidated Financial Statement.	V	None
	2. 2023 Business Report.	V	None
	3. 2023 Distribution of Earnings.	V	None
	4. 2023 Review Report from the Audit Committee.	V	None
	5. 2024 CPA Replacement, Delegation Reward and Suitability/Independence Assessment.	V	None
	6. 2023 "Internal Control System Effectiveness Evaluation" and "Internal Control System Statement".	V	None
	Decisions made on March 22, 2024 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		
Tenth meeting of the 3rd Audit Committee on May 10, 2024	1. 2024 Q1 Consolidated Financial Statement.	V	None
	Decisions made on May 10, 2024 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		
Eleventh meeting of the 3rd Audit Committee on August 12, 2024	1. 2024 Q2 Consolidated Financial Statement.	V	None
	Decisions made on August 12, 2024 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		

Audit Committee	Agenda and follow-up	Matters specified in Article 14-5 of the Securities and Exchange Act	Objection, qualified opinion or significant recommendation from independent directors
Twelfth meeting of the 3rd Audit Committee on November 8, 2024	1. 2024 Q3 Consolidated Financial Statement.	V	None
	2. Proposal to add the "Regulations on the Preparation and Verification of ESG Reports"	V	None
	Decisions made on November 8, 2024 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		
Thirteenth meeting of the 3rd Audit Committee on December 20, 2024	1. 2025 Internal Audit Plan.	V	None
	Decisions made on December 20, 2024 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		
Fourteenth meeting of the 3rd Audit Committee on March 21, 2025	1. 2024 "Internal Control System Effectiveness Evaluation" and "Internal Control System Statement".	V	None
	2. 2024 Individual Financial Statements and Consolidated Financial Statement.	V	None
	3. 2024 Business Report.	V	None
	4. 2024 Distribution of Earnings.	V	None
	5. 2025 CPA Delegation Reward, Pre-agreed Non-Assurance Services, and Suitability/Independence Assessment.	V	None
	6. 2024 Review Report from the Audit Committee.	V	None
	Decisions made on March 21, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		
fifteenth meeting of the 3rd Audit Committee on May 9, 2025	1. 2025 Q1 Consolidated Financial Statement.	V	None
	Decisions made on May 9, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.		
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.		

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors. There was no conflict of interest.

II. Details, including names of independent directors, proposals, reasons for conflict of interest, and voting, of circumstances where independent directors recuse themselves due to conflict of interest: There was no conflict of interest.

III. Communications between the independent directors and the head of internal audit and the CPAs (on important matters concerning the Company's financial and business conditions, the approach and the outcome, etc.)

(I) Internal Audit Officer:

☐ The Audit Officer periodically submits the audit report to be reviewed by respective independent directors on a monthly basis and calls for internal control deficiency reflection workshops each year to discuss related internal control issues.

The Audit Officer attended and was seated in all six Board of Directors meetings in 2024 where he/she reported to independent directors in person the audit status and how improvements were being tracked.

The Audit Officer attended and was seated in two of the Audit Committee meetings in 2024 where he/she reported to the independent directors in person results of internal control self-assessments and the procedure for preparing the Internal Audit Plan.

Date	Summary of communication highlights	Opinions from independent directors	Remarks
2024/03/22	Summary Report of Deficiencies Found in 2023 Internal Control Self-assessment and Audit.	No other opinions from independent directors.	Internal Control Deficiency Reflection Workshop (separate meeting)
2024/03/22	1.Report on 2023 Internal Control Self-assessment Findings. 2.Formulation of internal control system declaration.	The proposal was approved as is unanimously.	Audit Committee and Board of Directors
2024/03/08 2024/03/22 2024/05/10 2024/08/12 2024/11/08 2024/12/20	1.Report on implementation status of audits and tracking of improvements each month.	No other opinions from independent directors.	Board of Directors
2024/12/20	1. Report on the preparation of the 2025 Internal Audit Plan.	The proposal was approved as is unanimously.	Audit Committee and Board of Directors

(II) CPAs:

1. One separate communication with CPAs took place at least once a year.
2. CPAs are invited to attend Audit Committee meetings to communicate with independent directors face to face on matters such as the accounting system, internal control, operational status, and financial statement audit / review results.
3. Independent directors may communicate with the CPAs directly if necessary and may call for a meeting at any time in case of any major abnormality.

Date	Summary of communication highlights	Opinions from independent directors	Remarks
2024/03/22	1. Prior Consent of CPAs' Independence and Non-Assurance Services 2. Implementation and Outcome of Internal Control Tests 3. Key Audit Matters 4. 2023 Parent Company-only and Consolidated Financial Statements and Expected Audit Opinions 5. Analysis of Major Financial Data 6. Description on Audit Quality Indicators (AQI) 7. Related laws and regulations that are updated	Noted; no other recommendations	Audit Committee
2024/05/10	1. Review of the Financial Statements for the first quarter of 2024 Related laws and regulations that are updated	Noted; no other recommendations	Audit Committee
2024/08/12	1. Review of the Financial Statements for the second quarter of 2024 Related laws and regulations that are updated	Noted; no other recommendations	Audit Committee
2024/11/10	1. Independence of CPAs 2. Analysis of Major Financial Data 3. Securities regulations that are updated 4. Tax regulations that are updated	Noted; no other recommendations	Separate workshop between independent directors and CPAs
2024/11/10	1. Review of the Financial Statements for the third quarter of 2024 2. Related laws and regulations that are updated	Noted; no other recommendations	Audit Committee
2024/12/20	1. Scope of audit and strategies adopted for 2024 Financial Statements 2. Implementation strategy for the internal control test 3. Key Audit Matters 4. Audit item and schedule 5. CPAs' change of schedule	Noted; no other recommendations	Audit Committee

IV. Overview and highlights of tasks performed throughout the year:

(I) The Audit Committee works mainly to supervise the following:

1. Adequate expression of the Company's financial statements.
2. Selection (Dismissal) and independence and performance of CPAs.
3. Effective implementation of corporate internal control.
4. Corporate compliance with related laws and regulations and rules.
5. Control over current or potential risks for the Company.

(II) The Audit Committee met 5 times in total in 2024. Highlights of tasks already completed this year are as follows:

1. Assessment of the effectiveness of the internal control system.
2. Annual and quarterly financial statements.
3. Delegation and compensation of CPAs.
4. Suitability and independence of CPAs.
5. Approved the amendment of "Regulations on the Preparation and Verification of Sustainability Reports".
6. Other material matters as may be required by this Corporation or by the competent authority.

Notes: *In the event that independent directors resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The ratio of attendance in person (%) is calculated by the number of Audit Committee meetings held during service and the attendance in person.

*In the event that independent directors are re-elected before the end of a fiscal year, both the new and old independent directors shall be listed and whether one is new or old or is serving a second term and the date of the re-election shall be indicated in the remarks field. The ratio of attendance in person (%) is calculated by the number of Audit Committee meetings held during service and the attendance in person.

(III) Corporate governance status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons:

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company prepared its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed them on the Market Observation Post System and the Company's website.	Compliant.
II. Shareholding structure and shareholders' rights (I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures?	V		(I) The Company has a responsible unit for stock affairs and a spokesperson system to address related issues. For legal questions, if any, they will be handled by the Legal Office.	Compliant.
(II) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	V		(II) The Company does have a list of major shareholders that have control over the Company and the ultimate owners of these major shareholders and disclose it as required by law.	Compliant.
(III) Has the company established and implemented risk management and firewall mechanisms with its associated enterprises?	V		(III) 1.The finance of the Company and that of each of the affiliates are separate from each other. 2. The Company follows applicable laws and regulations and has prepared the "Regulations for the Supervision and Management of Subsidiaries" and the "Regulations Governing Transactions with Related Parties" and enforces them.	Compliant.
(IV) Has the company established internal rules against insiders trading with undisclosed information?	V		(IV) The Company has prepared the "Regulations Governing the Prevention against Insider Trading" to prevent against insider trading.	Compliant.
III. Composition and Duties of the Board of Directors (I) Does the Board of Directors have a diversification policy, substantial management objectives in place and	V		(I) The Corporate Governance Best Practice Principles of the Company have already defined the diversification policy with	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
enforce them?			regard to the composition of the Board of Directors. During the 2022 re-election of directors, the Company honored that diversification essence while recommending and electing directors and enforced the gender equity policy to include female directors. (Independent) Directors of the Company specialize in their respective fields and contribute to the Company's developments and operations to a certain extent.	
(II) In addition to establishing a Compensation and Remuneration Committee and an Audit Committee, which are required by law, is the Company willing to also voluntarily establish other types of functional committees?	V		(II) The Company has set up the Compensation and Remuneration Committee and the Audit Committee as required by law and the remainder of corporate governance is the responsible of each department reflective of its function. Other functional committees will be set up following evaluation as needed in the future.	No major difference.
(III) Does the Company devise Board of Directors Performance Evaluation Guidelines and the evaluation method, periodically perform the evaluation each year and submit findings from the performance evaluation to the Board of Directors, and apply them while deciding the compensation and remuneration for individual directors and whether or not to continue nominating and electing a specific director?	V		(III) The Company has defined its Rules for Performance Evaluation of the Board of Directors and related evaluations are performed as required by the Rules.	Compliant.
(IV) Does the Company periodically evaluate the level of independence of the CPA?	V		(IV) The Company evaluates the independence and suitability of the CPAs annually. In addition to requesting the CPAs to provide a "Declaration of Independence" and "Audit Quality Indicators (AQIs)", it also evaluates their independence and suitability in	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			accordance with the criteria set out in the evaluation report (refer to the table on page 42)The Company confirmed that the CPAs have no other financial interests and business relationships with the Company except for the fees of certification and tax cases, and that there are no second-degree relationships between the CPAs and the management. The CPAs and the firm have a certain level of audit experience, training hours, and quality control with reference to the AQIs. The evaluation in 2024 was discussed by the Audit Committee and the Board of Directors on March 22, 2024. It was resolved that the appointed CPAs had passed the evaluation of suitability and independence and were qualified to act as the Company's CPAs.	
IV. Does the Company listed on the TWSE or TPEX have a suitable number of competent corporate governance staff in place to take charge of corporate governance-related affairs (including without limitation providing information necessary for directors and supervisors to perform their duties, helping directors and supervisors comply with laws and regulations, organizing board meetings and general shareholders' meetings, handling business registration and any change of registration, and compiling minutes of board meetings and general shareholders' meetings)?	V		<ol style="list-style-type: none"> 1. The director of the Secretary of the Board serves as the Corporate Governance Officer of the Company. 2. The Company has the Secretary of the Board in place to provide directors with the information required for them to perform duties, address matters related to Board meetings and shareholders' meetings and prepare meeting minutes as required by law. The Company has a responsible unit to take care of registrations for the Company. 	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
V. Has the Company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholder area on the company website, as well as appropriately responded to important corporate and social responsibility issues of concern to stakeholders?	V		The Company has set up an exclusive section on its website for stakeholders and one for investors to adequately respond to important issues concerning stakeholders. The Company also reported on communication with stakeholders at the meeting of the Board of Directors on May 10, 2024.	Compliant.
VI. Has the Company hired a professional agency to handle tasks and issues related to holding the shareholder's meeting?	V		The Company authorizes the professional agency, Grand Fortune Securities Co., Ltd., to take care of respective stock affairs and there are the Regulations on Shareholders Service in place to govern related affairs.	Compliant.
VII. Disclosure of Information				
(I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		(I) The company has, on its website (www.hong-tai.com.tw), disclosed its financial business and corporate governance information.	Compliant.
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	V		(II) The Company has assigned professionals to take charge of the collection and disclosure of information about the Company and has enforced the spokesperson system. In 2024, it also held the institutional investor conference and released related data as required.	Compliant.
(III) Does the Company announce and file annual financial statements within two months after the end of each fiscal year and announce and file financial statements for the first, second, and third quarters and operations in each month before the given deadline?	V		(III) The Company announces self-audited annual financial information 75 days after the end of each fiscal year and announces and files financial statements for the year and first, second, and third quarters and revenue in each month before the given deadline. Advancing the announcement of annual statements to within two months will be evaluated as needed.	Compliant

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII.Does the Company have other information that contributes to better understanding of its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)?	V		<p>1.Currently, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies established by the competent authority are referred to in principle and applicable laws and regulations are followed.</p> <p>2.The Company spontaneously arranges respective directors to receive continuing education relevant to corporate governance, finance, commerce, auditing, or law, among others, and disclose the information and upload it at the same time.</p> <p>3.The Company has already included the purchase of liability insurance for directors as part of its Articles of Incorporation and purchases liability insurance for its directors and important staff each year that is worth USD 5,000,000.00 in order to protect the rights of all shareholders and to reduce the operational risk for the Company. The latest insurance covers the period from August 21, 2024 to August 21, 2025, which was brought forth during the Board meeting on August 12, 2024 and was approved. Its implementation was presented during the Board meeting on November 8, 2024.</p> <p>4. The Company prepares respective systems and measures, such as the Employee Retirement System, group insurance for employees and their dependents, and employee educational training that takes place periodically or from time to time.</p> <p>5. The Company also sets up Investor Service on its website to facilitate inquiries from shareholders and updates it adequately.</p> <p>6. Supplier Relations: The Company has been maintaining optimal</p>	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>relations with its suppliers.</p> <p>7. Stakeholders' Rights: Stakeholders may communicate bilaterally with the Company and provide the Company with advice in order to protect the legitimate benefits that both parties are entitled to.</p> <p>8. Attendance of Directors in Board Meetings: The Company notifies all directors of news about Board meetings as required and their attendance and seating in the meetings have been optimal. Such information is disclosed and uploaded concurrently.</p> <p>9. Implementation of Risk Management Policies and Risk Assessment Criteria: The internal control system and respective important management regulations of the Company need to be approved through Board meetings and be enforced accordingly and the Risk Management Meeting is called for periodically.</p> <p>10. Implementation of Customer Policies: Customer satisfaction surveys are conducted in respective business locations from time to time by respective departments and the customer complaint management mechanism is established accordingly to protect the rights of customers.</p>	

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
IX. Explain the improved conditions regarding the results of the corporate governance assessment issued by the corporate governance center of Taiwan Stock Exchange Corporation over the past year and propose priorities and measures for improving the condition not improved yet. (Not required if the Company is not included in the assessment) The Company was rated among top 51%-65% in 2024. In the future, for items with points lost, efforts will be continued to evaluate room for improvement in order to reinforce its corporate governance capability and to enhance information transparency for the sake of ensuring the rights of shareholders.				

Note 1: With “Yes” or “No” checked, the operational status shall be specified in the “Summary” field.

(IV)Composition, Duties, and Operation of the Compensation and Remuneration Committee:

1.Profile of Compensation and Remuneration Committee Members:

Member type (Note 1)	Criteria Name	Professionalism and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member also serves as a member of their compensation and remuneration committee
Independent Director (Convener)	Chao Jang, Jing	Master of in Economics, California State University, USA Currently, Convener of the Company’s Audit Committee and Compensation and Remuneration Committee, with commercial, legal, financial, accounting, and other experiences required to support corporate operations, an international CPA, holder of a national certificate after having passed a national exam.	Fulfillment of respective independence criteria below for the two years prior to inauguration and during service: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company of any of its affiliates (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations) (3) Not a natural person shareholder who, in person or in someone else’s name, or whose spouse or underage child holds more than 1% of the Company’s outstanding shares or is a Top-10 natural-person shareholder of the Company. (4) Not the spouse or a relative within the second degree of kinship, or a direct blood relative within a third degree of kinship of the manager listed in (1) or the person listed in (2) or (3). (5) Not a director, supervisor, or employee of the institutional shareholder that directly holds at least 5% of outstanding shares of the Company, is one of the Top 5 shareholders of the Company or has a representative to serve as the director or supervisor of the	None
Independent Director	Chih Yuan Lu	PhD in Physics, Columbia University, USA Deputy General Director of ERSO, ITRI Current Chairman and Chief Executive Officer of Ardentec Technology Inc. and member of the		None

		<p>Company's Audit Committee and Compensation and Remuneration Committee, with commercial, legal, finance, accounting, and other work experiences required to support corporate operations, and possesses international perspective, global professional market competition judgment and innovative leadership. He is a state scholar at the industrial, governmental, academic, and research levels at the same time in the semi-conductor industry.</p>	<p>Company in compliance with Article 27 Paragraph 1 or 2 of the Company Act (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(6) Not a director, supervisor, or employee of another company that holds a majority of the Company's director seats or shares with voting rights and is controlled by a single person (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(7) Not a director, supervisor, or employee of a company or institution that has the same chairman, president, or the equivalent position holder as the Company or is owned by the spouse of the person holding the said position (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p>	
Independent Director	Hsueh Yu Lo	<p>Master of Accounting and Information Technology, National Chung Cheng University</p> <p>Chairman of Grand Fortune Securities Investment Advisory Co., Ltd.</p> <p>Currently member of the Company's Audit Committee and Compensation and Remuneration Committee, with commercial, legal, financial, accounting, and other experiences required to support corporate operations, specializing in corporate finance and accounting affairs, and possessing rich experience in industrial</p>	<p>(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the company. (Unless the said specific company or institution holds at least 20% and no more than 50% of outstanding shares of the Company and it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over the</p>	None

		planning.	<p>past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act.</p> <p>(10) Not the spouse or a relative within the second degree of kinship of other directors.</p> <p>(11) Without any of the conditions under Article 30 of the Company Act.</p> <p>(12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.</p>	
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2.Operation of Compensation and Remuneration Committee:

(1)The Company’s Compensation Committee is comprised of three persons.

(2)Current Term for the Members: August 5, 2022 through June 21,2025.

(3) Attendance: From January 1 to December 31, 2024, the Compensation and Remuneration Committee met 2 times in total; all members attended the meetings in person.

The Compensation an Remuneration Committee met 2 times in 2024; the mean attendance rate was 100%. Attendance of members is shown below:

Title	Name	Attendance in person	Attendance by proxy	Actual attendance
Committee Member (Convener)	Chao Jang, Jing	2	0	2
Committee Member	Chih Yuan Lu	2	0	2
Committee Member	Hsueh Yu Lo	2	0	2

3.Responsibilities of the Compensation and Remuneration Committee

Committee members must exercise the care of a prudent administrator to fulfill the following duties, and offer recommendations for discussion by the Board of Directors.

- (1) Defines and regularly reviews policies, systems, standards, and structures related to the performance evaluation and the salary and compensation of directors, supervisors, and managers.
- (2) Periodically evaluate and determine the Company’s remuneration to directors and managers.

4.Information on Compensation and Remuneration Committee Meetings

Information about the Company’s compensation and remuneration discussed and evaluated during the meetings of the Company’s Compensation and Remuneration Committee over the past year is as follows:

Date of Meeting	Agenda and follow-up	Results of resolutions	The Company's handling of the opinions of the Remuneration Committee members.
2024.05.10	<ol style="list-style-type: none"> 1. Report decisions made of matters discussed in the previous meeting and the implementation status. 2. Review the proposal on distribution of "agreed performance prize" to managers for 2023. 3. Review the proposal on the distribution of remuneration to directors and that to managers/employees for 2023. 4. Review the proposal for salary adjustment for managers. 5. Periodically reflect upon and evaluate policies, systems, criteria, and structures of compensation and remuneration to directors and managers. 	After it was discussed by the members, the case was approved as is.	It was submitted to the Board of Directors and approved by all attending directors.
2024.12.20	<ol style="list-style-type: none"> 1. Report decisions made of matters discussed in the previous meeting and the implementation status. 2. Review the proposal on distribution of year-end bonus to managers for 2024. 3. Periodically reflect upon and evaluate policies, systems, criteria, and structures of compensation and remuneration to directors and managers. 	After it was discussed by the members, the case was approved as is.	It was submitted to the Board of Directors and approved by all attending directors.

5. Other details to be documented:

If the Board of Directors did not adopt or revise the recommendations of the compensation committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the compensation committee (If the compensation and remuneration approved by the Board of Directors is superior to that advised by the Compensation and Remuneration Committee, the differences and the underlying causes shall be specified): None.

(V) Composition, Duties, and Operation of the Nomination Committee: It is not available at present yet.

2024 Annual Evaluation Form for the Independence and Suitability of CPAs

Date Evaluated: 2024/3/5

Cause of Evaluation: ☐ First-time ☒ Routine

(I) Profile:

Name of CPA:	Henry Liu and Steven Chang	Name of Firm:	Ernst & Young
Major Education and Experience:	Professionalism: CPA of ROC		

(II) Details of evaluation:

Defined according to Article 47 of the Certified Public Accountant Act and the Communiqué 10 of the Fundamental Principles of the Practice of a Certified Public Accountant:

Item	Result
1. Absence of replacement for seven years up to the latest certification. At least a two-year interval after rotations before returning to office.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. No major financial interest with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. No inappropriate or close business relationship with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. CPAs have not accepted any gifts of material value from the Company and the Company's directors and managers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. CPAs do not hold shares of the Company and its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. No mutual financing or guarantee with the Company and its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. No relationship with the Company or its affiliates in terms of joint investment or sharing of interests.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. No frequent position with fixed salary held in the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. CPAs do not have any managerial function involving the decision-making process of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. No part-time involvement in other businesses that may lead to loss of independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. No relationship with the Company's management as spouse, direct blood relative, or indirect blood relation within the second degree of kinship.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. Compliance with the independence requirements of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 and receipt of a "Declaration of Independence" issued by CPAs.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. Provision of Audit Quality Indicators (AQI) information for the most recent year.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. So far, there has been no disciplinary action or violation of the principle of independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Work Performance and Plan:

Item	Result
1. Completion of financial and tax certifications of the Company for all periods on schedule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Completion of financial and tax certifications of the subsidiaries and investees for all periods on schedule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Providing the Company with financial and tax compliance consultation services from time to time.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(IV) Evaluation Outcome:

Upon assessment, it is confirmed that CPAs Henry Liu and Steven Chang meet the requirements of independence and suitability, and are capable of providing the Company with timely and appropriate financial and tax advice and certifications sufficient to qualify as the Company's CPAs.

Evaluated by: Pan Shao-Ping at the Management Service Department

(VI) Differences in Promoting Sustainable Development and Departure from the Sustainable Development Best Practice Principles for TWSE/TPEX-listed Companies and Reasons:

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company created a governance structure for promoting sustainable developments and set up a unit to (exclusively or also) take charge of promoting sustainable developments and the Board of Directors is to authorize high-ranking management to address it and how does the Board of Directors provide supervision?	V		I. The Company has formed its Sustainable Development Promotion Group that is led by the President and supervised by the Board of Directors. Under it are the Sustainable Project Division, Corporate Governance Division, Environmental Sustainability Division, and Social Care Division to embark on respective tasks, keep track of sustainable developments around the world, and analyze sustainability issues concerning governance, environment, and society. Product innovations and services at the core of its operation are combined while strategic sustainable directions are defined and projects are promoted to ensure that the sustainability strategy is fully implemented in the day-to-day operations of the Company. Projects promoted are further divided to ESG disclosure and carbon inventory checks. The former has to do with the release of the ESG Report each year and gathering information on requirements of respective competent authorities while the latter deals with the planning and implementation of carbon inventory checks and carbon verification that concern greenhouse gases. Reporting to the Board of Directors takes place at least once a year; strategic directions	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?	V		<p>of the Group in sustainability and net zero are clarified and discussed. The progress of the implementation was reported to the Board of Directors on August 12, 2024 and the progress of the preparation of the 2023 ESG Report was approved. The Board of Directors reviews relevant progress, provides supervision and suggestions, and urges the management team to make adjustments when necessary.</p> <p>II. The Company's performance at its major locations between December 2024. The risk assessment is focused mainly on the Company and primarily in the region of Taiwan. The Company's relevant sustainability topics include GRI Standards, SASB standards and SDGs. Following evaluation by external experts and discussions in respective departmental meetings of the Company, the significance and possibility of impacts of the issues were explored through prior operational experiences. The 11 material sustainability issues of the Company were analyzed and complied. Details are provided in (IV) Risk Assessment (pages 61-65)</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
III.Environmental Issues	V		(I) Complying with government policies and environmental laws, the Company sets the targets, objects, and solutions of environmental management and accordingly continues with waste reduction, prevention against pollution, and recycling of resources throughout its manufacturing process. In addition, by means of the periodic internal audit and management review procedures, achievements in implementation are evaluated to fulfill the goal of sustainable environmental development.	Compliant.
(I) Has the Company established a proper environmental management system based on the characteristics of the industry?				
(II) Is the Company committed to improving the energy efficiency and using recycled materials which have a low impact on the environment?	V		(II) The Company is devoted to improving the efficiency of energy used during production and continues with its energy conservation and carbon reduction move. In honor of corporate social responsibilities and the purpose of green production and sustainable management, the international energy management system has been applied in respective plants. This management standard and approach, once defined, will serve as the framework for a necessary procedure of the Company to be followed by the Company. Without affecting existing operations, the energy use efficiency can be enhanced to the best extent possible. Although it is impossible for the Company to use renewable materials in production due to the unique manufacturing	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action?	V		<p>process of the industrial sector it is in, the primary material is copper, which may be used and manufactured repeatedly and is the material that may be recycled and is utilized the most frequently among all non-renewable raw materials and regular materials; it plays an important role in the regenerative cycle.</p> <p>For the sake of reducing pollution, in its manufacturing process, the Company seeks the maximum efficiency in the use of raw materials and supplies and energies and resources in order to bring down the volume and conserve energy.</p> <p>Meanwhile, toxic materials are avoided or reduced to minimize toxic discharge from the source.</p> <p>As far as products are concerned, research and development are continued to comply with the international green product standards and impacts on the environment are examined. In the prevention against pollution, respective pollution preventive equipment is properly operated and emissions are comprehensively monitored. Generated waste is processed as required by law and recycling for reutilization is prioritized to be resource-oriented and to reduce waste.</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>awareness of environmental protection, energy-saving, safety and health, and conservation. Also in response to the impacts brought about by climate change, impacts of the climate change risk on governance, strategies, risk management, indicators and goals are identified and evaluated with reference to the TCFD (Task Force on Climate-related Financial Disclosures) structure. It is expected that based on assessment findings, the management strategy, greenhouse gas inventory, carbon reduction plans will be formulated and enforced following approval by the Board of Directors, to hopefully reduce energy consumption and carbon emissions, improve carbon reduction management performance, and implement corporate sustainable development goals.</p> <p>A primary potential risk posed by climate change for the Company is interruption in the supply chain, rising costs of raw materials and supplies, and natural disasters such as floods because of typhoons, etc. The Company also proactively explores new sources, organizes</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																					
	Yes	No	Summary																						
(IV) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and drawn up policies on greenhouse gas reduction, water reduction, or waste management?	V		<p>educational training on industrial safety, and utilizes energy more efficiently by building solar power-generating equipment in response.</p> <p>(IV) The Company keeps track of greenhouse gas emissions, amount of water used, and the weight of waste each year and discloses statistical data over the past 2 to -3 years in its ESG Report. The data on greenhouse gas emissions, water consumption and weight of waste are summarized in the table below. For more details, please refer to the Company's ESG Sustainability Report.</p> <table border="1"> <tr> <th>Year</th> <th colspan="2">Parent company Greenhouse gas emissions (tons CO2)</th> </tr> <tr> <td rowspan="4">2023</td> <td>Scope 1</td> <td>767.90</td> </tr> <tr> <td>Scope 2</td> <td>8,969.96</td> </tr> <tr> <td>Scope 3</td> <td>0</td> </tr> <tr> <td>Total</td> <td>9,737.86</td> </tr> <tr> <td rowspan="4">2024</td> <td>Scope 1</td> <td>275.83</td> </tr> <tr> <td>Scope 2</td> <td>6,774.52</td> </tr> <tr> <td>Scope 3</td> <td>1,381.58</td> </tr> <tr> <td>Total</td> <td>8,431.93</td> </tr> </table>	Year	Parent company Greenhouse gas emissions (tons CO2)		2023	Scope 1	767.90	Scope 2	8,969.96	Scope 3	0	Total	9,737.86	2024	Scope 1	275.83	Scope 2	6,774.52	Scope 3	1,381.58	Total	8,431.93	Compliant.
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Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																		
	Yes	No	Summary																																			
			<table><tr><td>Year</td><td colspan="2">Parent company Water consumption (million liters)</td></tr><tr><td rowspan="3">2023</td><td>Water intake</td><td>58.90</td></tr><tr><td>Water discharge</td><td>31.66</td></tr><tr><td>Water consumption</td><td>27.24</td></tr><tr><td rowspan="3">2024</td><td>Water intake</td><td>59.94</td></tr><tr><td>Water discharge</td><td>33.30</td></tr><tr><td>Water consumption</td><td>26.64</td></tr></table> <table><tr><td>Year</td><td colspan="2">Parent company Waste weight (Ton)</td></tr><tr><td rowspan="3">2023</td><td>Hazardous waste</td><td>52.20</td></tr><tr><td>Non-hazardous waste</td><td>237.45</td></tr><tr><td>Total</td><td>289.64</td></tr><tr><td rowspan="3">2024</td><td>Hazardous waste</td><td>0</td></tr><tr><td>Non-hazardous waste</td><td>170.00</td></tr><tr><td>Total</td><td>170.00</td></tr></table> <p>As global low-carbon economic developments are the trends, enterprises are playing a more and more important role in the management of environmental risk. To fulfill its responsibilities</p>	Year	Parent company Water consumption (million liters)		2023	Water intake	58.90	Water discharge	31.66	Water consumption	27.24	2024	Water intake	59.94	Water discharge	33.30	Water consumption	26.64	Year	Parent company Waste weight (Ton)		2023	Hazardous waste	52.20	Non-hazardous waste	237.45	Total	289.64	2024	Hazardous waste	0	Non-hazardous waste	170.00	Total	170.00	
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Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>as a corporate citizen, the Company will continue to enforce the greenhouse gas reduction policy at the corporate and supply chain levels with substantial energy-saving and carbon reduction and water-saving measures.</p> <p>Related energy conservation and carbon reduction policies defined by the Company include the following: (1) enhanced energy use efficiency, reduced waste of resources, and promotion of environmental greenery on premises, (2) promotion of respective waste reduction and recycling projects, (3) introduction of green raw materials and supplies and environmentally-friendly processes and technologies, and (4) evaluation of suppliers on environmental protection.</p> <p>And, for the various types of waste that will impact the environment, to abide by governmental regulatory requirements, to prevent against air pollution, and to protect the living environment and public health, contracts are signed with legal professional clearance service providers as required by law for removing and recycling the waste and related data of waste are precisely collected and monitored.</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>IV. Social Issues</p> <p>(I) Has the Company, according to relevant regulations and the international human rights conventions, formulated relevant management policies and procedures?</p>	V		<p>(I) The Company has the human rights policy statement in place and it is available on the official corporate website to declare that the Company follows applicable labor laws and regulations while protecting the legitimate rights of employees and respecting the internationally accepted basic human rights of workers; no conditions that jeopardize the fundamental rights of workers are allowed. The human resources policy of the Company also respects the protection of fundamental rights of workers with adequate management approaches and procedures in place. Substantial practices of the Company in the protection of human rights include: promote the company's human rights policy, set up a sexual harassment filing and investigation committee, conduct sexual harassment prevention education and training for directors, managers, and supervisors, and regularly arrange for doctors and nurses to visit the factory for consultation (number of consultations in 2024: 100 people), safety training, regular general health check-ups for employees in accordance with the law, etc.</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(II) Does the Company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure that business performance and results are reflected adequately in employee remuneration?	V		<p>For the 2024 human rights protection-related education and training hours (including: human rights policy advocacy, labor safety education, health management and mental health, sexual harassment prevention and other related courses), 19 sessions were held, with 284 participants and a total of about 673 hours.</p> <p>(II) The Company has established a reasonable compensation system, including specifying in the Company's Articles of Incorporation that 2% to 8% of earnings, if any, shall be set aside as the remuneration to employees to reflect business performance in employee compensation. There are also regulations governing the distribution of various types of bonuses: the Employee Promotion and Transfer Guidelines, the Employee Performance Appraisal Guidelines, and other clear and effective reward and punishment systems, which are combined with the corporate social responsibility policies. In response to the company's operating conditions and price adjustments in 2024, in addition to salary adjustments based on individual performance, the</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>entire company also had an overall salary increase of 3%. In the allocation of the pension fund under the old system, professional actuaries are to issue the actuarial report in order to protect the rights of colleagues in the future when they claim their pension fund. The ratio to be set aside for the pension fund under the new system is 6%; the Company has set it aside completely. The Company has an Employee Welfare Committee in place and the welfare fund set aside for 2024 by the Company totaled NT\$6.59 million. It was meant as employee travel subsidies, birthday and three-festival gift money, wedding, child birth, and funeral allowances, among others. Talent is an important asset of the Company. In addition to promotion planning based on performance, development potential, organizational needs and career development intentions every year, salary adjustments are also made from time to time based on the Company's profitability, industry prospects and market salary surveys in order to maintain salary competitiveness</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy working environment and provide employees with regular safety and health training?	V		<p>to attract and retain talent. The Company adheres to the philosophy of sharing operating achievements with its employees. Each year, the Company grants annual bonuses, employee compensation and quarterly competition bonuses based on the overall operating performance, achievement of team goals, and individual employee contributions and performance.</p> <p>(III) The Company provides employees with a safe and healthy workplace that has necessary health and first-aid facilities available and is devoted to reducing risk factors for the safety and health of employees in order to prevent against occupational hazards. In 2024, doctors and nurses were arranged to provide consultation to 100 employees at the factory, and safety and health education and training were regularly implemented for employees. Related educational trainings of 2024 (including safety and health trainings, fire safety trainings, toxic chemical disasters unannounced drills, among others). For other related information, refer to Point 7.</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the Company established an effective career development and capability training program for employees?	V		(IV) The Company provided various types of internal and external trainings to meet different needs, including orientation, professional skills, managerial ability, to help colleagues learn and grow continuously in a variety of ways. In addition, for important successors and potential prioritized cadres, the Company provides them with in-service training and send them to receive external training, have them to rotate among duties, or assign them with projects as needed in order to effectively improve their occupational capabilities.	Compliant.
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling, among others, of products and services, and does it establish relevant consumer or customer protection policies and grievance procedures?	V		(V) Respective plants of the Company have been certified for the ISO 9001 series of international quality; the marketing and labeling of all products of the Company are based on applicable laws and regulations and international standards. The sales department of the Company, besides proactively addressing complaints filed by customers, spontaneously conducts customer satisfaction survey each year to know the issues and to protect the rights of customers. In addition, the Company has the “Personal Data Protection Management Guidelines” in place to ensure that the privacy of colleagues and customers is not disclosed.	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(VI) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights?	V		(VI) The Company has the Supplier Management Guidelines and the Supplier Management Procedure in place. Suppliers need to be investigated, evaluated and qualified before official business relationships begin. During investigation and evaluation, records of suppliers in terms of prior impacts on the environment or society will be paid attention to. The Company requires that major suppliers sign the Agreement for joint devotion to the enhancement of corporate social responsibilities, the environment, and integrity. If suppliers violate the Agreement with significant impacts, the Company will no longer renew the Agreement with the specific supplier.	Compliant.
V. Does the Company prepare ESG reports and other reports that disclose non-financial information with reference to international reporting standards or guidelines? Are confirmatory or endorsing opinions from a qualifying third-party obtained for the afore-said report?		V	V. At present, the Company refers to the following while preparing its ESG Report, which is yet to be authenticated by a third party: 1. GRI Standards Reference Table. 2. Sustainability Accounting Standards Board (SASB) Reference Table. 3. TCFD climate-related financial information disclosure. 4. Taiwan Stock Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.	No major difference.
VI. If the Company has established its own sustainable development principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify the differences between how it actually takes place and what is defined in the Principles: The Company has established its Sustainable Development Best Practice Principles and no major differences are found.				

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

VII. Other key information useful for explaining status of corporate social responsibility practices:

- (I) The Company, in honor of its corporate social responsibility, donated a total of NTD 1,000,000 throughout 2024 to charity groups, organizations for the disadvantaged, including:

Recipient	Amount (NTD)
Huashan Social Welfare and Charity Foundation	Total NTD 1,000,000
Huashan Social Welfare and Charity Foundation	
Prader Willi Syndrome Association Taiwan	
The Garden of Hope Foundation	
Taiwan Fund for Children and Families	
Taoyuan Heart Light Education Institute for the Mentally-Impaired	
Taoyuan White Kite Orphanage	
Taoyuan Holistic Life Education Association	
Parents' Association for Persons with Intellectual Disability	
Autism Society of Taiwan	
Taoyuan Indigenous Peoples Development Foundation	
Mennonite Social Welfare Foundation	
CNS Certification Mark Association	
New Taipei City Light Children Association	
Angel House Long-term Care Foundation	

- (II) Measures to protect employee personal safety and work environment and their implementation:

1. Policy Goal for Operating Environment Measurements

The related environmental measurement policies prepared for the Company's Occupational Safety and Health Management System are stated below, which not only help outsiders and the employees know the attitude and commitment of the specific business in ensuring safety and health in the workplace but also fulfill the attachment of employees to the Company by involving everyone; they are the highest directives of the specific business in environmental monitoring.

(1) Policy Statement

Comply with laws and regulations and customers' or other relevant requirements; answer to the green environmental protection movement around the world; and create a sound workplace.

Continue to improve, prevent against pollution, and prevent against risk factors for minimized costs associated with risk control.

Create the environmental/occupational safety and health management system/organization and operating system to improve performance in environmental protection/occupational safety and health.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons										
	Yes	No	Summary											
<p>(2)Goal</p> <p>To meet basic requirements under laws and regulations governing occupational safety and health:</p> <p>Keep track of the pattern of work in the operating environment and evaluate the hazardous condition that workers are exposed to (or of energy) in order to improve the field environment and to prevent against occupational disasters.</p> <p>(3)Organization and Responsibilities of Members</p> <p>Before the Workplace Monitoring Plan (including the sampling strategy) is defined, the Safety and Health Office shall form a “Workplace Monitoring Group”. The Workplace Monitoring Group shall be capable of performing the following duties:</p> <p>1. Deciding the purpose of environmental determination and the exposure management target</p> <p>2. Planning and performing environmental measurements</p> <p>3. Discussing environmental measurement findings</p> <p>2. Performance in Industrial Safety</p> <p>The Company has prepared its annual extensive occupational safety audit group action plan. The President serves as the convener and the Management Service Department is the steering unit. The Safety and Health Office and department heads form the audit group. The Safety and Health Office compiles reports on matters pending improvement and submit them to the President and respective departments for the improvements to be made, works around on a daily basis for industrial safety audits, and discusses improvements in the quarterly industrial safety committee meetings in order to protect staff safety and health.</p> <table><tr><th colspan="2">Occupational Safety and Health Audits</th></tr><tr><td>1. Extended Occupational Safety Joint Audit Group</td><td>At least once a year</td></tr><tr><td>2. Occupational Safety Rounds Management</td><td>At least twice a day</td></tr><tr><td>3. Factory Affairs Department Rounds Management</td><td>At least once a week</td></tr><tr><td>4. Supervisor Field Trip Management</td><td>At least once a day</td></tr></table> <p>3.Equipment Management</p> <p>The Company classifies equipment and manages it accordingly. All hazardous machinery and equipment are controlled as required by law and careful maintenance is performed on the machinery and equipment to ensure their safe operations. Hazardous machinery and equipment of Hong Tai Electric Industrial Co., Ltd. includes 4 sets of fixed cranes and 2 sets of high-pressure gas-specific equipment totaling 6 units. 4 of them were inspected throughout 2024.</p>					Occupational Safety and Health Audits		1. Extended Occupational Safety Joint Audit Group	At least once a year	2. Occupational Safety Rounds Management	At least twice a day	3. Factory Affairs Department Rounds Management	At least once a week	4. Supervisor Field Trip Management	At least once a day
Occupational Safety and Health Audits														
1. Extended Occupational Safety Joint Audit Group	At least once a year													
2. Occupational Safety Rounds Management	At least twice a day													
3. Factory Affairs Department Rounds Management	At least once a week													
4. Supervisor Field Trip Management	At least once a day													

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

4. 2024 Professional Occupational Safety and Health Licenses

License holder	Quantity	License holder	Quantity
Occupational safety and health administrator	5	Fire prevention manager	3
Class A occupational safety and health operation supervisor	1	Dust operation supervisor	2
Class B occupational safety and health operation supervisor	1	Oxygen-deprived operation supervisor	2
Operator of a stacker with a weight capacity of 1 ton and above	45	Ionizing radiation operator	2
Operator of a fixed crane with a weight capacity of 3 tons and above	14	Energy manager	1
Boiler operator	2	Class B air pollution controller	1
Organic solvent operation supervisor	1	Waste clearance professional technician	2
First-aid staff	7	High pressurized gas-specific equipment operator	2

Hours of training on occupational safety and health completed over the past three years and headcount

Year	Headcount	Hours
2022	356	1,215
2023	228	776
2024	237	645

5. Performance in Industrial Safety

Disability-related injuries suffered by employees of the Company over the past three years		
Plant Year	Death	Disability
2022	0	0
2023	0	1
2024	0	0

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
6. For the implementation of respective ESG items of the Company, please refer to the Company’s website at https://www.hong-tai.com.tw -> ESG Sustainable Development->ESG Report.				
(III) Ethical Corporate Management Policy and Solution:				
(1) In honor of its belief in ethical corporate management, the Company prepared the Guide to the Moral Behavior of Company’s Management and related regulations and policies, signed agreements externally, all of which are based on the principles of integrity and reciprocity and include reasonable contents, and proactively puts its commitment to ethical corporate management into action.				
(2) Major suppliers of the Company have signed the Commitment to Ethical Conduct. For employees that interact with outsiders, there are strict work regulations for them to follow and also the monitoring and auditing mechanisms to prevent against unethical conducts.				
(3) For parties that it does business with, the Company has the evaluation mechanism in place. Upon signing of an agreement, the principles of integrity and reciprocity are honored, too, to render reasonable contents and the agreement requirements are proactively fulfilled.				
(4) The Company constantly instills ideas about ethical corporate management in its supervisors at all levels and has precisely implemented the policy about recusal in case of conflicting interests. In cases of conflicts of interest, one may report it to the Audit Office or the President’s Office directly.				
(5) The Company encourages its employees to report on illegal acts, and the whistleblower will be rewarded if it is found to be true. To report illegal acts, one can do so directly to the supervisor he / she reports to or to the Auditing Office or the President’s Office according to the “Whistleblowing Standards”. Such reports will be treated highly confidential in order to protect against improper treatment borne by the whistleblower for reporting.				

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV)Risk Assessment				
	Major Issue	Item	Strategy	
	E - Environment	Energy	1. Recycling of resources: Recycle resources for use to reduce waste of resources. 2. Continuous improvement: Continue to improve the environmental management system for enhanced environmental performance. 3. Work with the Bureau of Energy under the Ministry of Economic Affairs as exploring sources of income and reducing expenses is a duty expected of a business.	
		Emission	1. Environmental management: HONG TAI is devoted to reducing “impacts on the environment as a result of its corporate activities, products, and services” and abides by the following environmental policies accordingly. 2. Compliance with regulatory requirements: Comply with regulatory requirements on environmental management such as air pollution, water pollution, waste, toxic chemicals, and noise control. 3. Fulfillment of obligations: Fulfill obligations expected of HONG TAI, including commitments to customers, government agencies, the management, and employees, among other stakeholders. 4. Prevention against pollution: Select suitable raw materials/regular materials or processes to avoid or reduce environmental pollutions; Set up pollution prevention equipment or adopt appropriate measures to avoid or reduce environmental pollution. 5. Energy conservation and waste reduction: Reduce the use of energy and the amount of waste generated.	

Action Item		Implementation Status		Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
		Yes	No	
		Summary		
	Major Issue	Item		Strategy
	E - Environment	Waste		The Company follows domestic and international laws and regulations in its operations and pays attention to developmental trends of domestic and international policies as well as regulatory changes at all times in order to adjust related operational strategies and to fulfill sustainable management goals.
		Customer service management		Satisfy customers' requirements, implement practical and pragmatic management, pursue system excellence, and create win-win situation for both supply and demand.
		Occupational safety and health		<ol style="list-style-type: none"> 1. Promote the safe culture at HONG TAI and consolidate basic education on occupational safety. 2. Define the safety operating criteria and precisely abide by safety and health requirements. 3. Reinforce supervisor dynamic management to eliminate potential hazardous factors. 4. Improve environmental machinery equipment and work all out in the pursuit of essential safety. 5. Perform precise spontaneous inspections to resolve equipment abnormalities and failures. 6. Reinforce fire prevention safety measures to make the best of fire prevention features. 7. Request safety and health facilities from contractors for improved safety at work of contractors.

Action Item			Implementation Status		Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
			Yes	No	
			Summary		
	Major Issue	Item	Strategy		
	S - Society	Innovative product and technology	Innovation and advancement, integrity and honesty, sustainable management. Quality Policy --- The quality policy featuring [Quality of HONG TAI assures customers] is a substantial extension of the Company's management belief. While pursuing corporate sustainable management, getting to the bottom of everything and constantly improving the overall corporate quality management are the only way to hopefully best protect the quality of products and services provided to customers and fulfillment of customers' needs is the underlying theme of corporate operation. Environmentally-friendly policy ---- For the sake of continuous management and to answer to the green tendency, besides comprehensive lead-free products, the Company promotes HSF (hazardous substances-free) management of its products. Their control is in compliance with international regulatory requirements. The hazardous substance process management (HSPM) was enforced in compliance with IECQ QC080000 in 2009 and the IECQ QC080000 certificate was received in December 2009.		
		Customer health and safety	The power business of the Company constantly advances by adjusting the deficiencies through its customer satisfaction survey system. Optimal customer relations are maintained reciprocally.		

Action Item		Implementation Status		Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
		Yes	No	
	Major Issue	Item	Strategy	
	S - Society	Labor-management and worker/ employer relations	<div>1. Release human rights policy declaring that efforts will be made so that everyone is entitled to fair and respectful treatment.</div> <div>2. Set up the Employee Welfare Committee to maximize employee welfare.</div> <div>3. Periodically hold the labor-management meeting; any issue on labor-management relations is sufficiently discussed and communicated between the labor representatives and the management. The right of labor representatives to negotiate work conditions is respected.</div> <div>4. Create a channel to facilitate periodic communications and dialogs with employees because they are entitled to gain information and express opinions regarding the operational and management activities and decisions of the Company. Employees shall also be notified in a reasonable way of operating activities that may bring about significant impacts.</div> <div>5. Set up as required by law the Labor Retirement Reserve Supervisory Committee to take charge of managing the retirement reserve.</div>	

Action Item		Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
		Yes	No	Summary	
	Major Issue	Item	Strategy		
	G - Governance	Economic performance	<div>1. Compliance with regulatory requirements: Comply with regulatory requirements on environmental management such as air pollution, water pollution, waste, toxic chemicals, and noise control.</div> <div>2. Fulfillment of obligations: Fulfill obligations expected of HONG TAI, including commitments to customers, government agencies, the management, and employees, among other stakeholders.</div> <div>3. Prevention against pollution: Select suitable raw materials/regular materials or processes to avoid or reduce environmental pollutions; Set up pollution prevention equipment or adopt appropriate measures to avoid or reduce environmental pollution.</div> <div>4. Energy conservation and waste reduction: Reduce the use of energy and the amount of waste generated.</div> <div>5. Recycling of resources: Recycle resources for use to reduce waste of resources.</div> <div>6. Continuous improvement: Continue to improve the environmental management system for enhanced environmental performance.</div> <div>7. Protect the industry under the belief in “integrity and honesty”. Improve competitive advantages on the market with the commitment to “innovation and advancement”.</div> <div>8. Diversified operation: Form international investment strategic alliance in order to improve competitive advantages on the market.</div>		
		Anti-corruption	Ethical corporate management, eradication of bribery, banned acceptance of gifts.		
		Regulatory compliance	The Company follows the requirements of the Air Pollution Control Act. We follow regulatory requirements, fulfill our obligations, prevent against pollution, conserve energy and reduce waste, and recycle resources.		

(VII)Implementation status of climate-related information:

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Hong Tai Electric Industrial Co., Ltd. must fulfill its corporate social responsibilities in order to continue to exist in the industry given the extreme weathers caused by global warming and the rising awareness of environmental protection, energy-saving, safety and health, and conservation. Also in response to the impacts brought about by climate change, impacts of the climate change risk on governance, strategies, risk management, indicators and goals are identified and evaluated with reference to the TCFD (Task Force on Climate-related Financial Disclosures) structure. It is expected that based on assessment findings, the management strategy, greenhouse gas inventory, carbon reduction plans will be formulated and enforced following approval by the Board of Directors, to hopefully reduce energy consumption and carbon emissions, improve carbon reduction management performance, and implement corporate sustainable development goals.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>1.Risk impacts:</p> <p>Short-term:</p> <p>(1)Legal compliance costs, fines and penalties, and contractual liquidated damages: Necessary operating expenditure costs in compliance with laws and regulations result in inventory losses of slow-moving products due to changes in the product market mechanism.</p> <p>Medium to long term:</p> <p>(1) Employees: Physical and mental risks caused by the heat of the factory in summer, or incidents that affect attendance, absence, and employee disability and injury.</p> <p>(2) Machinery and equipment: There is a risk of failure due to the heat of the factory in summer, or asset damage due to damage or scrapping.</p> <p>(3) Climate: Heavy rains cause flooding in factories and waterlogged roads, droughts render factory equipment inoperable, and increased frequency and severity of strong typhoons cause damage to electrical equipment. Damage to products due to extreme climate events that impact supplier operations and production. Supply interruption results in delayed production capacity, loss of customers, and loss of profits. Continuous rise in average temperature results in an increase in energy consumption.</p> <p>(4) Energy resources (water, electricity and gas): Changes in Taiwan's energy structure results in supply price increases or shortages. Increase in greenhouse gas emission costs (e.g., additional carbon fees due to regulations).</p>

Item	Implementation Status
	<p>(5) Raw materials: Operating costs resulting from loss of quality, delivery time, or price increase due to weather conditions.</p> <p>(6) Loss of semi-finished products: Losses on scrapping due to abnormal supply of utilities.</p> <p>2.Opportunity impacts:</p> <p>(1) Reduce supply voltage losses from 161kV to 345kV high voltage cables.</p> <p>(2) Offshore wind power generation cables.</p> <p>(3) The demand for aluminum conductor wind and rain cables for power towers increases due to strong winds and rains.</p> <p>(4) Significant increase in the amount of cables used for various construction projects that are susceptible to environmental damage.</p> <p>(5) Solar power/energy storage market.</p> <p>(6) Differentiation to enhance competitiveness and expansion of new energy business.</p>

Item	Implementation Status
3. Describe the financial impact of extreme weather events and transformative actions.	<p>In the short term, regulatory adjustments may result in a significant change in market demand, leading to an increase in costs or an increase in the unsaleable rate of products, thereby exerting an impact on various aspects such as a decrease in revenue and cash income and an increase in operating expenses.</p> <p>The various impacts of climate change in the medium and long term will not significantly affect the Company's finances in the short term. In the future, they may involve employee health, equipment problems and the use of energy resources, resulting in increased operating expenses and capital expenditure.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. GHG emissions, product requirements and supervision, low-carbon t management	<p>The Company refers to the TCFD framework as the basis for our assessment. Through the climate change management process, our dedicated energy management specialists assess the climate-related risks and opportunities based on the impact and potential likelihood of occurrence on the Company's operations through the climate change management process.</p>

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company does not yet use scenario analysis.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company does not have any related transition plan.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company currently does not use internal carbon pricing. After executing the greenhouse gas inventory project, the Company will first understand the internal carbon emissions, formulate carbon reduction strategies accordingly, and then plan and select management tools such as carbon pricing based on actual needs.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress to be achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset shall be specified.	The Company launch a greenhouse gas inventory project in stages from 2024 to -2025. We will first establish basic data distribution, and then promote relevant management plans in a pragmatic manner.

(VIII) Differences in the fulfillment of ethical corporate management and deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons:

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches				
(I) Has the Company prepared its ethical corporate management policy that has been approved by the Board of Directors and stated in its Memorandum or external correspondence about its policies and practices regarding ethical corporate management? Are the Board of Directors and high-ranking management members committed to fulfilling this commitment?	V		(I) In honor of its belief in ethical corporate management, the Company prepared the Guide to the Moral Behavior of Company’s Management and related regulations and policies, signed agreements externally, all of which are based on the principles of integrity and reciprocity and include reasonable contents, and proactively puts its commitment to ethical corporate management into action.	No major difference.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Bank implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical	V		(II) Major suppliers of the Company have signed the Commitment to Ethical Conduct. For employees that interact with outsiders, there are strict work regulations for them to follow and also the monitoring and auditing mechanisms to prevent against unethical conducts.	No major difference.

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
<p>Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Does the Company have the operating procedure, behavioral guide, disciplinary system in case of violation, and complaint-filing system included as part of its proposal on the prevention against unethical behaviors and enforce them and periodically discuss about how to correct the aforementioned proposal?</p>	V		(III) Since it was established, the Company has been adhering to its belief in honesty and integrity. Practices to prevent against unethical behaviors have long been included as part of respective regulations and systems and been enforced.	No major difference.
<p>II. Fulfillment of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the integrity records of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors that periodically (at least once a year) reports the ethical corporate management policy and</p>	V	V	<p>(I) All counterparties of the Company need to sign the Commitment to Ethical Conduct for the time being in order to ensure compliance with the principles of integrity and reciprocity in transactions and there is the evaluation mechanism in place to help fulfillment of the agreement in integrity.</p> <p>(II) The Company constantly reminds its supervisors at all levels of ideas about ethical corporate management. Although no exclusive unit to take charge of ethical corporate management has been set up yet, no major violations in ethical corporate management have occurred.</p>	<p>Compliant.</p> <p>No full-time (part-time) units have been set up for ethical corporate management at the moment yet.</p>

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
<p>programs against unethical behaviors to the Board of Directors while monitoring its implementation?</p> <p>(III) Does the company have a policy prohibiting conflicts of interest, provide appropriate channels for disclosure, and enforce it?</p>	V		(III) The Company specifically enforces policies on recusal upon conflicting interests. For events involving conflicts of interest, besides reporting them to the supervisor, one can also report them to the Audit Office or the President's Office.	No major difference.
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	V		(IV) The Company has established an effective accounting system and internal control system with internal audit units and audits are carried out in compliance with the audit plan. Under special circumstances, exceptional audits will be arranged. In addition, the authorized accounting firm also audits the implementation of related internal control procedures each year to ensure consolidation of related systems.	Compliant.
(V) Did the Company periodically provide internal and external training programs on ethical corporate management?	V		(V) Believing in “integrity and diligence, innovation and advancement”, besides new hires who are instilled with applicable ideas, the Company frequently communicates the said belief through various meetings and communication channels.	Compliant.

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons												
	Yes	No	Summary													
<p>III. Implementation of the Company’s Whistleblowing System</p> <p>(I) Has the Company established concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?</p>	V		<p>(I) In order to protect the interests of the Company as a whole, strengthen corporate social responsibility, and effectively combat internal illegal acts, the Company has set up the Whistleblowing Standards to enable internal and external personnel to report any illegal acts or behavior that jeopardizes the Company's interests through channels. If a whistleblower's disclosure is substantiated, he/she may be rewarded depending on the circumstances.</p> <table> <tr> <th>Related item</th> <th>Acceptance unit</th> <th>Contact method</th> </tr> <tr> <td>Shareholders and spokesperson</td> <td>Spokesperson</td> <td>sp@hong-tai.com.tw</td> </tr> <tr> <td>Internal and external illegal acts</td> <td>Auditing Office</td> <td>audit@hong-tai.com.tw</td> </tr> <tr> <td>Internal illegal acts</td> <td>President Office</td> <td>pp@hong-tai.com.tw</td> </tr> </table>	Related item	Acceptance unit	Contact method	Shareholders and spokesperson	Spokesperson	sp@hong-tai.com.tw	Internal and external illegal acts	Auditing Office	audit@hong-tai.com.tw	Internal illegal acts	President Office	pp@hong-tai.com.tw	Compliant.
Related item	Acceptance unit	Contact method														
Shareholders and spokesperson	Spokesperson	sp@hong-tai.com.tw														
Internal and external illegal acts	Auditing Office	audit@hong-tai.com.tw														
Internal illegal acts	President Office	pp@hong-tai.com.tw														
<p>(II) Has the Company established standard operating procedures for investigating reported cases, subsequent measures to be taken once investigation is completed, and the related confidentiality mechanism?</p>	V		<p>(II) The Company's Whistleblowing Standards set forth the procedures and protection principles as follows:</p> <p>1.Handling procedures:</p> <p>(1) When reporting through the above channels, the whistleblower should provide specific evidence and records of the violation in writing or</p>	Compliant.												

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
			<p>electromagnetic records to facilitate verification. The whistleblower shall assist the Company in the investigation of his/her report and provide his/her name, ID number, service unit, contact address and telephone number in order to avoid improper blackmail.</p> <p>(2) If the whistleblower fails to provide the above information, or if the contents of the report are confirmed to be factually incorrect or meaningless for examination, the report may not be accepted.</p> <p>(3) The acceptance unit shall investigate the reported case in detail, with the assistance of other relevant departments if necessary. Upon completion of the investigation, a written report on the investigation shall be submitted and reported to the President, Chairman, or the Board of Directors, depending on the severity of the case.</p> <p>(4) If the reported case involves a director or manager, it shall be reported to the independent directors.</p> <p>(5) If it is proved that the reported person has violated the relevant laws and regulations or the</p>	

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
			<p>Company's regulations, appropriate penalties shall be imposed in accordance with the Company's management regulations. If necessary, the case may be referred to the judicial authorities for investigation or to seek damages through legal proceedings.</p> <p>2. Whistleblower protection principles:</p> <p>(1)The Company has the responsibility to protect the whistleblower. The identity of the whistleblower shall be kept confidential. The related personnel shall not disclose the identity information of the whistleblower or his / her relatives in any form. However, this does not apply when the whistleblower has given his or her consent.</p> <p>(2)No improper measures shall be taken against the whistleblower or his/her relatives due to the disclosure of illegal acts (for example: dismissal, demotion, salary reduction, impairment of rights and interests to which they are entitled under law, contract or custom, or other adverse measures). However, the whistleblower may be</p>	

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
(III) Did the Company adopt measures for protecting the whistle-blower against improper treatment?	V		<p>excluded from the scope of protection, if he/she understands that the report is untrue or aims to obtain improper benefits.</p> <p>(3) If a whistleblower's disclosure is substantiated, he/she may be rewarded depending on the circumstances. If there is any false accusation, concealment, insult or intentional disturbance, the Company will impose punishment according to the relevant rules and regulations.</p> <p>(III) It is clearly specified in the Whistleblowing Standards that confidentiality measures shall be taken and no improper measures shall be taken against the whistleblower and his/her relatives, in order to protect against improper treatment borne by the whistleblower for reporting.</p>	Compliant.
IV. Reinforced Disclosure of Information Has the Company disclosed information about its Ethical Corporate Management Principles and the implementation efficacy on its website and the Market Observation Post System?		V	The Company will prepare details about disclosure of the Ethical Corporate Management Principles on its website.	The Company has not prepared its Ethical Corporate Management Principles. No major differences have been found in the remainder yet.
V. If the Company has established its own Ethical Corporate Management Principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify the differences between how it actually takes place and what is defined in the				

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
Principles: Despite the lack of Ethical Corporate Management Principles in place, the Company constantly reminds its supervisors at all levels of the concept about ethical corporate management and promotes it on relevant occasions and channels.				
VI. Other important information that helps with a better understanding of the Company’s implementation of ethical corporate management (e.g. the Company reflects upon and revises the Ethical Corporate Management Principles that it has prepared): None.				

(IX) Other significant information which may improve the understanding of the status of corporate governance: Related continuing education completed by the directors and managers of the Company over the past year on topics relevant to corporate governance is as follows:

2024

Title	Name	Date of Continuing Education	Organizer	Course Title	Completed Hours
Legal Representative of Chairman	Chen Shi-Yi	2024.01.17	Greater China Financial and Economic Development Association	Dual Rate Volatility Hedging	3
		2024.09.18	Taiwan Investor Relations Institute	Current Global Industry Trends and Political and Economic Outlook	3
		2024.09.30	Taiwan Stock Exchange Corporation	Taiwan Capital Market Summit	3
		2024.11.11	Taiwan Investor Relations Institute	Embracing AI and Sustainability Transition - Senior Compensation Management and Talent Cultivation	3
Representative of Institutional Director	Chen Chih	2024.04.12	Taiwan Corporate Governance Association	Shareholders' Meetings, Corporate Control and Equity Strategies	3
		2024.07.09		Discussion on the Application of Corporate Employee Reward Strategies and Tools	3
		2024.10.04	Chinese National Association of Industry and Commerce	Introduction to the Company Act, Corporate Governance and Tax Knowledge Required by Executives	3
		2024.10.08		Nvidia's Three Trillion Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
Representative of Institutional Director	Chen Liang-Hua	2024.06.03	ROC Securities and Futures Institute	Institutional Investors' Perspectives Forum	3
		2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3
Representative of Institutional Director	Pan Shao-Ping	2024.06.03	ROC Securities and Futures Institute	Institutional Investors' Perspectives Forum	3
		2024.11.19	Chung-Hua Institution for Economic Research	Looking ahead to 2025: Domestic, International and Cross-strait Economic Situations	3
Independent Director	Chao Jang, Jing	2024.04.25	Taiwan Corporate Governance Association	Green Electricity, Certificates and Sustainable Development - the Path to Net Zero for Businesses	3
		2024.10.31		Competition for Corporate Control and Case Analysis	3
Independent Director	Chih Yuan Lu	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.04.25	Taiwan Corporate Governance Association	Green Electricity, Certificates and Sustainable Development - the Path to Net Zero for Businesses	3
		2024.10.29	Taiwan Institute of Directors	Sustainability Information and Financial Reporting Disclosure Trends	3
		2024.10.31	Taiwan Corporate Governance Association	Competition for Corporate Control and Case Analysis	3
Independent Director	Hsueh Yu Lo	2024.04.30	Taiwan Stock Exchange, bcsd Taiwan, WBCSD	Advocacy Conference on Creating a New Carbon Era with Sustainable Knowledge	6
Head of Finance and Accounting	Pan Shao-Ping	2024.08.13	Accounting Research and Development Foundation	The Latest "Annual Report / Sustainability Information / Financial Report Preparation" Related Laws and Regulations Analysis and Internal Control Management Practices	6
		2024.08.21		Common Deficiencies in Financial Report Review and Practical Analysis of Important Internal Control Regulations	6

(X) For the implementation status of the internal control system, the following shall be disclosed:

Hong Tai Electric Industrial Co., Ltd.
Internal Control System Declaration

Date: March 21, 2025

For the 2024 Internal Control System of the Company, it is declared hereby as follows according to the results of self-evaluation:

- (I) The Company explicitly knows that establishing, implementing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and such a system has been established in the Company. It aims to reasonably ensure fulfillment of goals such as effective and efficiency operation (including profitability, performance, and protection of data security), reliable, timely, and transparent reports, and compliance with applicable regulations and related laws.
- (II) The internal control system is subject to innate restrictions. Regardless how sound is the design, an effective internal control system can at most reasonably ensure fulfillment of the three goals mentioned above; nevertheless, the effectiveness of the internal control system may change with the environment and the circumstances. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification as soon as flaws are identified.
- (III) The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
- (IV) The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- (V) Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2023 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- (VI) This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or omission related to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- (VII) This Declaration was approved by the Board of Directors' Meeting of the Company held on March 22, 2024, where 0 of the 7 attending directors expressed dissenting opinions; all affirmed the content of this Declaration.

Hong Tai Electric Industrial Co., Ltd.

Chairman:
President:

Chen Shi-Yi
Li Wen-Pin

2. If the Company engages a CPA in the review of its internal control system, the CPA audit report shall be disclosed: Not applicable.

(XI) Key resolutions passed through shareholders' meetings and Board of Directors' meetings:

1. Resolutions reached in 2024 general shareholders' meeting and their implementation

Date of Meeting	Category	Important Resolutions	Implementation Status
2024.06.12	General Shareholders' Meeting	<ol style="list-style-type: none"> 1. Ratified 2023 Business Report, Individual Financial Statements, and Consolidated Financial Statement. 2. Ratified 2023 earnings distribution proposal. 	<p>All proposals have been embarked on according to the results reached and in compliance with applicable requirements.</p> <p>Earnings for this year were completely distributed on July 26, 2024; a total of NT\$632,160,126 (NT\$2.0 per share) was distributed as cash dividends.</p>

2. Resolutions reached through Board of Directors' meetings throughout 2024 and up to May 09, 2025

Date of Meeting	Category	Important Resolutions
2024.03.08	Board of Directors	<ol style="list-style-type: none"> 1. Approved 2023 Self-prepared Consolidated Financial Information. 2. Approved the establishment of date, venue, proposals, and book closure date of the 2024 Annual General Shareholders' Meeting.
2024.03.22	Board of Directors	<ol style="list-style-type: none"> 1. Approved the distribution of 2023 remuneration to employees and that to directors. 2. Approved the 2023 Individual Financial Statements and Consolidated Financial Statement. 3. Approved the 2023 Business Report. 4. Approved the 2023 earnings distribution proposal. 5. Approved the 2024 CPA Replacement, Delegation Reward and Suitability/Independence Assessment. 6. Approval of 2023 "Internal Control System Effectiveness Evaluation" and "Internal Control System Declaration". 7. Approved the promotion of President Li, Wen-Pin, and the dismissal of the concurrent position as the President of the South Africa division. 8. Approved the position change of Manager Mr. Chen Liang-Hua. 9. Approved the position change of Manager Mr. Pan Shao-Ping.
2024.05.10	Board of Directors	<ol style="list-style-type: none"> 1. Approved Consolidated Financial Statements for the first quarter of 2024. 2. Approved intended authorization from the Board of Directors to the Chairman over extension of contracts with the following banks to facilitate allocation of funds. 3. Approved the distribution of managers' remuneration and the remuneration policies.
2024.08.12	Board of Directors	<ol style="list-style-type: none"> 1. Approved 2024 Second Quarter Consolidated Financial Statement. 2. Approved intended authorization from the Board of Directors to the Chairman over extension of contracts with the following banks to facilitate allocation of funds. 3. Approved the implementation of contract renewal for credit limits of CTBC Bank Chengde Branch. 4. Approval of extended liability insurance coverage for directors and important cadres. 5. Approved the 2023 ESG Report.

Date of Meeting	Category	Important Resolutions
2024.11.08	Board of Directors	<ol style="list-style-type: none"> 1. Approved Consolidated Financial Statements for the third quarter of 2024. 2. Approved the proposal to add the "Regulations on the Preparation and Verification of Sustainability Reports". 3. Approved the revision of the “Rules of Procedure for Board of Directors’ Meetings”. 4. Approved the amendment to the "Audit Committee Organization Regulation". 5. Approved the extension of contract of President Li Wen-Pin.
2024.12.20	Board of Directors	<ol style="list-style-type: none"> 1. Approved the 2025 Internal Audit Plan. 2. Approved the 2024 budget revision. 3. Approved the appropriation of 2024 year-end bonus. 4. Approved the 2025 budget report. 5. Approved the 2025 Operational Plan. 6. Distribution of managers' year-end bonus and the remuneration policies.
2025.03.07	Board of Directors	<ol style="list-style-type: none"> 1.Approved 2024 Self-prepared Consolidated Financial Information. 2.Approved the intended authorization from the Board of Directors to the Chairman over the extension of limit contracts with Yuanta Bank's Northern Regional Center I. 3.Approved the re-election of directors. 4.Approved the proposal to set the nomination period, the number of openings, and the election venue for directors (including independent directors). 5.Approved the list of candidate directors (including independent directors) nominated and finalized. 6. Approved the establishment of date, venue, proposals, and book closure date of the 2025 Annual General Shareholders’ Meeting.
2025.03.21	Board of Directors	<ol style="list-style-type: none"> 1. Approval of 2024 “Internal Control System Effectiveness Evaluation” and “Internal Control System Declaration”. 2. Approved the distribution of 2024 remuneration to employees and that to directors. 3. Approved the 2024 Individual Financial Statements and Consolidated Financial Statement. 4. Approved the 2024 Business Report. 5. Approved the 2024 earnings distribution proposal. 6. Approved the 2025 CPA delegation reward, pre-agreed non-assurance services, and suitability/independence assessment. 7. Approved the scope of "non-executive employees" for 2025. 8. Approved the revision of some of the “Articles of Incorporation”. 9. Approved the lifting of non-compete restriction for new directors.
2025.05.09	Board of Directors	<ol style="list-style-type: none"> 1.Approved Consolidated Financial Statements for the first quarter of 2025 2.Proposal to authorize the Chairman of the Board to renew credit lines with the following banks to facilitate fund allocation 3. Proposal on the distribution of executive compensation and salary

- (XII) The directors expressed/did not express dissenting opinions regarding important resolutions approved by the Board of Directors, supported by records or written declarations; the contents are primarily: No directors expressed dissenting opinions regarding important resolutions approved by the Board of Directors.

IV. Accountant fee information:

- (I) When fees paid to the CPAs, the Firm they belong, and its affiliates include non-audit fees that account for at least one-fourth of the overall audit fees, amounts of audit fees and non-audit fees as well as details about non-audit services shall be disclosed: None.
- (II) If the Accounting Firm is replaced and the audit fees paid in the year of the said replacement dropped compared to those in the preceding year, the amount involved in, the ratio of, and the cause of reduction of the audit fees shall be disclosed: None.
- (III) When audit fees drop by at least 16% from the preceding year, the amount involved in, the ratio of, and the cause of reduction of the audit fees shall be disclosed: None.

(IV) Information on Fees to CPA in 2024: Unit: NTD thousand

Name of Accounting Firm	CPA Name	Duration of Audit Performed by CPA	Audit Fee	Non-audit Fee	Remarks
Ernst & Young	Henry Liu	2024/1/1-2024/12/31	2,670	0	
	Steven Chang				

Note 1: In the event that the CPA or the Accounting Firm is replaced in this year for the Company, the duration of the audit performed by each of them shall be listed separately and reason for the replacement shall be specified in the Remarks field. Meanwhile, information on audit and non-audit fees paid shall be disclosed sequentially.

Note 2: For non-audit fees, please list them by the service item. If the amount under "Others" as part of non-audit fees reaches 25% of the sub-total of non-audit fees, the service contents shall be listed in the Remarks field.

V.Information on Replacement of CPA:

(I)About the former CPAs

Date of replacement	Approved by the Board of Directors on March 22, 2024		
Reason for replacement and description	In order to comply with the requirements of TWSQM1 and the internal risk control of Ernst & Young, a rotation of CPAs is conducted to comply with the regulations.		
Termination by principal or CPAs or rejection of appointment	<div> <div>Party to Contract</div> <div>Circumstance</div> </div>	CPA	Principal
	Voluntary termination of appointment	Not applicable	
	Rejection of (continuous) appointment		
Opinion and reasons for audit report other than unqualified audit report issued within the last two years	None		
Differences in opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope of audit or procedures
			Other
	None	V	
	Description: None		
Other Disclosures (Additional disclosures under Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Standards)	None		

(II) About the successor CPAs

Name of Firm	Ernst & Young
Name of CPA	CPA Henry Liu CPA Steven Chang
Date of appointment	Approved by the Board of Directors on March 22, 2024
Issues and results of pre-appointment consultations on accounting treatments or accounting principles for specific transactions and opinions that may be issued on financial reports	None
Written opinion on differences of opinion between the successor CPAs and the former CPAs	None

(III) The former CPAs' response to matters in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Standards: None.

VI. If the Company's Chairman, President, and managers in charge of finance or accounting affairs worked for the firm that the CPAs belong to or one of its affiliate in the most recent year, the name, title, and duration of such employment shall be disclosed: It did not happen.

VII. Share transfer by directors, supervisors, managers and shareholders holding more than 10% equity and change in the pledged shares:

(I) Change in shares held by the director/supervisor/manager/major shareholder: Please refer to the Market Observation Post System.

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

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

Changes in equity pledge: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Internal Pledge Dissolution > Announcement of Internal Pledge Dissolution

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

(II) Information on Related Party as Counterparty of Share Transfer: None.

(III) Information on Related Party as Counterparty of Pledged Shares: None.

VIII. Information on the inter-relationship among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship of one another:

As of April 20, 2025

Name	Number of shares held by the shareholder		Number of shares held by spouse and underage children		Total shares held in someone else's name		Titles, names and relationships among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Shiliangze Investment Co., Ltd. Representative: Hsu Wei-Tzu	23,730,000	7.51%	29,268,899	9.26%	0	0	Chen Shi-Yi Chen Liang-Hua Chen Tse-Yu	First degree of kinship The representative of the Company, Hsu Wei-Tzu is the spouse of the party to the left. First degree of kinship	
Chen Liang-Hua	22,884,153	7.24%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship Spouse First degree of kinship	
Shiliangze Investment Co., Ltd. Representative: Hsu Wei-Tzu	23,730,000	7.51%	29,268,899	9.26%	0	0	Chen Shi-Yi Chen Liang-Hua Chen Tse-Yu	First degree of kinship The representative of the Company, Hsu Wei-Tzu is the spouse of the party to the left. First degree of kinship	
Chen Liang-Hua	22,884,153	7.24%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship Spouse First degree of kinship	
Chiu Chiang Investment Co., Ltd. Representative: Chen Liang-	15,734,514	4.98%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship The representative of the Company,	

Name	Number of shares held by the shareholder		Number of shares held by spouse and underage children		Total shares held in someone else's name		Titles, names and relationships among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hua								Chen Liang-Hua is the spouse of the party to the left First degree of kinship	
Chen Shi-Yi	13,622,563	4.31%	2,159,485	0.68%	0	0	Chen Liang-Hua Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship First degree of kinship Second degree of kinship	
Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	11,972,029	3.79%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship The representative of the Company, Chen Liang-Hua is the spouse of the party to the left First degree of kinship	
Chang Lung-Tsai	7,120,000	2.25%	-	-	-	-	-	-	
Chen Tse-Yu	6,184,746	1.96%	0	0	0	0	Chen Liang-Hua Hsu Wei-Tzu Chen Shi-Yi	First degree of kinship First degree of kinship Second degree of kinship	
Qiqingxin Investment Co., Ltd. Representative: Chi Kuei-Hua	6,000,000	1.90%	3,261,232	1.03%	0	0	Chen Jia-Mei	Second degree of kinship	
Chen Jia-Mei	5,911,092	1.87%	0	0	0	0	Qiqingxin Investment Co., Ltd. Person-in-Charge Chi Kuei-Hua	Second degree of kinship	
Shinn Bang Investment Co., Ltd. Representative: Pan Wu-Hsiung	5,390,500	1.71%	2,529,020	0.8%	0	0			

IX. Number of Shares Held by and Consolidated Comprehensive Shareholding Ratio Among the Company, the Directors, Supervisors, and Managers of the Company, and Businesses Directly or Indirectly Controlled by the Company of the Same Reinvested Business:

General shareholding ratio

2025/03/31

Unit: Share; %

Reinvested Business	Investment by the Company		Investments by directors, supervisors, managers, and businesses controlled directly or indirectly		Comprehensive investment	
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio
Safety Investment Co., Ltd.	8,800,000	100.00%	0	0.00%	8,800,000	100.00%
Hong Hong Engineering Co., Ltd.	3,575,880	86.00%	582,120	14.00%	4,158,000	100.00%
British Virgin Islands Moneywin International Ltd.	4,430,860	100.00%	0	0%	4,430,860	100.00%
South Ocean Holdings LTD.	56,270,187	27.68%	6,222,630	3.06%	62,492,817	30.74%

C.Fundraising

I. Capital and shares:

(I) Capital stock:

1. Source of capital stock:

Month Year	Issue price	Approved capital stock		Paid-up capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock (\$)	Shares acquired by non- cash properties	Other
1993.10	10	80,000,000	800,000,000	80,000,000	800,000,000	Capital increase in cash: 80,000,000 Capital increase by earnings: 120,000,000	None	
1994.04	10	150,000,000	1,500,000,000	120,000,000	1,200,000,000	Capital increase in cash: 200,000,000 Capital increase by capital reserve: 80,000,000 Capital increase by earnings: 120,000,000	None	
1995.04	10	150,000,000	1,500,000,000	144,000,000	1,440,000,000	Capital increase by capital reserve: 180,000,000 Capital increase by earnings: 60,000,000	None	
1996.05	10	160,000,000	1,600,000,000	158,400,000	1,584,000,000	Capital increase by capital reserve: 144,000,000	None	
1997.05	10	300,000,000	3,000,000,000	228,000,000	2,280,000,000	Capital increase in cash: 300,000,000 Capital increase by capital reserve: 158,400,000 Capital increase by earnings: 237,600,000	None	
1998.04	10	380,000,000	3,800,000,000	273,600,000	2,736,000,000	Capital increase by capital reserve: 228,000,000 Capital increase by earnings: 228,000,000	None	
1999.06	10	380,000,000	3,800,000,000	300,960,000	3,009,600,000	Capital increase by capital reserve: 136,800,000 Capital increase by earnings: 136,800,000	None	
2000.04	10	380,000,000	3,800,000,000	316,508,000	3,165,080,000	Capital increase by earnings: 150,480,000 Transfer of employee bonus: 5,000,000	None	
2001.04	10	388,000,000	3,880,000,000	332,139,050	3,321,390,500	Capital increase by earnings: 156,310,500	None	
2003.12	10	398,000,000	3,980,000,000	329,863,063	3,298,630,630	Capital reduction by treasury stocks: 22,759,870	None	
2009.01	10	398,000,000	3,980,000,000	324,151,063	3,241,510,630	Capital reduction by treasury stocks: 57,120,000	None	
2016.04	10	398,000,000	3,980,000,000	316,080,063	3,160,800,630	Capital reduction by treasury stocks: 80,710,000	None	

2. Type of Share:

April 14, 2025 Unit: share

Type of share	Approved capital stock			Remarks
	Outstanding share (Note)	Unissued share	Total	
Ordinary shares (listed stocks)	316,080,063	81,919,937	398,000,000	Including employee warrants that may be issued in the quantity of 10,000,000

3. Information on shelf registration: None.

(II) List of major shareholders:

April 20, 2025

Name of Major Shareholders	Shares	Number of shares held	Shareholding ratio
Shiliangze Investment Co., Ltd.		23,730,000	7.51%
Chen Liang-Hua		22,884,153	7.24%
Chiu Chiang Investment Co., Ltd.		15,734,514	4.98%
Chen Shi-Yi		13,622,563	4.31%
Jyh Tai Investment Co., Ltd.		11,972,029	3.79%
Chang Lung-Tsai		7,120,000	2.25%
Chen Tse-Yu		6,184,746	1.96%
Qiqingxin Investment Co., Ltd.		6,000,000	1.90%
Chen Jia-Mei		5,911,092	1.87%
Shinn Bang Investment CO., Ltd.		5,390,500	1.71%

(III) Dividend Policy and Implementation Status:

1. Dividend Policy:

(1) Articles of Incorporation:

After accounts are finalized at the end of the year, in cases of earnings, the Company shall allocate the portion required to offset deficits and pay all taxes first and then set aside 10% to be the legal reserve unless the accumulated legal reserve has reached the capital size of the Company. Meanwhile, after the special reserve is set aside or reversed as required by law, the remainder, along with the undistributed earnings at start of term, shall be the accumulated distributable earnings. The Board of Directors will prepare the assignment proposal and bring it forth in the shareholders' meeting for a decision before it is enforced.

For the distribution of earnings as indicated in the preceding paragraph, the Board of Directors, with attendance of two-thirds and more of all directors and approval from a majority of attending directors, decides on the release of all or part of the dividends to be assigned, along with the proposals on the distribution of legal reserve and capital reserve, in cash and presented it in the shareholders' meeting.

Part of the Company's products belong to the traditional industry and the corporate life cycle is gradually reaching "maturity" while part of them belong to an emerging industry whose life cycle is at the growth stage. The Company's policies on distribution of dividends must take into consideration the Company's demand for funds in the future and its long-term financial plan while at the same time addressing the interests of shareholders and shall not be lower than 20% of disposable earnings for the specific year in principle. Cash dividends assigned with earnings, in particular, may not be less than 10% of the overall dividends. In cases of non-frequent material income for the earnings of the specific year, however, part or all of the said income may be retained in the distribution of

dividends and the ratios indicated in the foregoing paragraph do not apply.

(2) Dividend distribution to be proposed to the shareholders' meeting:

2024 Earnings Distribution: It was decided by the Company's Board of Directors on March 21, 2025 that a total of NT\$663,768,132 (NT\$2.1 per share) would be distributed as cash dividends to shareholders, accounting for 88% of the annual earnings; 100% of which was cash dividends. It will be presented during the 2025 General Shareholders' Meeting, too.

2. With imminent major changes to the dividend policy expected, it shall be stated:

None.

(IV) The effects of the stock dividends proposed during the shareholders' meeting on the Company's business performance and earnings per share: No stock dividends were intended in the current shareholders' meeting to be distributed and hence it is not applicable.

(V) Remuneration to employees and directors:

1. Percentages or ranges of remuneration to employees and directors under the Articles of Incorporation:

In cases of profits for the year, the Company shall set aside 2% to 8% as remuneration to employees and no more than 3% to be that to directors. With accumulated deficits remaining, however, the portion required to offset the deficits shall be retained first.

Where remunerations for employees are in stock cash and the parties to whom such stock or cash may be issued to may include employees of affiliated companies meeting certain criteria, the criteria and the distribution method are to be decided by the Board of Directors as authorized.

By profitability for the year as indicated in Paragraph 1, it refers to the profits before the remunerations for employees and those for directors are subtracted from the pre-tax profits for the year.

Remunerations for employees and those for directors shall be assigned on the basis of a decision supported by a majority of directors attending the board meeting who represent two-thirds or more of all directors and shall be presented in the shareholders' meeting.

2. Basis for estimating the amount of remuneration of employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current term:

(1) The remuneration to employees and directors is estimated as required by the Company's Articles of Incorporation. It was recognized as operating expenses for the specific term.

(2) Both the remuneration to employees and that to directors approved by the Company's Board of Directors are to be distributed in cash.

(3) When the actual amount distributed differs from the estimated amount, on the other hand, it is recognized as income of the following year.

3. Distribution of remuneration from earnings of 2024 as approved by the Board of Directors in 2025:

Remuneration distributed in cash to employees totaled NT\$62,211,776 and that to directors NT\$31,105,888.

4. Actual remuneration distributed to employees and that to directors from earnings of

2023 of the Company:

Item	Remuneration distributed to employees and that to directors from earnings of 2023		Difference	Cause of difference
	Finalized and approved in the shareholders' meeting	Finalized and approved in the Board of Directors' meeting		
Remuneration to employees in cash (\$)	48,843,219	48,843,219	None	-
Remuneration to directors (\$)	24,421,610	24,421,610	None	-

(VI) Buyback of Company's shares by employees: None.

II. Issuance of corporate bonds:

(I) Information of corporate bonds: None.

(II) Information of convertible corporate bonds: None.

(III) Information of exchangeable corporate bonds: None.

(IV) Information of shelf-registration issued corporate bonds: None.

(V) Information of corporate bonds with warrants: None.

III. Preferred Stock (with Warrant): None.

IV. Global Depositary Receipt (DDR): None.

V. Employee Stock Option: None.

VI. Restricted Stock Awards: None.

VII. Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of Other Companies: None.

VIII. Implementation of Capital Allocation Plan: As of the date the Annual Report was printed, the Company did not have any capital allocation plan that was not completed or was completed but the efficacy was yet to surface.

D. Operational Highlights

I. Business Activities:

(I) Business Scope:

1. Key Businesses:

- (1) manufacturing, processing, and distribution of various electrical wires, cables, bare copper wires, bare copper stranded wires, auto wires, TV antennas, nickel plated wires, plastics, rubber, wires/cables, cross-linked polyethylene, cross-linked PE power cables, control cables, termite resistant cables, gopher-protected cables, aluminum cables, welding cables, heat resistant and combustion-resistant wires/cables, low-smoke halogen-free cables, pre-made branch cables, lead-free cables, FS-STP communication cables, F/S-JF-LAP communication cables, E1, T1 indoor cables, optic fiber cables, communication devices.
- (2) Manufacturing and distribution of communication cables, solar power system-exclusive TUV, UL, EN, and IEC wires/cables.
- (3) Distribution of the above-listed various relevant machines.
- (4) Design, construction, maintenance, and provision of quality control and technical service for various power and telecommunication projects, communication devices, and solar power systems.
- (5) Agency and dealership for imports and exports concerning each of the above-listed businesses.

2. Consolidated Revenue Breakdown:

Product	2024	
	Amount of Sales (\$1,000)	Ratio of Sales %
Power cable	5,441,370	82.65
Bare copper wire	175,437	2.66
Communication cable	6,382	0.10
Copper clad laminate	Discontinued	Discontinued
Prepreg	Discontinued	Discontinued
Other	960,715	14.59
Total	6,583,904	100.00

3. Products currently available at the Company:

- (1) 600V-161kV cross-linked PE power cable
- (2) Plastic wire/cable
- (3) Low-smoke and non-toxic cable
- (4) Heat-resistant cable
- (5) Control cable
- (6) Termite resistant cable
- (7) Bare copper wire
- (8) Rubber wire/cable
- (9) Environmentally friendly wire/cable
- (10) Lead-free PVC wire
- (11) Combustion resistant cable
- (12) Pre-made branch cable

- (13)Gopher and termite resistant cable
- (14)Smart cable
- (15)Solar power system-exclusive TUV, UL, EN, and IEC cable
- (16)Wind power generation land cable

(II) Industry Overview:

Taiwan businesses are returning and bring about engineering projects; safety stocks and turnover are improved to proactively secure purchase orders and deliver on time. The government promotes railway and highway constructions one after another in order to boost domestic demand, which contributes to an increase in the revenue of the wire/cable and mechanical/electrical engineering industries.

Emerging and developing countries are attracting investments in constructions in all walks of life like magnets. There is intensive devotion to various types of services, forming an extension of the product market.

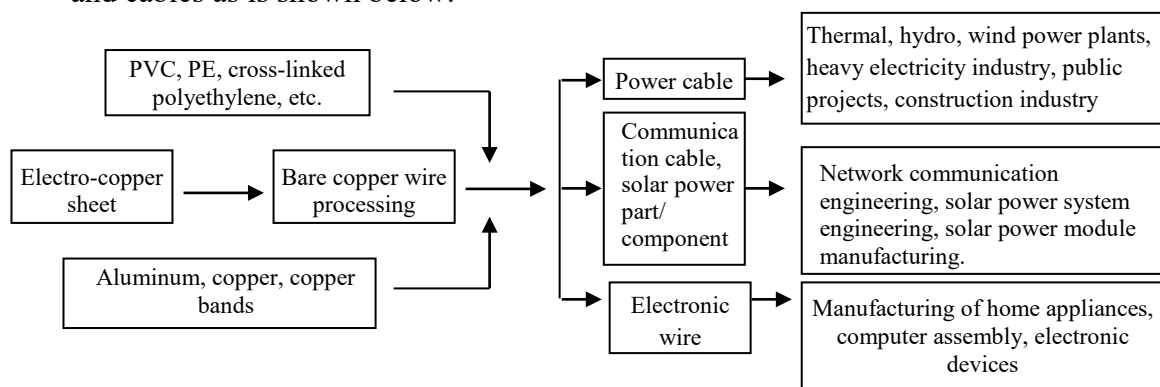
The Taiwan Power Company is introducing power development plans. New generators are added to thermal power plants in order to meet the demand for gradual discontinuation of nuclear power generation.

Offshore wind power and solar power cables are making profits due to fluctuating prices of copper, reinforcing the consolidation of the hedging mechanism for raw materials and supplies.

To meet the demand on the international market as a result of globalization, customers are provided with service by sales representatives in their locality to improve international competitive advantages. The Company also proactively build production and distribution sites in Southeast Asia, Mainland China, the Oceania, and Africa.

1.Relationships with suppliers in the industry's supply chain:

Domestic wires and cables and their technicality are comparable to world levels. Currently, except for copper that needs to be imported, the up-mid-down-stream structure of the cable industry is quite thorough. Manufacturers import electro-copper sheets that are made into bare copper wires first and then into various types of wires and cables as is shown below:



The wire and cable industry in Taiwan mainly consists of small-to-medium-sized enterprises and their products can be divided primarily to copper/aluminum wires, power

cables, communication cables, electronic wires, and enameled wires, etc. After years of improvements in production technology and equipment engineering capability, wires and cables are now quite mature products. The structure of the wire and cable industry in our country is shown in Table (1). From the upstream that is primarily the supply of raw materials such as copper and aluminum melting, bare optical fiber drawing, and the supply of various types of insulating materials or coatings, to the midstream that features the processing and manufacturing of wires and cables of varying specifications through different production procedures, and the downstream application in power, communication, and home appliance, and electronics industries, among others, it is a complete industrial system.

Table (1) Structure of the wire and cable industry in our country

Industrial structure	Description
Upstream	Supply of primary raw materials such as copper, aluminum, bare optical fiber, and insulating coatings.
Midstream	Processing and manufacturing of wires and cables.
Downstream	Application in power, communication and home appliances, and electronics industries, among others.

In light of the balance between supply and demand on the market and the investment performance, the Company signs long-term supply contracts for primary raw materials with the upstream suppliers to ensure steady sources of raw materials. With rooted trust from the upstream primary raw material suppliers and the end-users of wires and cables in the downstream through vertical integration, the wire and cable business of the Company has formed its own complete industrial chain.

2. Future Development Trends of and Competition for Products:

(1) Future Development Trends:

A. Development of 345kV ultra-high voltage cables:

As the cable technology and manufacturing method constantly evolve and improve, in light of the more and more common use of 69kV and 161kV alternating PE cables and the high level of socioeconomic development and the quality of life constantly reaching new heights, to address the needs of urbanization and modernization, as part of its effort to seek accession to the World Trade Organization (WTO), the government is gradually opening up its domestic market to the world and the competition to deal with in the future will gradually become more complex. For offshore wind power, between 2026 and 2035, the period where 1.5GW a year will be combined in the grid, developers have now included 345kV as one of the solutions being evaluated. To realize sustainable corporate development, the development of 345kV ultra-high-voltage alternating PE cables is being evaluated to cope with the changes

on the market in the future.

B. 230kV ultra-high voltage XLPE cables:

Offshore wind energy is expected to contribute 1.5GW and above of capacity each year, that is, 15GV in total over 10 years in order to ensure stable and safe transmission quality. The requirement for land cables is increased accordingly. The 230kV ultra-high voltage XLPE cables are developed to address the demand on the market and customers' needs with improved production technology.

C. Development of floating photovoltaic cable (PV Cable):

In response to the government's green energy policy that promotes water-based solar power generation, we developed the floating PV Cable to ensure that the solar cable can not only operate normally in daily environments, but also maintain the quality and life of the cable power transmission in humidity or water.

D. Development of connector cables:

In response to the goal of "transportation electrification and decarbonization" in the 2050 net zero emission. The market share of electric vehicles will definitely increase, thus, it is expected that there will be more demand for connector cables. We will invest in development and obtain product certification as soon as possible to secure the market share.

(2) Competition:

A. To answer to the globalization trend, we are exploring the international market. Despite the competition from Mainland China, Japan, Korea, and local businesses, products of Hong Tai is well recognized for their quality; we are proactively coping with competition and working all out to secure purchase orders.

B. Given the flourishing demand on the market, shortage will occur in the near future and hence safety stocks are increased to proactively secure purchase orders and improve profitability.

(III) Overview of Technology and R&D:

1. R&D expenditure in the year up to the date the Annual Report was printed:

Unit: NTD thousand

Year	2023	2024	April 30, 2025
R&D Amount	12,736	10,824	3,318

2. Technologies and products successfully developed:

- (1) Lead-free low-smoke low-halogen LSLH-FPVC wires and cables for iron and steel plants.
- (2) 69kV cross-linked PE termite resistant cables.
- (3) PVC gopher and termite dual-resistance cables.
- (4) 25kV high-voltage weathering-resistant wires and cables.
- (5) AVS automobile thin low-voltage electrical wires.
- (6) DC cables.
- (7) Medium-voltage frequency-conversion cables.
- (8) Ultra-high-voltage water-resistant cables.

- (9) Smart cables.
- (10) 105°C heat-resistant cross-linked cables.
- (11) Thin 380°C heat-resistant cables.
- (12) LSFH gopher and termite dual-resistance cables.
- (13) TUV, UL, EN, and IEC solar power cables.
- (14) Solar powered gopher and termite resistant cables.
- (15) Wind power generation land cables.
- (16) Development of second source for key raw materials to improve the overall competitive advantages of the Company.

(IV) Short-term and long-term business development:

1. Short-term plan:

- (1) To expand brand publicity and distribution channels.
- (2) To strengthen the quantity of purchase orders received on special cables such as low-smoke, toxin-free, environmentally-friendly, and gopher and termite resistant ones.
- (3) To continue to reinforce the effort to secure public projects, such as thermal and water power plants, MRT, railways.
- (4) To proactively fight for constructions of high-tech electronics plants to improve brand publicity and increase the customer base.
- (5) The addition of power generators to thermal power plants of Taiwan Power Company has driven up the demand for ultra-high-voltage cables and EPR cables and such demand will continue to grow steadily in the future.
- (6) To strengthen involvement in the system improvement plan of TRA for its electric traction line.
- (7) To proactively strengthen the promotion and development of new products and explore integrated structure, petrochemical, and new energy development projects.
- (8) To continue to reinforce the partnership and strategic alliance between the design unit and the heavy electricity industry and seek domestic major public construction cases.
- (9) To flexibly apply the promotional strategy to improve the market share.
- (10) To proactively secure cases on replacement of obsolete electrical equipment in petrochemical and steel and iron plants as their demand for special cables and ultra-high-voltage ones is increased.
- (11) To seek domestic urban renewal cases in the future to bring up the demand for the construction wires/cables.
- (12) To join efforts with counterparties in mechanical and electronic products and jointly seek electronics, technology, aviation, and expansion of plants cases.
- (13) To set foot in the market for offshore wind power, submarine, and military special cables.
- (14) To reinforce the capability of sales representatives to take orders and quickly keep track of sales information on the market for enhanced performance.

- (15) To increase the customer base for direct sales and expand marketing channels in central and southern parts of Taiwan.
- (16) To continue to take part in domestic and international smart energy exhibitions to increase the Company's publicity and to seek domestic and international business opportunities.
- (17) To continue to expand the existing customer base and seek supply opportunities for enhanced market share.
- (18) To strengthen existing customer service and improve brand publicity and competitive advantages.
- (19) To consolidate existing customer distribution networks and explore new ones for products and new customers.
- (20) To take root and secure expansion cases in the local electronics and technology industries to increase the sales ratio of ultra-high-voltage products.

2. Long-term plan:

- (1) To develop business opportunities for the promotion of new products and sales.
- (2) Rails, highways, and green energy are all business opportunities in the future over the long term; stipulate the distribution strategy, strengthen the R&D capability, reduce the cost, and improve the competitive advantages of products.
- (3) To nurture and develop new niche-oriented products, improve additional value, and lay the groundwork for sustainable corporate operation.
- (4) To explore new sales networks, extend corporate strengths, and expand the market share.
- (5) To provide project-based services for wind power generation, solar power, photovoltaic, energy storage, and related power plant constructions.
- (6) To deploy around the world and enter markets in Mainland China, Southeast Asia, Africa, and Oceania and other exports markets.
- (7) To continue to develop new products, expand the lead-free line, and combustion-resistant cable products and sell them reflective of the market demand to enhance the market share.
- (8) To continue to consolidate the management beliefs: "Hong Tai's quality is the protection for customers"; customer is king, and service orientation.
- (9) To improve quality of products, strength customer service, secure existing customers, and develop new customers and distribution networks.
- (10) To strength marketing channels for flame-retardant and low-smoke, toxin-free products on the market.
- (11) The Company expedites the expansion in sales and marketing to address the demand for introducing special cables onto the market.
- (12) To keep track of the international situation and the economic policies of the government in the future at all times, adjust the sales strategy and research and development of new products, and introduce them into the market to improve

profitability of products as a countermeasure.

- (13) To have someone based in emerging and developing countries to take part in respective constructions.
- (14) To proactively seek domestic and international wire and cable manufacturers for the OEM and increase the use rate of units.
- (15) To continue to expand and develop distribution networks.
- (16) To reinforce customer satisfaction with the service and effectively keep track of customer's demand.
- (17) To reinforce customers' satisfaction with pricing and lead time, among others, for effectively increased satisfaction and accordingly securing existing customers.
- (18) To effectively keep track of the dynamics of competition and sales on the market and increase the market share with flexible sales strategies.
- (19) To combine strategic partners in the upstream, midstream, and downstream and form a complete sales channel.
- (20) To research and develop high niche products of the next generation for enhanced overall profitability.
- (21) To actively develop the market for solar power generation and energy storage, and accordingly improve the Company's image in environmental protection, green energy, energy conservation, and carbon reduction.
- (22) To continue reinforcing cross-industrial alliance and jointly develop and secure domestic and international markets for various power transmission and distribution.

To increase the market share of relatively high value-added products, such as: gopher and termite-resistant, low-smoke and toxin-free, heat-resistant, and flame-retardant cables.

II. Overview of Market and Production/Distribution:

(I) Market analysis:

1. Major products: The sales take place primarily domestically, accounting for 99%. For exports, Asia is the main destination.
2. In terms of market share, it is about 10% for power cables, about 10% for communication cables, about 20% for solar power cables.
3. Supply and demand and growth on the market in the future:

(1) Domestic market:

- A. As respective major electronics and iron and steel manufacturers throughout the country continue to expand their plants, their demand for products such as wires and cables is increasing, such as: There is still room for growths in other professional areas such as wind power, solar power photovoltaic, water power

generation plants, thermal power plants, energy storage systems, public constructions, and turnkey projects for ultra-high-voltage substations. TRA, MRT, and ports are the focus of sales, too.

- B. Special cables with niche, such as LSFH, FR, HR, green environmentally-friendly lead-free, and ultra-high-voltage cables, combining their existing strengths, will continue to be proactively promoted in the future for increased market shares.
- C. As domestic traffic constructions continue to be introduced, the demand for thermal, water, and wind powers is expected to climb.
- D. The increased introduction of domestic urban renewal, suitable housing, youth housing, and social housing projects is driving the demand for wires and cables.
- E. The continuous efforts devoted to secure new constructions of public and private healthcare facilities and green energy and environmentally-friendly construction projects contribute to the growth in the sales of special cables.

(2) International market:

- A. Mainland China, ASEAN, Oceania, and Africa are markets full of potential. The competitive niche is carefully evaluated on the local market and suitable partners are selected to help set up the production and distribution sites to provide service locally for enhanced competitive advantages.
- B. The solar power generation industry has been greatly promoted over the past few years in ASEAN, Japan, and India. Such development trend may be taken advantage of and domestic partners may join the effort to explore the market for power cables and related photovoltaic products.

(3) Competitive niche and favorable and unfavorable factors for future developments and response strategies:

Favorable factors:

- A. Demand for high-voltage cables from the TaiPower transmission and distribution and power generation plan.
- B. Demand for high and low-voltage wires and cables from the addition of units to thermal power plants and improved competitive advantages of rubber wires and cables.
- C. Demand for expansion from TRA, MRT, ports, and the iron and steel industry.
- D. Demand for power cables driven in the energy industry driven by continuous developments in emerging economies such as the Middle East and ASEAN.
- E. Demand for the development of HV, EV, and PHV automobile lines and demand for the development of new products to be used in rail vehicles.
- F. Development of green lead-free environmentally-friendly cables that meet the

EU criteria to go with demand on the market to take the lead on the market.

- G. Continued research and development of new products to be introduced onto the market for quickly enhanced brand and awareness of the products.
- H. Continued efforts to drive up the demand for EPR and ultra-high-voltage cables as new units are added to the thermal power plant.
- I. Effectively enhanced competitive advantages of products by keeping track of the costs of raw materials and supplies according to the specifications and quantities provided approximately each month in years of distribution.
- J. Effectively tracked public and private projects and continued effort to also secure important MRT, thermal power, and wind power cable projects.
- K. Promising growths on the market due to improved throughput to address market demand despite the heated demand for solar power cables that is increasing each day.
- L. Particular addition of construction staff for ultra-high-voltage cables to facilitate acquisition of projects where labor and materials are combined to effectively avoid competition.
- M. Proactive development and growth of industries relevant to the power value chain and the energy value chain and familiar industries based on the years of experience in wires and cables for enhanced opportunities and capabilities to make profits. Then, with the introduced new technologies and developed new products as well as the explored new markets, wait for opportunities to reach out to other businesses or emerging sectors to create corporate value.

Unfavorable factors and response strategies:

- A. The ongoing trade competition between China and the United States and the tense global trade situation have led to sharp fluctuations in the prices of copper and related raw materials, making it more difficult to control costs and markets, resulting in the production and distribution disorder. In the future, production and distribution policies need to be more flexible in order to cope with the changing market at any time.
- B. In light of the low barriers for entry to the general cable industry, highly mature products, the numerous small manufacturers, the varying product quality, the undermined gross profits as a result of the price cutting competition, the product structure will be adjusted and special cables, green environmentally-friendly lead-free cables, electric vehicle cables, and ultra-high-voltage cables, among other niche products, will be developed to increase gross profits. Meanwhile, consumers will be proactively educated on adopting products carrying the CNS mark to ensure electrical safety.

(II) Application and production of primary products:

1. Product's main purpose:

- (1) Plastic wire/cable: Indoor and electrical/mechanical wiring in buildings.
- (2) 600V-161kV cross-linked PE power cable: Transmission and distribution of high/low-voltage power.
- (3) Low-smoke and non-toxic cable: Indoor wiring of public buildings with high safety requirements.
- (4) Flame-retardant and heat-resistant cable: Powered and alarm equipment wiring of emergency fire prevention systems.
- (5) Control cable: Remote control loop wiring of mechanical equipment.
- (6) Bare copper wire: Conductor for the manufacturing of various types of wires and cables.
- (7) Rubber wire/cable: Wiring of mobile electrical equipment or in a location where tenderness and mobility are required.
- (8) Environmentally-friendly electrical wire: Power transmission in places such as buildings, firefighting stations, or train/bus stations.
- (9) Lead-free PVC wire/cable: General indoor wiring, electrical appliance and equipment wiring, and wiring or power transmission in public buildings without particular requirements.
- (10) Combustion-resistant cable: Fire alarm, emergency power, fire prevention, and illumination systems.
- (11) Termite resistant cable: Transmission and distribution in areas with serious termite hazards; when buried underground, it prevents against bites by termites that lead to erosion and damage of the cable.
- (12) Pre-branch cable: Power transmission in apartment complex, hotels, buildings, emergency power, tunnel illumination, and machinery.
- (13) Gopher resistant wire/cable: The special material and structure prevent against bites by gophers.
- (14) Lead-free low-smoke low-halogen LSLH-FPVC wires and cables for iron and steel plants: 90°C lead-free PVC low-smoke low-halogen combustion-retardant for use in iron and steel plants.
- (15) Smart cable: Power and information monitoring and transmission of transmission or distribution power grids.
- (16) Telecommunication wire/cable: Transmission of information and intelligence with electrical signals sent.
- (17) Digital cable: Wiring between telecommunication sockets for digital and analog

signal transmission.

(18) Solar power cable: Wiring for solar power generation systems.

(19) Ultra-heat resistant aluminum steel-reinforced conductor: Mainly meant for switching the existing overhead ACSR or ACSR/AW conductor to high-capacity and low-sag ultra-heat-resistant aluminum steel-reinforced conductor.

2. Production:

(1) Wire: bare copper wire, extension, twisting, insulation and extrusion, inspection, packaging.

(2) Cable: bare copper wire, extension, twisting, congregation, strapping, enveloping, inspection, packaging.

(3) Bare copper wire: Extension, inspection, packaging.

(4) Solar power cable: bare copper wire, soldering and twisting, insulation, enveloping, electronic irradiation, inspection, packaging.

(III) Supply of primary raw materials:

1. Copper (electro-copper sheets and bare copper wires): One of the primary raw materials of the Company, the electro-copper sheet, comes from the international market and Japan, among other areas. More than 80% of them are subject to long-term procurement contracts; the supply is not a concern. Bare copper wires, on the other hand, are mainly bought from several suppliers in the country or processed by external contractors; they are adequately controlled.

2. Auxiliary material (PVC powder, plasticizer, and XLPE particle): PVC powder and the plasticizer are mainly supplied by CHINA GENERAL PLASTICS CORP. and NAN YA PLASTICS CORPORATION while the XLPE particles are supplied by world-famous manufacturers in the US, Japan, and Korea, among others. The partnership has been optimal and ongoing for years.

(IV) Consolidated list of primary suppliers and major sales customers over the past two years:

1. Consolidated information of primary suppliers over the past two years:

Unit: NTD thousand

	2023				2024				2025 up to the previous quarter(Note 1)			
Item	Name	Amount	Total annual net purchase ratio [%]	Relationship with issuer	Name	Amount	Total annual net purchase ratio[%]	Relationship with issuer	Name	Amount	Ratio in net purchases of the year up to the previous quarter [%]	Relationship with issuer
1	A	1,444,511	31.61	The Company is the director of the said company	A	1,868,120	32.74	The Company is the director of the said company	A	532,486	33.84	The Company is the director of the said company
2	B	1,031,216	22.57	None	B	1,243,275	21.79	None	B	325,134	20.66	None
	Other	2,093,561	45.82		Other	2,593,786	45.47		Other	715,811	45.5	
	Net purchases	4,569,288	100.00		Net purchases	5,705,181	100.00		Net purchases	1,573,431	100.00	

Note 1: List the names of suppliers accounting for at least 10% of the total purchases over the past two years and the value and ratio of their purchases. When the names of suppliers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

Note 2: As of the date the Annual Report was printed, if the latest financial information of companies that are listed or whose stocks are already being traded at the business locations of securities dealers that has been audited, certified, reviewed, or approved by the CPAs is available, it shall be disclosed as well.

2. Consolidated information of primary customers over the past two years:

Unit: NTD thousand

	2023				2024				2025 up to the previous quarter(Note 1)			
Item	Name	Amount	Total annual net purchase ratio[%]	Relationship with issuer	Name	Amount	Ratio in annual net sales [%]	Relationship with issuer	Name	Amount	Ratio in net sales of the year up to the previous quarter [%]	Relationship with issuer
1	A	2,359,152	38.08	None	A	2,679,485	40.70	None	A	774,984	43.32	None
	Other	3,835,873	61.92		Other	3,904,419	59.30		Other	1,014,081	56.68	
	Net sales	6,195,025	100.00		Net sales	6,583,904	100.00		Net sales	1,789,065	100.00	

Note 1: List the names of customers accounting for at least 10% of the total sales over the past two years and the value and ratio of their sales. When the names of customers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

Note 2: As of the date the Annual Report was printed, if the latest financial information of companies that are listed or whose stocks are already being traded at the business locations of securities dealers that has been audited, certified, reviewed, or approved by the CPAs is available, it shall be disclosed as well.

III. Information of In-service Employees:

Information of in-service employees over the past two years up to April 30, 2025:

Year		2024	2023	As of the year up to April 30, 2025
Number of employees	Managers	118	114	120
	Technicians	52	52	49
	Operators	104	97	106
	Total	274	263	275
Mean age		44.53	43.61	43.53
Average years of service		9.78	9.37	9.47
Academic distributionratio (%)	Ph.D	0.36	0.38	0.36
	Master's Degree	6.57	6.84	6.91
	University and College	32.85	29.66	43.64
	Senior High School	52.19	54.37	41.45
	Below Senior High School	8.03	8.75	7.64

IV. Information of Environmental Protection Expenditure:

- (I) Application for permits for setting up polluting facilities as required by law:
The Company has applied for, as required by law, permit for setting up and manipulating fixed sources of pollution, permit for discharging waste water, waste cleaning plan, and dedicated class B environmental technicians.

Item	Issuing competent authority	License No.	Acquired on
Waste Water Discharge Permit	Guanyin Industrial Park Service Center	Bei-Guan-Zi No. 1145080219	2025.02.06
Water Pollution Prevention Permit	Taoyuan City Government	Taoyuan City Environment Discharge Permit No. H2531-09	2024.11.07
Air Pollution Operation Permit	Taoyuan City Government	Operation License No. H7150-01	2024.11.08
Air Pollution Specialist	Ministry of Environment	(87)EPA Training Certificate No. FB271190	1998.10.08
Waste disposal professional technicians	Ministry of Environment	(113)Ministry of Environment YAN-ZHENG-ZI No. HB30479	2024.04.17
Waste cleaning plan	Taoyuan City Government	H09207220001	2024.06.19

- (II) Losses due to environmental pollution (including compensation) and total fines during the most recent year up to the date the Annual Report was printed: None.

V. Labor-Management Relations:

- (I) Implementation of the employee welfare system, continuing education, educational training, the retirement system, and various measures regarding employee code of conduct and ethics and labor-management agreement:
- Employee benefits: The Company has been adhering to its business philosophy of “integrity and honesty, innovation and advancement” and is committed to fulfilling corporate social responsibility and creating a friendly and supportive working environment, so as to improve the quality of life of employees and promote harmonious labor-

management relations.

In addition to complying with local laws and regulations, the Employee Welfare Committee was established on November 6, 1986. It sets aside the welfare fund to encourage employees to organize various clubs and activities so that they can relax their body and mind, exchange with one another, engage themselves in affectionate communication, their efficacy at work can thus be improved. Such benefits include the following:

- (1) Leave: All types of leave are subject to the Labor Standards Act, the Gender Equality in Employment Act and other relevant laws and regulations.
 - (2) Meal: There is the employee cafeteria in the plant that prepares three meals for employees.
 - (3) Insurance: Labor insurance, national health insurance, employee group medical and accident insurance and overseas travel insurance.
 - (4) Prize: There are the performance prize, year-end prize, and employee remuneration.
 - (5) Gift money: There are the wedding gift money, child birth gift money, birthday gift money, and three major festival gifts.
 - (6) Subsidies for recreational events: There are the subsidies for club events and travels and also the year-end congress.
 - (7) Other subsidies: There are the emergency aid, hospitalization, and funeral subsidies that may be applied for.
 - (8) Health protection plan for female employees: We arrange nurses to provide on-site services and consultations for pregnant employees, set up lactation rooms, provide family care leave and parental leave, and contract with childcare institutions to provide a safe childcare environment.
2. Employee continuing education and training: The Company is devoted to nurturing talent and emphasizes counseling of new hires. There are devoted counselors to help new hires. In terms of continuing education and training of employees, on the other hand, there are regular and irregular internal educational training and outsourced training courses held for each function. The courses can be divided into: professional functional courses, managerial skill courses, general courses, and quality management courses; they are meant to improve product quality and performance at work and to proactively nurture professionals and help employees acquire professional licenses. Meanwhile, to encourage employees to attend in-service education and learning sessions, they are combined in the employee performance evaluation system, the employee reward evaluation system, the employee promotional system, and professional assignments, among others, for the ultimate purpose of having the right person in the right position doing the right thing.

The results of the Company's 2024 education and training are as follows. The training courses include new employee orientation, professional training, management skills,

and general training:

Item			Total Cost (\$1,000)
Class No.	Session	105	237
Total number of trainees	Number of people	478	
Total training hours	Hour	1,576	
Average training hours	Hour(s) / person	3.3	

3. Retirement system: The Company has already set its retirement system as required by law by creating the Supervisory Committee of Labor Retirement Reserve on March 16, 1987. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years (inclusive) and one unit for each additional year thereafter, subject to a maximum of 45 units. The retirement reserve of the Company is set aside and deposited in an exclusive account with the Bank of Taiwan in accordance with the Labor Standards Act. The settled balance of such exclusive account as of March 31, 2025 totaled NT\$71.27 million.

Starting from July 1, 2005, for employees who have chosen the new pension system or are applicable under the new pension system according to the Labor Pension Act, a monthly contribution of 6% of their total wages and salaries will be made to their personal pension account. For those who voluntarily contribute to the pension fund, the contribution rate will be deducted from the employees' monthly salary and paid to their personal pension account at the Bureau of Labor Insurance.

4. Employee code of conduct or ethics: The Company fulfills its corporate social responsibility and its obligation to educate its employees. Highlights of regulations at work are summarized as follows:

- (1) Strictly follow regulatory requirements and practice social ethics and morality.
- (2) Be loyal and honest and follow all operating regulations and procedures of the Company, follow the leadership of supervisors at all levels and the assigned tasks, and accept professional and technical guidance and supervision modestly.
- (3) Demand yourself by not being opportunistic and not finding excuses for what you have done wrong; and you shall get along with colleagues and honor the idea of helping and working with one another.
- (4) You shall be thrifty and simple in life and do not make extravagance and waste a habit.
- (5) Precisely keep the workplace and equipment tidy and clean and fulfill your responsibility to treasure and carefully maintain public properties.
- (6) Save whenever you can on raw materials, supplies, and office stationery; do not waste resources.

5. Measures to protect the workplace and personal safety: To ensure that the workplace and the employees are safe, the Company implements the managerial cycle of plan do, check, and act (PDCA) and measures taken to protect employees against accidents and ensure that employees are safe include:

- (1) Establishment of the labor safety and health system, enforcement of the disaster

prevention plan and formation of the disaster emergency response team, implementation of regular and irregular trainings for the sake of reducing occupational hazards and protecting the safety of employees and the workplace.

- (2) As is required by the Labor Safety and Health Management Code, the Labor Safety and Health Management Committee and exclusive units are set up. They meet periodically to comprehensively reflect upon improvement of labor safety measures.
 - (3) As far as the workplace and machinery/equipment are concerned, the Company enforces the 5S, 6S, and PDCA systems. They are periodically maintained and cared for; employees are educated; and they continue to be tracked and inspected to seek improvements, creating a quality people-centered quality workplace and safe procedures for operating the machinery and equipment.
 - (4) Various labor safety-related educational training is enforced and internal training and outsourced training are organized periodically and from time to time and are announced and communicated to instill the idea about industrial safety being everyone's responsibility and to accordingly fulfill the zero hazard goal.
6. Labor-management agreement: The Company values the rights and benefits of its employees and has a variety of reward systems in place. Plants hold labor-management meetings according to the Labor Standards Act and the Labor-Management Meeting Guidelines. Labor-management interactions are harmonious. No labor-management disputes have occurred.
- (II) Losses arising as a result of labor-management disputes in the most recent year up to the date the Annual Report was printed and disclose possible estimated amounts and countermeasures now and in the future; if they cannot be reasonably estimated, facts about the impossibility to reasonably estimate shall be clarified:
- None.

VI. Information and Communication Security Management:

- (I) Information and communication security risk management framework:

The responsible unit for information and communication security is the information center. It is responsible for planning, implementing, and promoting information and communication security management and communicating awareness of information and communication security to our people from time to time.

The Audit Office is the unit for auditing information security governance. It performs audits periodically to find out implementation deficiencies and asks the auditee to come up with related correction plans and submits them to the Board of Directors as well as follows up on the improvement status periodically in order to minimize internal information and communication security risks.

For the operational model, annual PDCA management is adopted to ensure fulfillment of reliable information and communication and constant reflection and improvement.

- (II) Information and communication security policy:

For the sake of maintaining the Company's information and communication security belief, data stored or transmitted by the Company shall be thoroughly protected and safeguarded in order to prevent against destruction, computer viruses, leakage, abuse, and infringement, among others. The policy is described as follows:

1. Information and communication security measures shall meet the requirements of government laws and applicable requirements of the Company's information security

- policy and internal control regulations. All information security control or procedures shall be developed, revised, and established in compliance with internal information control regulations.
2. All staff and suppliers and customers of the Company, should they need information to be provided by the Company, must follow the required procedure and designated regulations in honor of this policy.
 3. Information and asset managers at respective departments of the Company shall be responsible for the information or assets within their field or held by them and have a monitoring procedure in place for the use status so that potential risks of system or unit information abuse may be uncovered at any time; it reinforces the confidentiality, usability, and integrity of the data.
 4. All staff shall report safety events, safety weaknesses, and violations of safety policies and procedures through appropriate reporting channels.
 5. Work assignment shall take into consideration division of labor; functions and scope of responsibilities shall be separated in order to prevent against unauthorized modification or misuse of information or service.
 6. It is strictly prohibited that people install, use, or download illegal or unauthorized software in Company's information equipment.
 7. The Company will revise its information security policy periodically and enforce it in order to enhance operational safety of respective information systems.
 8. Anyone that jeopardize information security shall be sought after for his/her civil, criminal, and administrative liabilities and be punished accordingly, depending on the circumstances.

(III) Specific Safe Management Plans and Resources Devoted to Information and Communication Security Management:

Information security management solution		
Category	Description	Related measures
Access control	User account, access control, and system operation	1.User account access control and review 2.Periodic inventory check of user account permissions
Access control	Control over access by staff to internal and external systems and data transmission channels	1.Internal/external accessible scope-defined control measures 2.Operational track record
External threat	Internal potential weaknesses, virus attack channels, and protective measures	1.Host/computer weakness detection and update measures 2.File and mail virus protection and malware detection 3.Firewall protection and malware detection
System usability	System usable status and management in case of discontinued service	1.System/network usable status monitoring and reporting mechanism 2. Information backup measures, local/remote backup mechanism 3.Periodic disaster recovery drill
Educational training and communication	Communication of information security risk cases from time to time	1.Communication of information security risk cases from time to time

Input of information security management resources	
Item	Description
Information Security Specialist	Two information security specialists are in place
External Firewall	Reinforce the security of external gateways. For the network gateway, the new-generation Layer 7 firewall is adopted.
External Network Access Line	Strengthen line security; for external network access lines, reflective of the service difference and importance, line information security service has been applied for with Chunghwa Telecom. It is combined with the new-generation firewall to exercise dual external defense effects.
Microsoft Update	The WSUS update system is configured to ensure real-time reinforcement in cases of safety vulnerabilities of the Computer and to also control and prevent against disasters in cases of abnormalities with updated released by Microsoft.
Anti-virus System	The latest ApexONE anti-virus system of Trend Micro is configured; it can detect and remove general system viruses and also reinforce website credit rating, detect and keep off suspicious connections, monitor behavior, and control access of surrounding equipment, among others.
Terminal computer (PC, NB)	Reinforce terminal computer safety management and gradually eliminate early-stage operating systems; at present, more than 99% of the terminal computers are of Windows 10 or higher-level operating systems.
Information security solutions	The second physical backup has been added to the disaster recovery 3-2-1 architecture; meanwhile, the offline cloud backup mechanism has been evaluated and tested with Hinet POC in preparation for introduction.
Educational training	For information security personnel, the Company signed them up for the online courses offered by the Taiwan Academy of Banking and Finance, including information security awareness, essential knowledge and responsibilities (120 minutes), information security incident explanation and preventive measures (150 minutes), and information security control guidelines for listed companies (90 minutes). In addition, an annual information security general education and training course (120 minutes) was held for colleagues.

(IV) Losses arising as a result of major information and communication security incidents in the most recent year up to the date the Annual Report was printed and the possible impacts and countermeasures; if they cannot be reasonably estimated, facts about the impossibility to reasonably estimate shall be clarified:

No major information and communication security incidents occurred in the most recent year and up to the date the Annual Report was printed.

VII. Important Contracts: None.

E. Review and Analysis of Financial Status and Business Results, and Risk Items

I. Consolidated financial standing - International Financial Reporting Standards:

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current asset	4,933,203	5,163,388	(230,185)	(4.46)
Funds and investments	2,085,913	1,690,432	395,481	23.40
Real estate, plants, and equipment	1,311,126	1,295,077	16,049	1.24
Investments and other assets	332,607	347,282	(14,675)	(4.23)
Total assets	8,662,849	8,496,179	166,670	1.96
Current liability	902,831	791,366	111,465	14.09
Non-current liability	159,942	151,845	8,097	5.33
Total liabilities	1,062,773	943,211	119,562	12.68
Capital stock	3,160,801	3,160,801	-	-
Capital reserve	191,704	191,704	-	-
Retained earnings	4,349,081	4,159,736	189,345	4.55
Other equities	(103,909)	38,293	(142,202)	(371.35)
Treasury stock	-	-	-	-
Non-controlling interest	2,399	2,434	(35)	(1.44)
Total equity	7,600,076	7,552,968	47,108	0.62

Notes: Information on primary causes of major changes to assets, liabilities, and shareholder's equity in the past year (such change(s) between the previous and subsequent periods shall be 20% and above and the amount of change(s)

shall be NT\$10 million and above) and their impacts and the countermeasures in the future.

Primary cause:

Funds and investments: It was mainly because of the improvement of investment targets for the current term.

Other equities: It was mainly because of the decrease in unrealized profits or losses on FVOCI valuation, which was fairly adequate after reviewing the valuation process and stock market overview.

Impacts: No major impacts.

Countermeasures in the future: Not applicable.

II. Financial performance:

(I) Consolidated financial performance analysis - International Financial Reporting Standards:

Unit: NTD thousand

Item	2024		2023		Increase (Decrease) Amount	Change Ratio
	Subtotal	Total	Subtotal	Total		
Operating income						
Sales income	6,613,199		6,232,231		380,968	6.11
Less: Rejected sales	144		663		(519)	(78.28)
Sales discounts	29,151		36,543		(7,392)	(20.23)
Net operating income		6,583,904		6,195,025	388,879	6.28
Operating cost		5,541,050		5,323,372	217,678	4.09
Operating gross profit		1,042,854		871,653	171,201	19.64
Operating expense		242,691		265,580	(22,889)	(8.62)
Operating profit (loss)		800,163		606,073	194,090	32.02
Non-operating income and profit		140,212		124,099	16,113	12.98
Non-operating expenditure and loss		(4,528)		(26,416)	21,888	82.86
Pre-tax profit		944,903		756,588	188,315	24.89
Expected profit (expenditure) from income tax		(191,676)		(127,837)	63,839	49.94
Net profit of current term		753,227		628,751	124,476	19.80

Information on the analysis of variation in the ratio of increase/decrease:

Non-operating expenditure and loss: The difference was due to the loss on disposal of materials and equipment in the previous year.

Expected profit (expenditure) from income tax: The difference was due to the tax on retained earnings payable in the current year and the disposal of FVOCI (foreign).

Estimated sales volume in 2025: Sales volume of main products

Main product	Sales volume (Annual budget)
Power cable	18,586 tons
Bare copper wire	155 tons
Communication cable	100 tons
Total	18,841 tons

III. Cash flows:

Unit: NTD thousand

Cash balance at start of term (1)	Annual net cash flows from operating activities (2)	Annual cash flows from investment and fund-raising activities (3)	Impacts from changes in exchange rates (4)	Cash balance (shortage) (1)+(2)+(3)+(4)	Remedies for shortage in cash	
					Investment plans	Fundraising plans
1,929,079	(46,099)	(1,100,386)	(1,474)	781,120	Not applicable	Not applicable

(I) Analysis of variance in current flows for the year:

1. Net cash outflow from operating activities: The cash outflow from operating activities in this period increased compared with last year, mainly due to the large number of orders at the end of the year, increased purchase volume and rising copper prices.
2. Net cash outflow for investment activities: Cash outflow from investment activities for the current term amounted to NT\$456,179 thousand, which was due to the purchase of more stocks and bonds, resulting in an increase in financial assets at fair value through other comprehensive income compared with the previous period.
3. Net cash outflow for fund-raising activities: The cash outflow from fund-raising activities for the current term was NT\$644,207 thousand, which was attributable to the cash dividends of NT\$632,160 thousand from the appropriation of 2023 earnings.

(II) Remedies in case of cash shortage and liquidity analysis:

Not applicable because the Company does not have cash shortage.

The liquidity analysis is provided below:

	2024	2023	Variation ratio (%)
Cash flow ratio (%)	(5.11)	46.26	(111.05)
Cash flow adequacy ratio (%)	27.78	34.40	(19.24)
Cash Reinvestment Ratio (%)	(7.63)	(1.24)	515.32

Information on the variation in the ratio of increase/decrease:

1. Cash flow ratio: The ratio showed a year-on-year drop mainly because of the increase in cash outflows from operating activities. Please refer to (I) 1. for the causes.
2. Cash flow adequacy ratio: The ratio showed a year-on-year drop mainly because of the increase in cash dividends paid in the past five years of this period compared with the previous period.
3. Cash Reinvestment Ratio: This ratio showed a year-on-year decline because of the increased cash dividends paid compared to the previous period and the cash outflows from operating activities in this period.

(III) Analysis of cash flow liquidity for the coming year:

Cash balance at start of term (1)	Expected annual net cash flows from operating activities(2)	Expected annual net cash flows from investment and fund-raising activities (3)	Estimated cash balance (shortage) (1)+(2)+(3)	Expected remedies in case of cash shortage	
				Investment plans	Fundraising plans
781,120	727,838	(944,092)	564,866	Not applicable	Not applicable

1. Analysis of expected variance in cash flows:
 - (1) Expected annual net cash flows from operating activities:
Net cash in-flows of operating activities mainly come from operating income.
 - (2) Expected annual net cash flows from investment and fund-raising activities:
 - A. Investing activities: Net cash outflow from investment activities was mainly due to the procurement of plant and equipment update.
 - B. Fund-raising activities: Net cash out-flows of fund-raising activities are meant mainly to pay back borrowings from banks and to distribute cash dividends.
2. Expected remedies in case of cash shortage and flow analysis:
Not applicable because the Company does not have cash shortage.

IV. Impacts of significant capital expenditure on financial operations in 2024:

- (I) Utilization and funding source of major capital expenditure:
Significant capital expenditure throughout 2024 totaled around NT\$87 million and the source of funding was the internal working capital. The main purposes were to purchase wire and cable equipment, improve production processes, and build energy storage systems.
- (II) Expected possible benefits:
The above capital expenditure is expected to improve production efficiency and optimize process capabilities, which will help enhance product quality, reduce costs, and reduce waste wires, thereby improving operational efficiency and long-term corporate competitiveness.

V. Reinvestment policy in 2024 and main reasons for profits or deficits and the improvement plan as well as the investment plan for the coming year:

- (I) The Company's reinvestment strategy is to focus on major international and domestic issues and make investments at the appropriate time.
- (II) Main reasons for profits from reinvestments in 2024:
As inflation cooled down, the economy recovered moderately, and the US Federal Reserve initiated a cycle of interest rate cuts, the overall economy was gradually showing signs of hope. In terms of the benefited industries, in addition to the mainstream AI server market, semiconductors, IC design, energy, etc. had all grown and were waiting for the demand for hardware and software in terminal applications to boost; as for the international war situation, after Trump's election, the conflicts of Russia-Ukraine and the Middle East were significantly eased, and we're waiting for the post-war reconstruction business opportunities; with respect to the long-term investment field of smart healthcare and biotechnology industry, no products that could shock the market appeared in 2024, and we looked forward to gradually reaping the investment returns in the coming year.
The market was turbulent in 2024, with funds overly concentrated in the AI field. As Trump's America First policy affected the migration of sectors in the world's supply chain, long-term investment distribution still needed to be handled with caution.
- (III) The 2025 reinvestment plan considers the following directions:
Affected by US President Trump's tariff and trade policies, whether the global economy can continue to grow requires paying close attention to the US Federal Reserve's interest rate cut schedule and the risk of stagflation, and selecting appropriate policy beneficiaries. In terms of popular industries, we focus on the implementation and application of AI concepts, the sustainable development of the

semiconductor industry, and the high-interest related financial products for investment; in addition, we will continue to pay attention to the outlook for emerging markets and whether China's economy will recover. The investment focus in 2025 will be on risks such as stagflation, interest rate cuts, and industry chain migration. As the base period of short-term investment remains high and the market being volatile, the Company will adopt flexible investment arrangements and dispose of short-term holdings at the right time to achieve investment returns in a wave-like manner; in terms of long-term investment, we are still actively conducting research on industrial sectors and deepening post-investment management to expand long-term investment opportunities.

VI. Analysis and Evaluation of Risk Matters:

(I) Impacts of changes in interest rate and exchange rate and inflation on the Company's profits or losses in the past year and the countermeasures in the future.

1. Impacts of changes in interest rate in the past year on the Company's profits or losses and the countermeasures in the future:

Unit: NTD thousand

Item\Year	2024
Consolidated net interest income (expenditure) (1)	15,347
Consolidated operating income (2)	6,583,904
Consolidated operating profit (loss) (3)	800,163
(1)/(2)	0.23%
(1)/(3)	1.92%

The Company's consolidated net interest of 2024 was an income of NT\$15,347 thousand, accounting for 0.23% and 1.92%, respectively, of the consolidated operating income and operating profit for the same year and an increase from 2023, mainly because of the increase in the amount of time deposits and the increase in interest rates on deposits in 2024. Due to the fact that interest expenditure of the Company does not account for a large ratio, in cases of rising interest rates in the future, there will be no major impacts on the Company because of changes in interest rate. In case of any demand for funds in the future, on the other hand, the Company will take the following countermeasures depending on the circumstances:

- (1) In the future, depending on the operational condition and the demand for funds, capital increase in cash will be adequately initiated or commercial papers and corporate bonds will be adequately issued or short-to-long-term financing will be applied for with financial institutions in order to reduce the interest rate risk.
- (2) The Company will periodically evaluate the interest rates for borrowings offered by financial institutions while at the same time obtaining the mean interest rate on the market and keep in close contact with them in order to seek the most preferred interest rate for borrowings.

3.Impacts of changes in exchange rate on the Company's profits or losses and the countermeasures in the future:

Unit: NTD thousand

Item\Year	2024
Consolidated net foreign currency exchange (loss) profit (1)	9,448
Consolidated operating income (2)	6,583,904
Consolidated operating profit (3)	800,163
(1)/(2)	0.14%
(1)/(3)	1.18%

The Company's 2024 consolidated net foreign exchange gain was NT\$9,448 thousand, accounting for 0.14% and 1.18%, respectively, of the consolidated operating income and operating profit for the same year, which was mainly due to changes in foreign exchange rates. Due to the fact that foreign exports do not account for a large ratio of the Company's revenue, the changes in the exchange rates of NTD versus USD and other currencies have limited impacts on the Company profits or losses. Nevertheless, the Company has been paying attention to the fluctuating exchange rates on the international market and continues to impose the following countermeasures:

- (1) Remain in close contact with the Foreign Exchange Department of each corresponding financial institution and collect information about changes in exchange rate at all times in order to fully keep track of trends in exchange rate, among other, and to proactively deal with negative impacts brought about by fluctuating exchange rates.
- (2) Open deposit accounts for foreign currencies and adjust the positions of foreign currencies held reflective of the actual demand for funds and trends in exchange rate.
- (3) Support expenditure for purchases with income from sales in the same currency as a hedging approach.

3. Impacts of inflation on the Company's profits or losses and the countermeasures in the future:

Prices of raw materials and supplies have been fluctuating recently due to the international economic and political situations. The Company will continue to pay close attention to inflation and changes in purchase orders, adequately adjust prices of products and the inventory of raw materials and supplies in order to reduce the impacts of inflation on the Company and sign long-term purchase contracts on major raw materials with collaborative suppliers in order to reduce impacts from fluctuating prices of major raw materials and supplies.

(II) Policies on high-risk, high-leverage investments, lending to others, endorsements/guarantees, and transactions of derivative financial instruments, main causes of profits or losses, and countermeasures in the future:

Affected Item	Policy	Main cause of profit or loss	countermeasure in the future
High-risk/high-leverage investment	The Company focuses on its mainstream business and is not engaged in high-risk/high-leverage investments.	None	None
Lending to others	1. Lending occurs only to subsidiaries; there are no funds lent to other companies and the value has not been out of bound. 2. The Company's "Operating Procedure for Lending Funds to Others" is followed.	None	None
Endorsements and guarantees	1. Endorsements and guarantees occur only to subsidiaries; there are no endorsements or guarantees for other companies and the value has not been out of bound. 2. The Company's "Procedure for Processing Endorsements and Guarantees" is followed.	None	None
Experience in the transactions of derivative financial products	1. The Company deals with derivative financial instruments mainly for hedging transactions of operating and investing activities and has not engaged in trading of derivatives for the purpose of speculation. 2. The Company's Procedure for Acquiring or Disposing of Assets is followed.	None	None

(III) Future R&D programs and expected R&D investments:

1.R&D programs in the past year:

R&D programs in the past year	Date of completion
1. Development of nylon coatings for anti-termite cables	2018
2. Development of 33kV XLPE-MDPE gopher and termite resistant cables	2019
3. Development of UL solar power cables	2019
4. Development of IEC/EN solar power cables	2020
5. Development of ultra-heat-resistant aluminum steel-reinforced conductors	2020
6. Development of wind power cables	2020
7. Development of hypalon lead cables	2020
8. Novel structure flame-retardant cables	2020
9. Gopher and termite resistant UL PV cables	2020
10. Development of IEC/EN gopher and termite resistant PV cables	2021
11. Ultra-high voltage PVC termite resistant materials	2021
12. Development of ultra-high voltage PVC gopher and termite resistant materials	2022
13. Development of IEC/EN gopher and termite resistant PV cables	2023
14. Low smoke non-toxic gopher and termite resistant cables	2024

2. Pending additional R&D investments, expected time of completion of mass production, current progress, and major influential factors for successful R&D in the future:

No.	R&D item	R&D expenditure	Expected time of completion of mass production	Current progress	Major influential factors for successful R&D in the future
1	Development of 345kV XLPE cables	6 million	September 2025	40%	1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Product quality and application of innovative technology□
2	Development of ultra-heat-resistant aluminum steel-reinforced conductors	14 million	September 2025	30%	1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Increased market demand□
3	Floating PV Cable	1 million	September 2025	20%	1. Suitability of processing equipment 2. Technology innovation and production process improvement 3. Product application market expansion
4	Development of 230kV XLPE cables	3 million	December 2025	40%	1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Increased market demand

- (IV) Major changes in government policies and laws at home and abroad, the impact on Company finance and business, and response measures: None.
- (V) Impacts of technological and industrial changes on the Company's finance and countermeasures:
 The sluggish global economy impacts the market as a whole significantly; nevertheless, the demand for new materials and products remains. As the international society is paying increased attention to the quality of products and improvement in technical capabilities as well as the needs of domestic and international customers, new products will be developed in the most economical way in 2024. New products that combine design and technical application of new technological materials and meet the demand on the market will be developed in order to explore business opportunities. Examples include: green-energy new materials, 230kV XLPE cables, 345kV XLPE cables, among other new products. Meanwhile, competitive and technical capabilities will be improved to expand the market share and to improve the corporate image and profitability.
- (VI) Impacts of change in corporate image on corporate crisis management and the countermeasures: None.
- (VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures: None.
- (VIII) Risks facing focused purchases or sales and the countermeasures:
 Copper and copper sheets for wires and cables are obtained directly from the international market. Copper strips, on the other hand, are from multiple domestic OEM contractors or are bought directly. There are no risks of focused purchases. PVC powder is sufficiently supplied by domestic heavyweights. The price is transparent and there are sufficient sources of supply both domestically and internationally to ensure long-term stability. XLPE particles are provided by the world's two largest chemical groups and the partnership has been optimal over the long term. The cost fluctuates with the price of crude oil.
 For the sales of power wires and cables, besides the TaiPower transmission project, there are other institutional users such as CPC, TRA, and MRT and more than a hundred other public projects, distributors and agents. The market is decentralized. There is no risk of focused sales, either.
 Telecommunication cables are known for their ample sources of materials, mature processing techniques and steady quality and purchase order-based production model that is relatively free of the inventory stress and risk. Their sales, however, are focused on fixed network operators. Countermeasures include continuous development of new markets, etc.

For peripheral solar power parts and components, as the government proactively promotes renewable energy and the clause for major electricity consumers is enforced, related demand is climbing rapidly and it is required to proactively explore a second source to decentralize the procurement risk. As far as sales are concerned, it is required to continue increasing domestic and international customers for decentralization of the distribution risk.

(IX) Impacts of extensive transfer or swap of shares by directors, supervisors, or major shareholders holding over 10% of shares on the Company and the risks and countermeasures: None.

(X) Impacts of change in management on the Company and the risks and countermeasures: None.

(XI) Disclosure of lawsuit or non-lawsuit events whose outcome had major impacts on the shareholder equity or prices of securities: None.

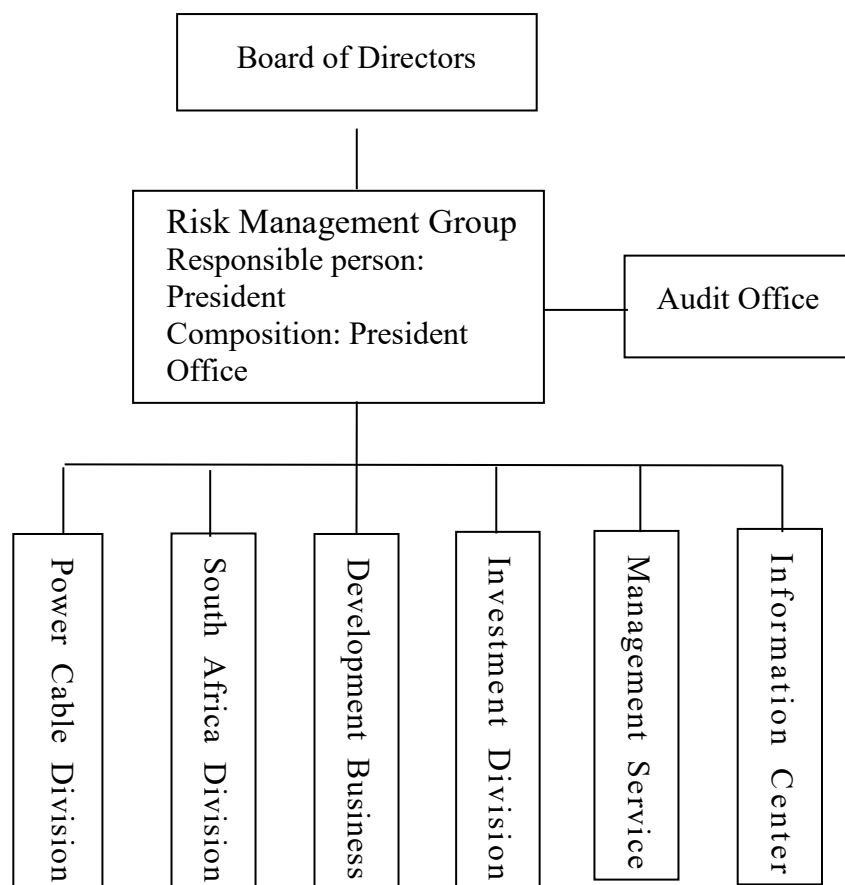
(XII) Other significant risks and countermeasures:

In light of the increasing threat on the Internet, related protection is in place and the matching digital software and hardware equipment as well as close collaboration with information security and related service providers is being reinforced each year.

In 2024, the Company did not find any major cyber attacks and there were no incidents with existing or imminent significant impacts on the Company's sales and operation.

(XIII)Organizational structure of risk management:

Unit	Functions and Responsibilities
Board of Directors	The Company's Board of Directors is the highest risk management body in the Company; it is responsible for finalizing the risk management policy and structure and ensuring that the operational strategy and direction are consistent to the risk management policy.
Risk Management Group	The President is the person in charge of the Group; he/she is responsible for organizing and supervising the implementation and operations associated with risk management as a whole and top-ranking managers of respective business units and the President's Office are members of the Group.
Audit Office	The Audit Office reports to the Board of Directors. The Annual Audit Plan is prepared with reference to the risk management policy and risk assessment findings. Respective business units are audited in compliance with the Plan and the Company's internal control system.
Respective Business Units	Respective business units shall specifically identify, analyze, evaluate, and respond to various encountered risks to ensure that their risk management and related control procedures are effectively enforced and the risk control involved is within a bearable range.

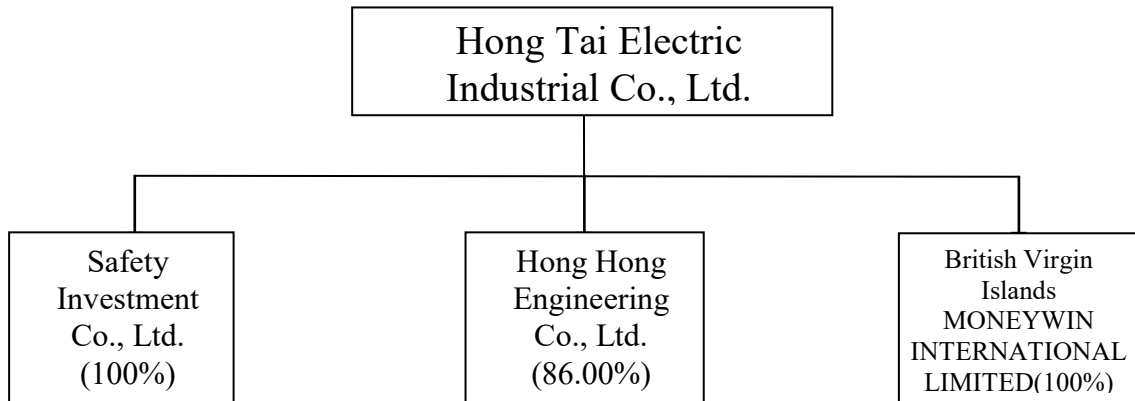


VII.Other Important Matters: None.

F.Special Disclosures

I. Profiles of affiliates:

(I) Organizational chart of affiliates (March 31, 2025):



(II) Profiles of affiliates:

Unit: \$ 1,000

Name of business	Date of establishment	Address	Paid-in capital size	Main scope of operation or production
Safety Investment Co., Ltd.	1994.09.13	20F, No. 65, Dunhua South Road Section 2, Taipei City	88,000	General investment
Hong Hong Engineering Co., Ltd.	2005.01.19	No. 248, Zhongshan North Road, Dayuan District, Taoyuan City	41,580	Cable installation engineering
British Virgin Islands Moneywin International Limited	1997.05.15	VISTRA CORPORATE SERVICES CENTRE, WICKHAMS CAY II, ROAD TOWN, TORTOLA, VG1110, B.V.I.	USD4,431	General investment

(III) Information of Directors, Supervisors, and Presidents of Affiliates:

Unit: share/%

Name of business	Title	Name or representative	Number of shares held	
			Number of shares	Shareholding ratio
Safety Investment Co., Ltd.	Chairman	Hong Tai Electric Industrial Co., Ltd.	8,800,000 shares	100.00%
	Director	(Representative: Chen Liang-Hua)		
	Director	Hong Tai Electric Industrial Co., Ltd.		
	Director	(Representative: Chen Chih)		
	Director	Hong Tai Electric Industrial Co., Ltd.		
	Supervisor	(Representative: Chang Ping-Jen)		
	Supervisor	Hong Tai Electric Industrial Co., Ltd.		
		(Representative: Pan Shao-Ping)		
Hong Hong Engineering Co., Ltd.	Chairman	Hong Tai Electric Industrial Co., Ltd.	3,575,880 shares	86.00%
	Director	(Representative: Yu Shih-wei)		
	Director	Hong Tai Electric Industrial Co., Ltd.		
	Supervisor	(Representative: Shen Wei-Nan)		
		Hong Tai Electric Industrial Co., Ltd.	0 shares	0%
		(Representative: Chang Xiao-Ming)		
		Qian Ying-Zhe)		
British Virgin Islands Moneywin International Limited	Chairman	Hong Tai Electric Industrial Co., Ltd.	4,430,860 shares	100.00%
	Director	(Representative: Chen Liang-Hua)		
		Hong Tai Electric Industrial Co., Ltd.		
		(Representative: Pan Shao-Ping)		

(IV) Business overview of affiliates:

Unit: NTD thousand; Earnings/NTD

Name of business	Capital size	Total assets	Total liabilities	Net worth	Operating income	Operating profit or loss	Current Profit/Loss (After-tax)	Earnings per share (After-tax)
Safety Investment Co., Ltd.	88,000	139,461	512	138,949	171,730	(-2,016)	(1,787)	(-0.20)
Hong Hong Engineering Co., Ltd.	41,580	68,219	8,230	59,989	76,362	2,810	2,696	0.65
	139,652	134,054	33	134,021	5,569	(242)	3,296	0.02
British Virgin Islands MONEYWIN INTERNATIONAL LIMITED								

(V) Information of common shareholders who are presumed to have a relationship of control and subordination: Not applicable.

(VI) Report of Affiliates: Not applicable.

(VII) Overall scope of operation of affiliates:

Name of Company	Sector	Controlling (Subordinate) company	Control (Subordination)	Scope of operation among the affiliates and the interaction and division of labor
Hong Tai Electric Industrial Co., Ltd.	Wire/cable Optoelectronics Copper clad laminate	Controlling company	Control through shares held	Manufacturing and distribution of wires and cables, photovoltaic parts and components of solar power modules, copper clad laminates, and insulating materials
Safety Investment Co., Ltd.	Investment	Subordinate company	Control through shares held	General investments in a variety of production businesses, investments in securities, and banks and companies
Hong Hong Engineering Co., Ltd.	Cable installation engineering	Subordinate company	Control through shares held	Production of wires and cables and cable installation engineering, etc.
British Virgin Islands Moneywin International Limited	Investment	Subordinate company	Control through shares held	Holding companies that are reinvested in overseas

(VIII) Consolidated financial statement of affiliates: Not applicable.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF
AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

By

CHIU CHIANG INVESTMENT CO., LTD.

CHEN, SHI-YI

Person in charge

March 21, 2025

(IX) Disclosure of information on transactions Involving related parties (including affiliates):

The following are the related parties with whom the Group had transactions during the financial reporting period:

1. Names and relationship of related parties

Names of related parties	Relationship with the Group
South Ocean Holdings Ltd.	Affiliates
Lianfa Metal Enterprise Co., Ltd. ("Lianfa Metal")	Other related parties (the Company being the director of the said party)
United Electric Industry Co., Ltd. ("UEI")	Other related parties (the Company being the director of the said party)
Key management	Key management of the Group

2. Significant transactions between the Group and its related parties

(1) Sales

	2024	2023
Other related parties		
Lianfa Metal	\$39,325	\$5,460

The above transaction and payment terms of the Group's sales to related party are not significantly different from normal transactions.

(2) Purchases

	2024	2023
Other related parties		
Lianfa Metal	\$1,868,120	\$1,444,511
UEI	259,163	229,078
Total	\$2,127,283	\$1,673,589

The above transaction and payment terms of the Group's purchases from related parties are not significantly different from normal transactions.

(3) Accounts payable - related parties

	2024.12.31	2023.12.31
Other related parties		
Lianfa Metal	\$1,735	\$1,119
UEI	12,963	25,301
Total	\$14,698	\$26,420

(4) Notes payable – related parties

	2024.12.31	2023.12.31
Other related parties		
UEI	\$19,006	\$-

(5) Stock trading between the Group and its related parties

	2024	
	Target company	Number of shares traded
Key management of the Group		Transaction price
Key management	Safety Investment	\$39
		2,466

(6) Other

	2024.12.31	2023.12.31
Prepayments		
Other related parties		
UEI	\$7,601	\$4,384

Refundable deposits

Other related parties		
Lianfa Metal	\$29,227	\$29,227

	2024	2023
Dividend income		
Other related parties		
Lianfa Metal	\$-	\$-
UEI	16,361	9,540
Total	\$16,361	\$9,540

Other income

Affiliates		
South Ocean Holdings Ltd.	\$722	\$805
Other related parties		
Lianfa Metal	20	-
UEI	1,552	926
Total	\$2,294	\$1,731

Operating cost

Other related parties		
UEI	\$382	\$-

Operating expense

Affiliates		
South Ocean Holdings Ltd.	\$303	\$255

(X)Disclosure of information on endorsements/guarantees for affiliates, lending to others, and transactions of derivative financial instruments:

1.Provision of endorsements and guarantees for others: None.

2.Loans to others: None.

3.Trading in derivatives undertaken during the reporting periods: None.

II.Private placement of securities: None.

III.Other Necessary Supplementary Information: None.

IV.Other Disclosures:

Matters with significant impacts on shareholder's equity or prices of securities as set forth in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the past year up to the date the Annual Report was printed: None.

V. For those who have made public announcements and reports on the information reporting website designated by the Financial Supervisory Commission, the information search index may be provided in the annual report:

Consolidated business reports of affiliates and other related materials

Information search index->Market Observation Post System->basic information electronic books affiliation reports, consolidated business reports and consolidated financial statements section->

company code: 1612 Year: 2024 -> electronic data search

Implementation of the fund utilization plan for the issuance or private placement of securities:
None

Private placement of securities: None