

Stock code : 8097



# **2024Annual Report**

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<http://www.atwtechnology.com>

1. Spokesperson, proxy spokesperson, name, title, phone number, email address

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Web address: www.gfortune.com.tw

Tel: (02)2371-1658

4. Most recent CPAs, firm, address, web address, phone number

Name of Accountant: CPAs Chen Chi-Ling, Chen Yi-Ling

Name of Firm: Nexia Sun Rise CPA Firm

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Web address: www.nexia.com.tw

Tel: (02)2751-0306

5. Trading venues for overseas securities and access to information on such overseas securities:

None

6. Company website: www.atwtechnology.com

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# One. Report to Shareholders

Dear shareholders,

On behalf of the Company, I would like to express my sincere gratitude to all of you for your time in attending this year's shareholders' meeting. The 2024 operating performance and future prospect are hereby reported as follows:

## I. 2024 business results

In 2024, the operating revenue was NTD 245,830 thousand, the operating profit was NTD 71,392 thousand, the operating net loss was NTD 40,519 thousand, and the net profit in the current period was NTD 24,994 thousand, mainly due to the Company's As the Company continues to transform into a professional telecommunications carrier, large international telecommunication customers require long-term maintenance and certification. This is due to the lack of significant improvement in operations this year. The Company will continue to develop telecommunication customers in Latin America and other emerging markets, in order to inject new growth momentum. I would like to thank the management team and all colleagues for their hard work in the past year, and most importantly, my shareholders for their support and encouragement, so that the Company can continue to operate stably and improve its current operating conditions.

(I) Outcomes of the implementation of the business plan:

Unit: NTD thousand

Item	2024
Net operating revenue	245,830
Operating cost	174,438
Gross operating profit	71,392
Operating expenses	111,911
Net operating profit	(40,519)
Non-operating income and expenses	69,245
Net profit before tax	28,726
Net income for the period	24,994
Other comprehensive income	7,701
Total comprehensive income for the period	32,695

The company's development of new customers has been fruitful in 2024, with Net operating revenue increasing by 8.67% compared to 2023, gross operating profit increasing by 111.28% compared to 2023, and Net income for the period increasing by 164.27% compared to 2023.

(II) Budget implementation: The Company's financial forecast for 2024 has not yet been announced.

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

Item	2023
Return on assets (%)	1.61%
Return on shareholders' equity (%)	1.65%
Operating profit to paid-in capital (%)	(6.13)%
Profit before tax as a percentage of paid-in capital (%)	4.35%
Net profit margin (%)	10.17%
Earnings per share (NTD)	0.38

Analysis of financial income, expenditure and profitability:

1. Analysis of financial income, expenditure:

The company's net cash outflow from operating activities was NTD86,741 (thousand), net cash outflow from investment activities was NTD130,852( thousand),net cash outflow from fundraising activities was NTD249,976( thousand).Cash and cash equivalents in 2024 decreased by NTD465,155( thousand) from the previous year

2. Analysis of profitability:

- (1) Return on assets increasing by 158.97% compared to 2023.
- (2) Return on shareholders' equity increasing by 151.08% compared to 2023.
- (3) Operating profit to paid-in capital increasing by 45.37% compared to 2023.
- (4) Profit before tax as a percentage of paid-in capital increasing by 166.21% compared to 2023.
- (5) Net profit margin increasing by 151.47% compared to 2023.
- (6) Earnings per share (NTD) of 2023 was -0.69 and was 0.38 of 2024.

(IV) Research and development:

1. Research and development

The Company's R&D expenditure and research expenses for the past 2 fiscal years as a percentage of the operating revenue of the current year are as follows: Unit: NTD thousand

Item	2024	2023
R&D expenses	51,714	44,392
As a percentage of revenue (%)	21.04%	19.62%

2. Research and development achievements:

The Company continues to invest in the development of Netcom, the IoT and hydrogen energy, while expanding related applications.

**II. Summary of the 2025 business plan:**

- (I) Operating policy: The Company will actively transform into a professional telecom operator for Netcom products and develop international telecom customers.
- (II) Expected sales volume and the basis thereof: By cooperating with international telecom operator, the Company will enhance its reputation in the industry and increase the sales market share.
- (III) Key production and sale policies: The Company effectively uses the Company's overall resources to develop Netcom and IoT products, and optimizes customized services for international large-scale telecommunications carriers.

**III. Future development strategy of the Company, impacts from the external competitive environment, regulatory environment and general business environment:**

- (I) Future development strategy of the Company: We will continue to enhance the competitiveness of products and develop the application market of Netcom and IoT.
- (II) Impacts from the external competitive environment: Due to the mature development of the Netcom market and the fierce market competition, the Company will provide differentiated services for the target customers in order to distinguish itself from the competitors.
- (III) Impacts of the regulatory environment and the overall business environment: In response to the competent authority's goal of strengthening corporate governance, the Company has introduced various corporate governance systems to strengthen management efficiency. In addition, it has established an effective internal control environment to respond to changes in the external business environment.

The above is a report of the 2024 business results and the 2025 business plan.

Responsible person: Hsian-Lu Lin



Manager: Huang, Namchow



Chief Accountant: Wu Hsiu-Ling



## Two. Corporate Governance Report

### I. Information on the directors, supervisors, general managers, deputy general managers, assistant general managers, and the supervisors of all the Company's departments and branch units:

#### (I) Directors and Supervisors:

- Names; gender; age, nationality or place of registration; principal work experience and academic qualifications; position(s) held concurrently in the Company and/or in any other company, date on which current position was assumed; term of contract; the commencement date of the first term, shares held by directors/supervisors and their spouses, children of minor age, and held through nominees:

Unit: shares April 29, 2025

Job Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) Date	Term of office	Date of first appointment	Shares held at the time of election		Current shareholding		Shares held by spouse and children of minor age		Shares held through nominees		Principal experience (education)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remark
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Chairman	Republic of China	Lin Hsien-Lu	Male 57	2024/6/28	3 years	2011/8/23	13,897,000	20.42%	13,897,000	21.04%	2,584,347	3.91%	-	-	Director, Loopcomm Technology Inc. Director, Lukisen Electronic Corp.	CEO, ATW Technology Director, Hong-Chuan Investment Chairman and General Manager, ATW Philippines, Inc. Chairman, Jin-Wei Electronics Co., Ltd. Chairman, Xin-Cheng Technology Co., Ltd.	Director	Li Ching-Yi	Spouse	Note 1
Director	Republic of China	Hong-Chuan Investment Co., Ltd.	Not applicable	2024/6/28	3 years	2001/8/27	3,101,069	4.56%	3,101,069	4.69%	-	-	-	-	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	-

Job Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) Date	Term of office	Date of first appointment	Shares held at the time of election		Current shareholding		Shares held by spouse and children of minor age		Shares held through nominees		Principal experience (education)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remark
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
	Republic of China	Representative: Li Ching-Yi	Female 49	2024/6/28		2018/5/11	2,584,347	3.80%	2,584,347	3.91%	13,897,000	21.04%	-	-	Oxford Brookes University MSc in International Management Head of Finance, ATW Technology	Vice President, Finance Division, ATW Technology Director, Hong-Chuan Investment Chairman, WayGo Technology Co., Ltd.	Chairman	Lin Hsien-Lu	Spouse	-
Director	Republic of China	Hong-Chuan Investment Co., Ltd.	Not applicable	2024/6/28	3 years	2001/8/27	3,101,069	4.56%	3,101,069	4.69%	-	-	-	-	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	-
	Republic of China	Representative: Huang Nan-Hao	Male 48	2024/6/28	3 years	2022/9/1	821,673	1.21%	821,673	1.24%	-	-	-	-	Marketing Planning and Management Universidad del Salvador - Rectorado, Argentina Bachelor's Degree in Computer Science, University of Cambridge, UK Marketing Director, Latin America, Huawei	General Manager, ATW Technology Director, Jin-Wei Electronics Co., Ltd.	None	None	None	-



Job Title	Nationality or place of registration	Name	Gender Age	Election (inauguration) Date	Term of office	Date of first appointment	Shares held at the time of election		Current shareholding		Shares held by spouse and children of minor age		Shares held through nominees		Principal experience (education)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remark
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Independent Director	Republic of China	Chiu Hsien-Yuan	Male 64	2024/6/28	3 years	2012/4/26	-	-	-	-	-	-	-	-	Department of Statistics, Tunghai University Manager, San Da CATV Co., Ltd. General Manager, Wan-Yu United Management Consulting Co., Ltd.	General Manager, Ban-Ruo Knowledge Management Consulting Co., Ltd. Chief Advisor, Bola Consultant Co., Ltd.	None	None	None	-
Independent Director	Republic of China	Feng Yuan-Liang	Male 59	2024/6/28	3 years	2021/8/18	11,872	0.02%	11,872	0.02%	-	-	-	-	Department of International Trade, Fu Jen Catholic University Department of Finance, MBA, National Chengchi University Senior Manager, JihSun International Commercial Bank	None	None	None	None	-

Independent Director	Republic of China	Sun Cheng- Chiang	Male 55	2024/6/28	3 years	2023/6/30	-	-	-	-	-	-	-	-	-	Chairman, TOPLUS GLOBAL CO., LTD Chairman, Amazing Hall Co., Ltd. Chairman, DingXian Co., Ltd. Chairman, Vision Living CO., LTD. Chairman, Royal Living Travel Service Co., Ltd. Chairman,Top Brandchain CO., LTD Chairman,Jing Chiang Wagyu Co., Ltd. Independent Director,Revive gen Co., Ltd. Independent Director,Grade Upon Technology Corp Independent Director,Taiwan Optical Platform Co., Ltd. Chairman,Kais on Green Energy Co., LTD Director ,K WAY INFORMATIO N CORPORATIO	None	None	None	-
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Job Title	Nationality or place of registration	Name	Gender	Age	Election (inauguration) Date	Term of office	Date of first appointment	Shares held at the time of election		Current shareholding		Shares held by spouse and children of minor age		Shares held through nominees		Principal experience (education)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remark
								Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
																	N Chairman, East Tender Optoelectronics Corporation				
Independent Director	Republic of China	Huang Song-Ren Note 2																			
Independent Director	Republic of China	Chang Tao-Chih Note 3																			

Note 1: The Company's Chairman and CEO are the same person. Please refer to (III) for the reasons, reasonableness, necessity thereof, and the measures adopted in response thereto.

Note 2: Re-elected on 2024/6/28 and resigned on 2024/7/2.

Note 3: Resigned after the re-election on 2024/6/28.

2. Where a director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder and the names of the top 10 shareholders of the corporate shareholder and their shareholdings shall be indicated:

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Name of corporate shareholder	Major shareholders of corporate shareholders
Hung Chuan Investment Co., Ltd.	Li Ching-Yi (60%); Li Hsing-Hung (10%); Li Hsuan-Hungi (10%); Lin Keng-Che (10%); Chen Chien-Ho (10%)

3. If each of the top ten shareholders is a corporate shareholder, specify the name of the corporate shareholder and the names of the top ten shareholders of the corporate shareholder and their shareholding ratio: None.
4. Professional knowledge, board diversity policy, and independence:  
(1) Disclosure of professional qualifications of directors and supervisors and information on independence of independent directors:

Name	Criteria	Professional qualifications and experience	Status of independence	Number of other public companies in which this individual is concurrently serving as an independent director
Chairman: Lin Hsien-Lu		Netcom Industry (20 years of experience in the Netcom industry, founding of Loopcomm Technology to manage Netcom business) Does not meet any of the conditions stated in Article 30 of the Company Act.	Not applicable	0
Director: Representative of Hong-Chuan Investment Co., Ltd. - Li Ching-Yi		Specialize in business, finance and management Graduated from Oxford Brookes University MSc in International Management Does not meet any of the conditions stated in Article 30 of the Company Act.	Not applicable	0
Director: Representative of Hong Chuan Investment Co., Ltd. - Huang Nan-Hao		Specialize in Netcom business Marketing Planning and Management Universidad del Salvador - Rectorado, Argentina Bachelor's Degree in Computer Science, University of Cambridge, UK Does not meet any of the conditions stated in Article 30 of the Company Act.	Not applicable	0
Independent Director: Chiu Hsien-Yuan		Possess expertise in accounting or finance (graduated from the Department of Statistics and previously served as the head of audit at Perfect Medical and person in	Meeting the independence requirements set forth in Subparagraphs 1 - 9, Paragraph 1, Article 3 of Regulations Governing Appointment of	0

Name \ Criteria	Professional qualifications and experience	Status of independence	Number of other public companies in which this individual is concurrently serving as an independent director
	charge of a knowledge management consultant firm) Does not meet any of the conditions stated in Article 30 of the Company Act.	Independent Directors and Compliance Matters for Public Companies Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Company shares held: 0	
Independent Director: Feng Yuan-Liang	Possess expertise in accounting or finance (graduated from the Finance Division of the MBA program of International Trade Department, and served as a senior manager at JihSun International Commercial Bank) Does not meet any of the conditions stated in Article 30 of the Company Act.	Meeting the independence requirements set forth in Subparagraphs 1 - 9, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Company shares held: 11,872	0
Independent Director: Sun Cheng-Chiang	Possess expertise in business management and investment planning Graduated from Department of Chemical Engineering, National Taiwan University Does not meet any of the conditions stated in Article 30 of the Company Act.	Meeting the independence requirements set forth in Subparagraphs 1 - 9, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Company shares held: 0	3

(2) Diversity and independence of the Board of Directors:

①Diversity of the Board of Directors:

There are 6 directors of the Company, including 3 independent directors. There is one female director in the current Board of Directors, accounting for 16.67% of all directors. The policy of board diversity is stated as follows:

Gender: Six male directors and one female director.

Age: 49 - 64 years old.

Nationality and culture: All directors are nationals of the Republic of China.

Professional backgrounds: A director with decades of management experience in Netcom and other industries and expertise in finance and accounting

Board members generally have the following professional skills:

①Ability to make operational judgements. ②Ability to perform accounting and financial analysis. ③Ability to operate and manage. ④Ability to manage crises. ⑤Industry knowledge. ⑥Knowledge of international markets. ⑦Ability to lead. ⑧Ability to make decisions.

②Independence of the Board of Directors:

The Company elects up to three independent directors to the Board of Directors, and all of them comply with the requirements of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. All three independent directors are members of the Audit Committee, and three independent directors are members of the Remuneration Committee. These independent directors are able to carry out their duties independently. Where a resolution of the Board of Directors involves their own interests, they are able to explain the reasons and recuse themselves from discussion and voting, and let the Audit Committee make the decisions first. Therefore, the Board of Directors of the Company has achieved a considerable degree of independence in terms of practical operations.

There are three independent directors of the Company, accounting for 50% of the six directors of the Company. Among the six directors, only Director Lin Hsien-Lu and Director Li Ching-Yi have a spouse relationship(33%), more than half of them have no spouse or kinship within the second degree of kinship. Therefore, there is no provision in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Information on the general managers, deputy general managers, assistant general managers, and the supervisors of all the Company's departments and branch units:

Names; gender; nationality; principal work experience and academic qualifications; date on which current position was assumed; term of contract; and shares held by them and their spouses and children of minor age, and held through nominees.

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Job title	Nationality	Name	Gender	Election (inauguration) date	Number of shares held		Shares held by spouse and children of minor age		Shares held through nominees		Principal experience (education)	Position(s) held concurrently in any other company	Company managers who are spouses, or relatives within the second degree of kinship			Remark
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job Title	Name	Relationship	
CEO	Republic of China	Lin Hsien-Lu	Male	2022/9/1	13,897,000	21.04%	2,584,347	3.91%	0	0	Director, Loopcomm Technology Inc. Director, Lukisen Electronic Corp.	Director, Hong-Chuan Investment Chairman and General Manager, ATW Philippines, Inc. Chairman, Jin-Wei Electronics Co., Ltd. Chairman, Xin-Cheng Technology Co., Ltd.	Deputy General Manager	Li Chin-g-Yi	Spouse	Note 1: The Company's Chairman and General Manager are the same person. Please refer to (III) for the reasons, reasonableness, necessity thereof, and the measures adopted in response thereto.
General Manager	Republic of China	Huang Nan-Hao	Male	2022/9/1	821,673	1.24%	0	0	0	0	Marketing Planning and Management Universidad del Salvador - Rectorado, Argentina	Director, Jin-Wei Electronics Co., Ltd.	-	-	-	-

	a										Bachelor's Degree in Computer Science, University of Cambridge, UK Marketing Director, Latin America, Huawei					
Deputy General Manager	Republic of China	Li Ching-Yi	Female	2017/8/10	2,584,347	3.91%	13,897,000	21.04%	0	0	Oxford Brookes University MSc in International Management Head of Finance, ATW Technology	Director, Hong-Chuan Investment Chairman, WayGo Technology Co., Ltd.	CEO	Lin Hsien-Lu	Spouse	-
Deputy General Manager	Republic of China	Yang Chien-Ming	Male	2021/5/11	118,728	0.18%	631,000	0.00%	0	0	R&D Assistant General Manager, Baudtec Corporation	Director, ATW Philippines, Inc. Supervisor, Jin-Wei Electronics Co., Ltd.	-	-	-	-
Accounting Supervisor	Republic of China	Wu Hsiu-Ling	Female	2016/3/16	62,056	0.09%	0	0	0	0	Accounting Supervisor, Forward Graphic Enterprise Co., Ltd. Accounting Supervisor, ATW Technology	-	-	-	-	-

(III) Where the Company's chairman and the general manager, or person of an equivalent post (the highest level officer) of a company are the same person, spouses, or first-degree relatives, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

The Chairman and the CEO of the Company are the same person. The main reason is that it is reasonable and necessary to draw on his years of experience in the Netcom industry. At the shareholders' meeting on June 30, 2023, the Company elected one additional independent director. The number of seats of the Board of Directors has been increased to four. At the shareholders' meeting on June 28, 2024, the Company elected four independent director, in order to promote a diversified composition of the Board of Directors and to strengthen corporate governance.

## II. Remuneration paid to directors, supervisors, general managers and deputy general managers in the most recent year:

(I) Remuneration to general directors and independent directors: (the name and remuneration are disclosed separately)

Unit: NTD thousand; %



Job title	Name	Remuneration to directors								The sum of A, B, C, and D as a percentage of net income		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G as a percentage of net income		Remuneration received from investees other than subsidiaries or parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salary and bonus and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Lin Hsien-Lu	0	0	0	0	0	0	40	40	40 0.16%	40 0.16%	3,399	3,399	0	0	0	0	0	0	3,439 13.76%	3,439 13.76%	None
Director	Representative of Hong-Chuan Investment Co., Ltd. - Li Ching-Yi	0	0	0	0	0	0	40	40	40 0.16%	40 0.16%	2,039	2,039	0	0	0	0	0	0	2,079 8.32%	2,079 8.32%	None
Director	Representative of Hong-Chuan Investment Co., Ltd. - Huang Nan-Hao	0	0	0	0	0	0	40	40	40 0.16%	40 0.16%	3,399	3,399	0	0	0	0	0	0	3,439 13.76%	3,439 13.76%	None
Independent Director	Chiu Hsien-Yuan	240	240	0	0	0	0	0	0	240 0.96%	240 0.96%	0	0	0	0	0	0	0	0	240 0.96%	240 0.96%	None
Independent Director	Feng Yuan-Liang	240	240	0	0	0	0	0	0	240 0.96%	240 0.96%	0	0	0	0	0	0	0	0	240 0.96%	240 0.96%	None
Independent Director	Sun Cheng-Chiang	240	240	0	0	0	0	0	0	240 0.96%	240 0.96%	0	0	0	0	0	0	0	0	240 0.96%	240 0.96%	None
Independent Director	Chang Tao-Chih(Note 1)	120	120	0	0	0	0	0	0	120 0.48%	120 0.48%	0	0	0	0	0	0	0	0	120 0.48%	120 0.48%	None
Independent Director	Huang Song-Ren (Note 1)	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
1. Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: The Company's independent directors currently receive a monthly remuneration of NTD 20,000. There is a high attendance rate for independent directors in the board meeting. The Company actively communicates and discusses with the audit unit and CPAs. The Remuneration Committee regularly evaluates the remuneration structure of independent directors. 2. In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses): None.																						

Note 1: Resigned after the re-election on 2024/6/28.

Note 2: Re-elected on 2024/6/28 and resigned on 2024/7/2.

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to the General Manager and Deputy General Managers (the name and remuneration are disclosed separately)

Unit: NTD 1,000; Thousand shares

Job Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowances, etc. (C)		Amount of remuneration to employees (D)				The sum of A, B, C, and D as a percentage of net income (%)		Remuneration received from investees other than subsidiaries or parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Lin Hsien-Lu	2,400	2,400	0	0	999	999	0	0	0	0	3,399 13.60%	3,399 13.60%	None
General Manager	Huang Nan-Hao	2,400	2,400	0	0	999	999	0	0	0	0	3,399 13.60%	3,399 13.60%	None
Deputy General Manager	Li Ching-Yi	1,440	1,440	0	0	599	599	0	0	0	0	2,039 8.16%	2,039 8.16%	None
Deputy General Manager	Yang Chien-Ming	1,920	1,920	0	0	1,799	1,799	0	0	0	0	3,719 14.88%	3,719 14.88%	None

Name of the manager who distributes employee remuneration and the status of distribution:

Mar12,2025

	Job Title	Name	Stock Amount	Cash Amount	Total	The sum as a percentage of net income (%)
manager	(Note)					
manager						

Note : In the most recent year, the employee remuneration of managers has not been distributed, and currently only the board of directors resolved on March 12, 2025 to set aside employee remuneration of NTD291,637.

(IV) Remunerations to the top 5 executives (Note 1) of TWSE/TPEX listed companies (the name and remuneration are disclosed separately)

Job Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowances, etc. (C)		Amount of remuneration to employees (D)				The sum of A, B, C, and D as a percentage of net income (%)		Remuneration received from investees other than subsidiaries or parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Lin Hsien-Lu	2,400	2,400	0	0	999	999	0	0	0	0	3,399 13.60%	3,399 13.60%	None
General Manager	Huang Nan-Hao	2,400	2,400	0	0	999	999	0	0	0	0	3,399 13.60%	3,399 13.60%	None
Deputy General Manager	Li Ching-Yi	1,440	1,440	0	0	599	599	0	0	0	0	2,039 8.16%	2,039 8.16%	None
Deputy General Manager	Yang Chien-Ming	1,920	1,920	0	0	1,799	1,799	0	0	0	0	3,719 14.88%	3,719 14.88%	None
Accounting Supervisor	Wu Hsiu-Ling	780	780	0	0	124	124	30	0	30	0	904 3.62%	904 3.62%	None

Note 1: Based on the scope of "manager" stipulated in the official letter Tai-Cai-Zheng-San-Zi No.0920001301 issued by the Security and Future Bureau on March 27, 2013,

- (V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
1. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers:
    - (1) At present, the Company's directors are not paid; they only receive business execution expenses (travelling allowances) for participating in the board meetings. Directors who concurrently serve as the CEO, general manager or deputy general manager receive employee salary and bonus.
    - (2) The Company's independent directors receive a monthly remuneration of NTD 20,000, which is only a nominal compensation; they do not receive business execution expenses (travelling allowance) for participating in the board meetings.
  2. Analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
    - (1) The Company continues to pay attention to the connection between operating performance and related remuneration, and the remuneration policy is regularly evaluated by the Remuneration Committee.
    - (2) The Company's Remuneration Committee does not induce directors and managers to engage in a conduct that exceeds the Company's risk appetite as a means to pursue remuneration.

### III. State of operation of corporate governance

(I) The state of operation of the board of directors: Number of meetings; attendance rate of each director; an evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof; and any other matters that require reporting.

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

Job Title	Name	Actual attendance rate (B)	Number of attendances by proxy	Actual attendance (or attendance as a non-voting participant) rate (%) (B/A)	Remark
Chairman	Lin Hsien-Lu	8	0	100%	Re-elected on 2024/6/28
Director	Legal representative of Hong-Chuan Investment Co., Ltd.: Li Ching-Yi	8	0	100%	Re-elected on 2024/6/28
Director	Legal representative of Hong Chuan Investment Co., Ltd.: Huang Nan-Hao	8	0	100%	Re-elected on 2024/6/28
Independent Director	Chiu Hsien-Yuan	7	0	87.5%	Re-elected on 2024/6/28
Independent Director	Feng Yuan-Liang	8	0	100%	Re-elected on 2024/6/28
Independent Director	Sun Cheng-Chiang	7	0	87.5%	Re-elected on 2024/6/28
Independent Director	Chang Tao-Chih	2	0	66.67%	Resigned after the re-election on 2024/6/28. (scheduled attendance: 3

Any other matters that require reporting:

1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company responded to such opinions:

①Matters listed in Article 14-3 of the Securities and Exchange Act: None.

②Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

2. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting: Director Lin Hsien-Lu & Li Ching-Yi recused himself from the discussion and voting in Motion 9: Motion for the Company's plan to cancel the loan to affiliate Lukisen Electronic Corp.

3. A TWSE/TPEX listed company shall disclose evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the Board's self (or peer) evaluation,

<p>and fill in Table 2 for the implementation of the evaluation: Please refer to the following table “Implementation of the evaluation of the Board of Directors”.</p> <p>4. Objectives (e.g., forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation:</p> <p>①2025:</p> <p>①Improvement of information transparency: We will continue to enhance the disclosure of information on the Company's website for stakeholders to obtain sufficient information.</p> <p>②Strengthening of legal compliance: The Company updates and enforces legal compliance in line with amendments to laws and regulations of the competent authority.</p> <p>②2024:</p> <p>①Enhanced information transparency: We reconstructed the Company's website, enhanced information disclosure, and set up relevant sections on the website for stakeholders to obtain sufficient information.</p> <p>②Strengthening of legal compliance: The Company updated and enforced legal compliance in line with amendments to laws and regulations of the competent authority.</p>
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Implementation of the evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
①Every year	2024/1/1 - 2024/12/31	Overall Board of Directors	Self-evaluation of the Board of Directors	Participation in the Company's operations, quality of the board's decision-making, composition and structure of the board, election and continuing education of directors, internal control
②Every year	2024/1/1 - 2024/12/31	Individual board members	Self-evaluation of directors	Alignment of the Company's goals and mission, directors' awareness of duties, participation in the Company's operations, management of internal relations and communication, directors' professionalism and continuing education, internal control
③Every year	2024/1/1 - 2024/12/31	Functional committees(Audit Committee, Remuneration Committee)	Self-evaluation of the Board of Directors	Participation in the Company's operations, awareness of the duties of the functional committees; quality of the functional committees' decision-making; composition of the functional committees and

				selection of members, internal control
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(II) The state of operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors:

Number of meetings; rate of attendance (or of attendance as a non-voting participant) of each independent director or supervisor; and any other matters that require disclosure.

The state of operation of Audit Committee:

The Audit Committee held 6 meetings (A) in the most recent year. The attendance of independent directors is as follows:

Job Title	Name	Number of actual attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remark
Independent Director	Chiu Hsien-Yuan	6	0	100%	Re-elected on 2024/6/28
Independent Director	Feng Yuan-Liang	6	0	100%	Re-elected on 2024/6/28
Independent Director	Sun Cheng-Chiang	5	0	83.33%	Re-elected on 2024/6/28
Independent Director	Chang Tao-Chih	1	0	50%	Resigned after the re-election on 2024/6/28. (scheduled attendance: 2

Any other matters that require reporting:

1. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company responded to Audit Committee's opinions:

①Matters listed in Article 14-5 of the Securities and Exchange Act: None.

②Except for the preceding matters, any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors: None.

2. Recusal of the independent directors from motions involving their interest, specify the names of the independent directors, the content of the motions, the reason for recusal, and the participation in voting: None.

3. State of communication between independent directors, chief internal auditor and accountants (such as materials matters, methods and results of communications on the Company's finances and business status):

①The chief internal auditor submitted an audit report to the independent directors in the month following the completion of the audit, and the independent directors had no objection.

②The Audit Supervisor attended the regular board meetings as a non-voting participant and presented audit reports. The independent directors had no objections.

③Independent directors communicated their financial status with CPAs in writing, electronically, and at meetings, depending on the actual situation.

(III) State of corporate governance operations and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference:

Evaluation item	Status of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
1. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		1. The Company's Board of Directors approved the formulation of the "Corporate Governance Best Practice Principles" on August 11, 2016.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
2. Equity structure and shareholders' equity (1) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly? (2) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders? (3) Has the company established and implemented the risk control and firewall mechanisms between the affiliates? (4) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	✓  ✓ ✓ ✓		2. Equity structure and shareholders' equity (1) The Company has a spokesperson and acting spokesperson mechanism in place to handle shareholders' proposals, doubts, disputes, and litigation matters. (2) The Company uses the insider reporting system to understand the changes in the Company's a list of the ultimate controllers of its major shareholders. (3) The Company has regulations governing its dealings with related parties, and relevant operations must be carried out in accordance with the regulations, in order to implement risk control. (4) The Company regularly strengthens the promotion of legal compliance for insiders so that they understand relevant regulations and comply with them.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
3. Composition and duties of the Board of Directors (1) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?  (2) Apart from the remuneration committee and audit committee,	✓  ✓	✓	3. Composition and duties of the Board of Directors (1) The number of independent directors of the Company is four, accounting for more than 50% of the seven seats of the directors. They possess accounting and industrial backgrounds. There is also a female director. Overall, the Company has been actively moving towards the goal of diversification which has been implemented.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies



Evaluation item	Status of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
<p>has the company voluntarily established other functional committees?</p> <p>(3) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment?</p> <p>(4) Does the company regularly assess the independence of its CPAs?</p>	✓		<p>(2) To date, the Company has not voluntarily set up other functional committees.</p> <p>(3) The Company formulated the Procedures for the Board Performance Evaluation and the evaluation methods at the Board meeting on March 21, 2019. These were officially implemented in 2020, and it will be updated at the same time according to the amendments to the laws and regulations. Currently, the Company's independent directors receive a monthly remuneration of NTD 20,000, which is only a nominal compensation. The general managers are not paid. The Remuneration Committee evaluates the performance linkage system for directors on a regular basis.</p> <p>(4) The Company regularly evaluates the independence of the CPAs every year. A report of the independence of the CPAs is submitted to the Board of Directors for resolution. The CPAs are required to participate in the meetings of the Board of Directors, in order to timely understand the current status of the CPA sand the CPA firm, in order to meet the independence requirements.</p>	
4. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors with the information needed and assist directors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders' meeting minutes, etc.)?	✓		4. The Company appointed a corporate governance supervisor on April 10, 2023 to be responsible for corporate governance related affairs .	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
5. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers and suppliers), and set up	✓		5. The Company has appointed a spokesperson and an acting spokesperson to serve as a communication channel with external stakeholders, and set up a stakeholder section on the Company's website to communicate.	In compliance with the Corporate Governance Best Practice

Evaluation item	Status of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?				Principles for TWSE/TPEX Listed Companies
6. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?	✓		6. The Company has appointed the stock affairs agency of Grant Fortune Securities Co., Ltd. to handle the shareholders' meeting affairs.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
7. Information disclosure (1) Does the company have a website set up where its financial business, and corporate governance information is disclosed? (2) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)? (3) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?	✓		7. Information disclosure (1) The Company's financial business information and corporate governance information have been disclosed on the Company's website. (2) The Company's other public information is disclosed in the following ways: ①English website constructed. ②Dedicated personnel appointed to be responsible for the collection and disclosure of company information. ③Spokespersons appointed to speak on behalf of the Company to ensure that the information that may affect the decision-making of shareholders and stakeholders can be fully disclosed in a timely manner. ④Information associated with the Company's investor conference has been uploaded to the Market Observation Post System and the Company's website for investors. (3) Currently, the Company has not yet published and reported its report its annual financial report within two months after the end of a fiscal year. However, the Company reports its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
8. Is there any important information (including but not limited to	✓		8. Important information that helps to understand the operation of corporate	In compliance with the

Evaluation item	Status of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, further education of the directors and supervisors, risk management policy and risk assessment implementation, customer policy implementation, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?			<p>governance of the Company:</p> <p>(1) Employee rights and interests:</p> <p>①Strictly demand gender equality and prohibit any form of discrimination.</p> <p>②Labor-management meetings are used to strengthen labor-management relations and protect labor rights.</p> <p>③Provide a smooth channel for grievances.</p> <p>④Provide a safe working environment and promote the concepts of occupational disasters and environmental safety.</p> <p>⑤Provide comprehensive external training courses to enable employees to improve their professional skills.</p> <p>(2) Employee care:</p> <p>①The Employee Welfare Committee is established to provide subsidies for marriage, bereavement, illness and childbirth of employees.</p> <p>②The Company appropriates labor pension as required by law to take care of the employees' livelihood after retirement.</p> <p>③Labor insurance and national health insurance are provided in accordance with the law.</p> <p>④Regular health checkups for employees.</p> <p>(3) Investor relations:</p> <p>①Information disclosure principles: Prevent any information asymmetry in order to protect the rights and interests of minority shareholders.</p> <p>②Implement the spokesperson system: Treat all shareholders fairly and make every effort to respond to shareholders' inquiries.</p> <p>③Provide shareholders with the right to proposals in accordance with the law: Announce relevant information on shareholders' meeting proposals as required by law.</p> <p>(4) Supplier relations: The Company and its suppliers perform rights and obligations in accordance with contracts and related operating provisions</p>	Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Status of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
			<p>to protect the legal rights of both parties.</p> <p>(5) Rights of stakeholders:            ①The Company has created a section for stakeholders on its website.            ②Sufficient information is provided to banks and other creditors.</p> <p>(6) Continuing education of directors and supervisors:            The Company arranges training for directors and supervisors in accordance with the law, and has disclosed the details on the Market Observation Post System.</p> <p>(7) Implementation of risk management policies and risk measurement standards:            Identify risks based on the Company's internal control system, perform audits on high-risk operations, and report the results to the Board of Directors.</p> <p>(8) Implementation of customer policies:            The Company maintains a stable and positive relationship with its customers, and adheres to the quality policy of "continuous improvement, customer satisfaction, quality first, and sustainable operation" to provide quality products that meet customer needs and value for money to create company profits.</p> <p>(9) The Company's purchase of liability insurance for directors and supervisors:            The Company takes out relevant insurance on a regular basis every year.</p>	
<p>9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved (Not required for companies not subject to evaluation)</p> <p>We have strengthened the simultaneous disclosure of the Company's corporate governance information on the Company's website</p>				

(IV) If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed:

1. Information on the members of the Remuneration Committee:

April 29, 2025

Identity	Criteria Name	Professional qualifications and experience	Status of independence	Number of serving members of the Remuneration Committees of other public companies
Independent Director (Convener)	Chiu Hsien-Yuan	Possess expertise in accounting or finance (graduated from the Department of Statistics and previously served as the head of audit at Perfect Medical and person in charge of a knowledge management consultant firm) Does not meet any of the conditions stated in Article 30 of the Company Act.	In compliance with the independence requirements specified in Subparagraphs 1-9, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Subparagraphs 1-9, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Company shares held: 0	0
Independent Director	Feng Yuan-Liang	Possess expertise in accounting or finance (graduated from the Finance Division of the MBA program of International Trade Department, and served as a senior manager at JihSun International Commercial Bank) Does not meet any of the conditions stated in Article 30 of the Company Act.	In compliance with the independence requirements specified in Subparagraphs 1-9, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Subparagraphs 1-9, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Company shares held: 11,872	0
Independent Director	Sun Cheng-Chiang	Possess expertise in business management and investment planning Graduated from Department of Chemical Engineering, National Taiwan University Does not meet any of the conditions stated in Article 30 of the Company Act.	In compliance with the independence requirements specified in Subparagraphs 1-9, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Subparagraphs 1-9, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a	2

			<p>Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.</p> <p>Meeting the requirements set forth in Paragraph 2, Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies</p> <p>Company shares held: 0</p>	
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2. Information on the status of operation of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of 3 members.

(2) The term of office of the current members: from July 11, 2024 to June 27, 2027.  
2 meetings (A) of the Remuneration Committee were convened in the most recent year. The qualifications and attendance of members are as follows:

Job Title	Name	Number of actual attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remark
Convener	Chiu Hsien-Yuan	2	0	100%	Re-elected after being appointed by the Board of Directors on 2024/7/11
Committee member	Feng Yuan-Liang	2	0	100%	Re-elected after being appointed by the Board of Directors on 2024/7/11
Committee member	Sun Cheng-Chiang	1	0	100%	Appointed by the Board of Directors on 2024/7/11 (scheduled attendance: 1)
Committee member	Chang Tao-Chih	1	0	100%	Resigned after the re-election on 2024/6/28. (scheduled attendance: 1)

Any other matters that require reporting:

① If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.

② As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

3. Information on the members of the nomination committee and their operations:  
Not applicable.

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference; companies that meet certain criteria shall disclose climate-related information:

1. State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference:

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?	✓		<p>1. Describe the Company's governance structure for promoting sustainable development: The Company's General Manager Office is responsible for operations related to the promotion of sustainable development.</p> <p>2. Describe the status of implementation of the Company's various organizations, including but not limited to :</p> <p>(1) The name of the full-time (part-time) unit for promoting sustainable development, the timing of establishment, and the authorization from the Board of Directors: Relevant operations were implemented after the establishment of the Sustainable Development Principles on August 11, 2016.</p> <p>(2) Composition, operation, and current year's implementation (e.g. work plan and management) of the unit promoting sustainability: The General Manager's Office is the unit to coordinate the operations related to sustainable development of each department.</p> <p>(3) Frequency of reporting to the Board of Directors by the unit (at least once a year) or the date of reporting to the Board of Directors of the current year: Currently, the unit reports to the Board of Directors on a quarterly basis and communicates and discusses adequately with the Board of Directors.</p> <p>3. Describe the supervision of the board of directors on sustainable development, including but not limited to: Management guidelines, strategy and goal setting, review measures, etc.: The supervision of the Board of Directors on sustainable development is executed by the General Manager's Office with communication and discussion carried out in order to understand related information.</p>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
2. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy?	✓		<p>1. Describe the boundary of the risk assessment (scope of subsidiaries). The boundary of risk assessment should be the same as the boundary of each subsequent environmental and social topic in this attachment. If there is any discrepancy, the boundary should be described in each such topic: The Company passed the formulation of the "Sustainable</p>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies



Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
			<p>Development Principles" on 2016/8/11, which are subject to revision at any time to ensure compliance.</p> <p>2. Describe the risk assessment standards, processes, results, and risk management policies or strategies for identifying material issues related to the environment, society, and corporate governance: Based on the Company's "Sustainable Development Principles", relevant risks are assessed in a timely manner with reference to the issues of concern to society to keep up with the times.</p>	
<p>3. Environmental issues</p> <p>(1) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?</p>	✓		<p>1. Describe how to implement an effective environmental management system and the laws and regulations: The environmental management of the Company is carried out in accordance with relevant laws and regulations. For example, environmental management is carried out in accordance with the Waste Disposal Act, and the area is regularly disinfected.</p> <p>2. Describe the relevant international certification standards passed by the Company (valid as of the publication date of the annual report) and the scope of verification: None.</p>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
<p>(2) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment?</p>	✓		Describe the company's policies on improving energy use efficiency and the use of renewable materials, including but not limited to: base year data, promotion measures, goals and achievement: The Company's office environment is aimed at energy conservation and carbon reduction, and relatively energy-saving lamps and other office equipment are purchased .	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
<p>(3) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?</p>	✓		Describe how the company assesses the current and future potential risks and opportunities of climate change for the company now and in the future, the results of its assessment, and the relevant countermeasures taken: The Company is very concerned about public issues such as climate change Although the Company is not a highly energy-consuming and highly-polluting industry, climate change is an issue that affects a wide range of industries. If the competent authority introduces new regulations that may have an impact on the Company's operations, the Company will continue to pay attention to them.	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
(4) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?	✓		<p>1. Describe the statistical data, intensity (e.g., calculated by per unit of product, service, or turnover) and data coverage (e.g., all plant areas and subsidiaries) for the most recent two years for the following items:</p> <p>(1) Greenhouse gases, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and others as announced by the central competent authority, etc., which are categorized into direct emissions (scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (scope 2, i.e. indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities that are not indirect emissions from energy, but are from sources owned or controlled by other companies): 235,160kgs/2024</p> <p>(2) Water consumption: 2,101tons/2024</p> <p>(3) Waste: The total weight of hazardous waste and non-hazardous waste. In the case of non-manufacturing companies, there is no need to distinguish, only the total weight of waste, and the statistical method shall be explained based on the characteristics of the industry: The Company attaches great importance to waste classification and resource recycling and reuse, and will continue to carry out strategic planning and action plans for energy conservation and carbon reduction and execution.</p> <p>2. Describe greenhouse gas reduction, water use reduction, or other waste management policies, including but not limited to: base year data, reduction targets, promotion measures, and achievement status, etc.: No statistics available so far.</p> <p>3. Describe the verification status of each piece of information (valid as of the publication date of the annual report) and the scope of verification: None.</p>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies To be completed gradually in accordance with the Roadmap for the Sustainable Development of Listed Companies
4. Social issues (1) Does the company have the relevant management	✓		Describe the human rights protection policy and specific management plans (such as human rights assessment, human rights risk	In compliance with the Sustainable Development

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?			mitigation measures, relevant education and training, etc.), as well as the relevant laws and regulations and the International Covenants on Human Rights that were based on: The Company strives to comply with the Labor Standards Act and other relevant laws and regulations and has established HR management policies and operating procedures.	Governance Best Practice Principles for TWSE/TPEx Listed Companies
(2) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration?	✓		<ol style="list-style-type: none"> <li>1. Employee welfare measures described should include but are not limited to: employee remuneration, workplace diversity and equality (including but not limited to: female staff and senior management ratio), leave of absence, various allowances, gifts and subsidies, etc.: The Company has formulated and implemented reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect business performance or results in employee remuneration.</li> <li>2. Describe how the business performance or results are reflected in the employees' remuneration policy and its implementation: The Company appropriates employee remuneration according to its profitability and in accordance with the ratios set forth in the Articles of Incorporation, and adjusts the employees' remuneration based on the appraisal status.</li> </ol>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?	✓		<ol style="list-style-type: none"> <li>1. Describe the measures for a safe and healthy working environment for employees, and the education policy for employees and their implementation: The Company has set its own working environment requirements in accordance with relevant laws and regulations, and promoted the concept of environmental safety to employees.</li> <li>2. Describe the relevant certifications obtained by the Company (valid as of the publication date of the annual report) and the scope of verification: None.</li> <li>3. Describe the number of occupational injuries, the number of employees, and the ratio of the number of employees to the total number of employees in the current year, and the relevant improvement measures: No such situation.</li> </ol>	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
(4) Has the Company	✓		Describe the aspects covered by the training	In compliance with

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
established an effective career development training program for its employees?			plan (e.g. orientation for new recruits, continuing education of majors, managerial training, etc.), scope (e.g. supervisors at all levels, colleagues, etc.) and the implementation status: The Company's training is based on external training, and relevant continuing education courses are provided depending on the job requirements of employees.	the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
(5) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures?	✓		Describe the laws and regulations and international standards to be followed for each matter, and explain the name, content and complaint procedure of the consumer or customer rights protection policy: The Company's products are in the spirit of creating maximum customer satisfaction, and there is a contact channel on the Company's website for consumers.	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
(6) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?	✓		1. Describe supplier management policies and related compliance specifications, and include any active and specific requirements (such as: to pass the relevant certification) for suppliers in environmental protection, occupational safety and health, or labor human rights: The Company keeps a close eye on the social image of the suppliers as well as other related information. 2. Describe the status of supplier management policy and related compliance (e.g. status of supplier's self-evaluation, counseling or education, performance evaluation, etc.): The Company obtains the supplier's sustainable development policy and make reference to it in a timely manner.	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies
5. V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?	✓		1. Describe the international preparation standards or guidelines referred to, and the reports prepared to disclose non-financial information: The Company has prepared the 2024 Sustainability Report, which is expected to be announced by the end of August 2025. 2. If the assurance or guarantee is obtained, the name of the verification unit, the items or scope of verification and the standards followed: The Company has prepared the 2024 Sustainability Report, which is expected to be announced by the end of August 2025. No assurance or assurance is required in the above report.	In compliance with the Sustainable Development Governance Best Practice Principles for TWSE/TPEx Listed Companies The Company will prepare an ESG report in accordance with the instructions of the competent authority when relevant conditions are met.

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and description	
<p>6. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles:</p> <p>The Company's Sustainable Development Principles have been formulated in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and are updated synchronously as amended according to laws and regulations. Relevant operations are carried out in accordance with the Principles.</p>				
<p>7. Other important information to help understand the promotion of sustainable development implementation:</p> <p>The disclosure of the Company's information is timely and transparent, and the information related to sustainable development is fully disclosed in the annual report.</p>				

## 2. Climate-related information of TWSE/TPEX-listed companies:

### (1) Implementation of climate-related information:

Item	Implementation status
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).</p> <p>3. Describe the financial impact of extreme climate events and transformation actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</p> <p>6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the pricing shall be stated.</p> <p>8. If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon</p>	<p>1. We regularly communicate the sustainable development path to the competent authority in the board meeting, and the Corporate Governance Supervisor discusses related management strategies for climate issues with the Administration Department.</p> <p>2. The Company will appropriately introduce the topic of climate change in its short, medium and long-term business strategy and financial planning to properly adjust risk factors and identify relevant opportunities.</p> <p>3. At present, extreme climate events and corporate restructurings have not yet produced a significant impact on the Company's financials, but the Company still uses risk factors to introduce relevant assessments.</p> <p>4. This is assessed by the Corporate Governance Supervisor and the Administration Department, and reported to the Board of Directors.</p> <p>5. There is no relevant assessment so far, and the planning will be carried out according to the established goals of the sustainable development path.</p> <p>6. Currently, there is no relevant restructuring plan, and the planning will be made according to the established goals of the sustainable development path.</p> <p>7. There is currently no relevant planning tool,</p>

Item	Implementation status
credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified. 9. Greenhouse gas inventory and assurance status (to be filled in separately in 1-1)	and the planning will be carried out according to the established goals of the sustainable development path. 8. This will be planned according to the established goals of the sustainable development path.

(2) Greenhouse gas inventory and assurance:

<p>Basic information of the Company</p> <p><input type="checkbox"/> With capital amounting to more than NTD 10 billion in iron and steel industry, and cement industry</p> <p><input type="checkbox"/> With capital over NTD 5 billion but less than NTD 10 billion</p> <p><input checked="" type="checkbox"/> With capital of less than NTD 5 billion</p>	<p>According to the Roadmap for the Sustainable Development of Listed Companies, it shall be disclosed</p> <p><input checked="" type="checkbox"/> Inventory of parent company only <input checked="" type="checkbox"/> Inventory of subsidiaries in consolidated financial statements</p> <p><input checked="" type="checkbox"/> Assurance of parent company only <input checked="" type="checkbox"/> Assurance of subsidiaries in consolidated financial statements</p> <p>Note: According to the Roadmap for the Sustainable Development of Listed Companies, the inventory of the parent company should be completed by 2026, the inventory of the subsidiaries should be completed by 2027, the verification of the parent company should be completed by 2028, and the verification of the subsidiaries should be completed by 2029.</p>
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Scope 1	Total emissions (metric tons CO <sub>2</sub> e)	Intensity (tons of CO <sub>2</sub> e/NTD million)	Assurance institutions	Description of assurance
Parent company	Not applicable for this table			
Subsidiary				
Total				
Scope 2	Total emissions (metric tons CO <sub>2</sub> e)	Intensity (tons of CO <sub>2</sub> e/NTD million)	Assurance institutions	Description of assurance
Parent company				
Subsidiary				
Total				
Scope 3				

(VI) State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation Item	Status of operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and description	
<p>1. Establishment of the ethical corporate management policy and action plans</p> <p>(1) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?</p> <p>(2) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(3) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>1. Establishment of the ethical corporate management policy and action plans</p> <p>(1) The Company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct", which are updated according to the amendments to the law. The Audit Office is designated as the dedicated unit to implement the relevant instructions of the Board of Directors and management.</p> <p>(2) Relevant operations are implemented in accordance with the Company's "Procedures for Ethical Corporate Management and Guidelines for Conduct", and are audited by the Audit Office.</p> <p>(3) Relevant operations are implemented in accordance with the Company's "Procedures for Ethical Corporate Management and Guidelines for Conduct", and are audited by the Audit Office.</p>	In compliance with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
<p>2. Implementation of ethical corporate management</p> <p>(1) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?</p> <p>(3) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?</p> <p>(4) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?</p> <p>(5) Does the company organize internal or external training on a regular basis to maintain ethical management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>2. Implementation of ethical corporate management</p> <p>(1) The Company's "Procedures for Ethical Corporate Management and Guidelines for Conduct" stipulate that the personnel of the Company shall explain the Company's ethical management policy and related regulations to the counterparties in the process of engaging in business activities, and explicitly refuse to provide, promise, request, directly or indirectly or accept unjustifiable benefits in any form or name.</p> <p>(2) The Company has the Audit Office as the dedicated (part-time) unit to promote corporate integrity management, and conducts regular audits and reports to the Board of Directors.</p> <p>(3) The Company has established the "Code of Ethical Conduct" for all employees to comply with to prevent employees from sacrificing the Company's rights and interests for personal interests.</p> <p>(4) The Company has established an effective accounting system and internal control system, and the internal auditors regularly audit the compliance of the aforementioned systems.</p> <p>(5) The Company's Audit Office communicates the relevant policies of ethical corporate management to the unit being audited during audit. Currently, there is no external education and training.</p>	In compliance with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
3. State of operations of the company's reporting system	✓		3. State of operations of the company's reporting system	In compliance with Ethical Corporate

Evaluation Item	Status of operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and description	
<p>(1) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?</p> <p>(2) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?</p> <p>(3) Has the company taken appropriate measures to protect the whistleblower from mistreatment as a result of whistleblowing?</p>	<p>✓</p> <p>✓</p>		<p>(1) Relevant operations are implemented in accordance with the Company's "Procedures for Ethical Corporate Management and Guidelines for Conduct", and are audited by the Audit Office.</p> <p>(2) Reports shall be handled in accordance with the following procedures:</p> <p>1.Reports involving general employees shall be reported to the department head, and reports involving directors or senior executives shall be reported to independent directors or supervisors.</p> <p>2.Relevant facts should be ascertained immediately, and compliance or other relevant departments should provide assistance if necessary.</p> <p>3. If it is confirmed that the reported person has indeed violated relevant laws and regulations or the Company's ethical management policies and regulations, the reported person shall be immediately required to stop the relevant behavior and take appropriate action, and if necessary, report to the competent authority, transfer it to the judicial authorities for investigation, or request damages through legal procedures to protect the company's reputation and rights and interests.</p> <p>4.Written documents shall be retained for five years for the acceptance of reports, the investigation process, and the results of the investigation, and the preservation may be done electronically. If a lawsuit related to the content of the report occurs before the expiration of the retention period, the relevant information shall be retained until the conclusion of the litigation.</p> <p>5.If the report is verified to be true, the relevant units of the company should be responsible for reviewing the relevant internal control systems and operating procedures, and proposing improvement measures to prevent the recurrence of the same behavior.</p> <p>6.The dedicated unit of the Company shall report to the Board of Directors the reported situation, its handling methods, and subsequent review and improvement measures.</p> <p>(3) The relevant personnel handling the report shall declare in writing that the identity and content of the report will be kept confidential, and the Company is committed to protect the whistleblower from being improperly dealt with due to the report.</p>	Management Best-Practice Principles for TWSE/TPEX Listed Companies
<p>4. Information disclosure strengthening</p> <p>Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and MOPS?</p>	✓		<p>4. Information disclosure strengthening</p> <p>The disclosure of the Company's information is timely and transparent, and the information related to ethical corporate management is fully disclosed in the annual report.</p>	In compliance with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
<p>5. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles:</p> <p>There is no significant difference in operation so far.</p>				
<p>6. Any other important information that may help understanding the performance of ethical corporate management</p>				



Evaluation Item	Status of operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and description	
better: (e.g., review of an amendment to its Ethical Corporate Management Best-Practice Principles) The Company's Board of Directors approved the formulation of the "Procedures for Ethical Corporate Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" at the Board meeting on February 16, 2015. The Company's Procedures for Ethical Corporate Management and Guidelines for Conduct are amended in accordance with the amendments to law.				

(VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

The Company's directors participate in corporate governance related courses from time to time as follows:

Identity	Name	Date of continuing education	Organizer	Course name	Number of hours of continuing education	Whether the continuing education meets the requirements
Chairman	Lin Hsien-Lu	2024/12/5	Securities and Futures Institute	Carbon trading mechanism and carbon management application	3	Yes
Director	Huang Nan-Hao	2024/12/5	Securities and Futures Institute	Carbon trading mechanism and carbon management application	3	Yes
Director	Li Ching-Yi	2024/3/6	Securities and Futures Institute	How do non-financial directors and supervisors review financial statements	3	Yes
Director	Li Ching-Yi	2024/3/6	Securities and Futures Institute	Economic outlook and industrial trends for 2024	3	Yes
Director	Li Ching-Yi	2024/3/26~27	Securities and Futures Institute	Workshop for Practice of Directors, Supervisors and Corporate Governance Officers	12	Yes
Independent Director	Chiu Hsien-Yuan	2024/7/26	Securities and Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation under the	3	Yes

				Geopolitics		
Independent Director	Feng Yuan-Liang	2024/11/13	Securities and Futures Institute	Challenges and opportunities in sustainable development pathways and greenhouse gas inventory	3	Yes
Independent Director	Sun Cheng-Chiang	2024/6/16	Taiwan Investor Relations Institute	Hostile M&A – centered on ensuring management rights	3	Yes
Independent Director	Sun Cheng-Chiang	2024/6/27	Taiwan Corporate Governance Association	Practical Analysis of the Corporate Governance 3.0 Sustainability Report	3	Yes

(VIII) The following shall be disclosed regarding the implementation of the internal control system:

1. Statement of internal control: Please refer to announcements on the Market Observation Post System (new MOPS), with the index route: MOPS > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements. URL: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. CPA audit report, where a CPA was engaged to carry out a special audit of the internal control system: None.

(IX) During the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, important resolutions adopted at the shareholders' meeting or board of directors meeting:

Shareholders' Meeting/Board Meeting	Date	Important resolution
Board of Directors	2024.2.15	1. Motion for transferring shares repurchased to employees in order to motivate and enhance their cohesion
Board of Directors	2024.3.11	1. Motion for the Company's 2023 Business Report and Financial Statements 2. Motion for the Company's 2023 loss appropriation. 3. The Company's 2023 "Statement of Internal Control System" 4. The Company regularly evaluates the independence and suitability of the appointed CPAs 5. Motion for full re-election of directors 6. Motion for amendments to the "Procedures for Acquisition or Disposal of Assets" 7. Matters related to the convening of the 2023 annual general shareholders' meeting of the Company 8. The Company applied to Taichung Commercial Bank for a financing facility 9. Motion for the Company's plan to cancel the loan to affiliate Lukisen Electronic Corp. 10. Motion for loaning of funds to a sub-subsidiary in Russia
Board of Directors	2024.5.8	1. Motion for the Company's financial statements for Q1 2024 2. Motion for amendments to the Company's "Procedures for Acquisition or Disposal of Assets" 3. Motion for performance bonus for the Company's R&D deputy general manager 4. Motion for nomination of director and independent director candidates 5. Motion for removal of restrictions on competing behaviors of new directors and their representatives 6. The Company applied to HSBC Bank (Taiwan) for a financing facility

Shareholders' Meeting/Board Meeting	Date	Important resolution
Shareholders' Meeting	2024.6.28	<ol style="list-style-type: none"> <li>1. Annual Report and financial statements 2023</li> <li>2. Loss compensation for 2023</li> <li>3. Change in the planned use of proceeds from private placement of ordinary shares</li> <li>4. Amendments to the Procedures for the Acquisition or Disposal of Assets</li> <li>5. Full re-election of directors</li> <li>6. Lifting the non-competition restrictions on new directors and their representatives</li> </ol>
Board of Directors	2024.6.28	<ol style="list-style-type: none"> <li>1. Election of the Chairperson</li> <li>2. Signed an industry–university cooperation and academic feedback mechanism contract with National Taiwan University of Science and Technology</li> </ol>
Board of Directors	2024.7.11	<ol style="list-style-type: none"> <li>1. Lending funds to the Russia sub-subsidiary and the Philippines subsidiary.</li> <li>2. Appointment of members of the Remuneration Committee</li> <li>3. Repurchase of shares to maintain credit standing and shareholders' rights.</li> </ol>
Board of Directors	2024.8.9	<ol style="list-style-type: none"> <li>1. Financial statements Q2 2024</li> <li>2. Setting the base date for capital reduction for cancellation of treasury stock</li> <li>3. Investment in securities</li> </ol>
Board of Directors	2024.8.30	<ol style="list-style-type: none"> <li>1. Lending funds to the Russia sub-subsidiary</li> </ol>
Board of Directors	2024.11.12	<ol style="list-style-type: none"> <li>1. Lending funds to the Russia sub-subsidiary and the Mexico subsidiary.</li> <li>2. Financial statements Q3 2024</li> <li>3. Establishing the Internal Control System – Management of Sustainable Information and Audit Rules</li> <li>4. 2025 Audit Plan</li> <li>5. 2025 Annual Operating Plan</li> <li>6. Application for a credit line from Yang Hsin Bank.</li> <li>7. Hydrogen energy industry–university collaboration investment</li> <li>8. Resolution of the Remuneration Committee</li> </ol>
Board of Directors	2025.3.12	<ol style="list-style-type: none"> <li>1. Annual Report and financial statements 2024</li> <li>2. Loss compensation for 2024</li> <li>3. Distribution of remuneration to employees and directors for 2024</li> <li>4. Statement of the Internal Control System in 2024</li> <li>5. Regular assessment of the independence and</li> </ol>

Shareholders' Meeting/Board Meeting	Date	Important resolution
		competency of CPAs 6. By-election of independent directors 7. Amendments to the Articles of Incorporation 8. Assessment of the scope of entry-level employees 9. Amendments to Internal Control System – Payroll and Personnel Cycle 10. Amendments to the Corporate Governance Best-Practice Principles 11. Evaluation of the performance bonus of senior management by the Remuneration Committee. 12. Investment in Russia 13. Calling the 2025 Annual General Meeting
Board of Directors	2025.4.8	Repurchase of the Company's shares to maintain its credit standing and shareholders' rights.
Board of Directors	2025.5.12	1. Financial statements Q1 2025 2. Nomination and resolution of candidates for independent directors 3. Lifting the non-competition restrictions on new directors 4. Application for a credit line from Taichung Commercial Bank 5. Application for a credit line from Mega International Commercial Bank 6. Lending funds to the Philippine subsidiary

(X) Where, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

#### IV. Information on CPA fees:

Name of CPA firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees	Total	Remark
Nexia Sun Rise	Chen Chi-Ling Chen Yi-Ling	2024.1.1-2024.12.31	1,380 NTD thousand	54 NTD thousand	1,434 NTD thousand	

Note:

(I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year,

the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

**V. Information on replacement of CPAs: If the company has replaced its certified public accountant within the last 2 fiscal years or any subsequent interim period, it shall disclose the following information: None.**

**VI. Where the company's chairperson, general manager, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated enterprise of a certified public accountant's accounting firm" means one in which the certified public accountants at the accounting firm of the attesting certified public accountant hold more than 50 percent of the shares, or of which such accountants hold more than half of the directorships, or a company or institution listed as an affiliated in the external publications or printed materials of the accounting firm of the certified public accountant: None.**

**VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report) by a director, supervisor, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managers, and ten-percent shareholders, and the number of shares transferred or pledged**

Please refer to the Company's announcements on the Market Observation Post System (new MOPS).

Index route:

Transfer of shares: MOPS > Single company > Change in shares/Securities issuance > Information on transfer of shares > Statement of changes in share pledges after insider shareholding change report > Insider pledge release/insider pledge release announcement.

URL:

Transfer of shares: [https://mops.twse.com.tw/mops/#!/web/query6\\_1](https://mops.twse.com.tw/mops/#!/web/query6_1)

Changes in share pledges:

[https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

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

Name	Shareholder himself/herself Number of shares held		Shares held by spouse and children of minor age		Total shares held through nominees		IX. If among the company's top ten shareholders any one is a related party or a relative within the second degree of kinship of another, their title or name or relationship.		Remark
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Lin Hsien-Lu	13,897,000	21.04%	2,584,347	3.91%	0	0	Li Ching-Yi Lin Ming-Cheng Lin Liang-Yang Lin Hong-Ling	Spouse Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	None
Lukisen Electronic Corp.	4,877,000	7.38%	0	0	0	0	Hung Chuan Investment Co., Ltd. Loopcomm Technology Inc.	Same chairman Same chairman	None
Lukisen Electronic Corp. Representative: Lin Ming-Cheng	4,624,000	7.00%	999	0.00%	0	0	Lukisen Electronic Corp. Hung Chuan Investment Co., Ltd. Loopcomm Technology Inc. Lin Hsien-Lu Li Ching-Yi Lin Liang-Yang Lin Hong-Ling	Chairman Chairman Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	None
Lin Ming-Cheng	4,624,000	7.00%	999	0.00%	0	0	Lukisen Electronic Corp. Hung Chuan Investment Co., Ltd. Loopcomm Technology Inc. Lin Hsien-Lu Li Ching-Yi Lin Liang-Yang Lin Hong-Ling	Chairman Chairman Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	None
Hung Chuan Investment Co., Ltd.	3,101,069	4.69%	0	0	0	0	Lukisen Electronic Corp. Loopcomm Technology Inc.	Same chairman Same chairman	None
Hung Chuan Investment Co., Ltd. Representative: Lin Ming-Cheng	4,624,000	7.00%	999	0.00%	0	0	Lukisen Electronic Corp. Hung Chuan Investment Co., Ltd. Loopcomm Technology Inc. Lin Hsien-Lu Li Ching-Yi Lin Liang-Yang Lin Hong-Ling	Chairman Chairman Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	None
Loopcomm Technology Inc.	2,781,000	4.21%	0	0	0	0	Lukisen Electronic Corp. Hung Chuan Investment	Same chairman Same chairman	None

							Co., Ltd.		e
Loopcomm Technology Inc. Representative: Lin Ming-Cheng	4,624,000	7.00%	999	0.00%	0	0	Lukisen Electronic Corp. Hung Chuan Investment Co., Ltd. Loopcomm Technology Inc. Lin Hsien-Lu Li Ching-Yi Lin Liang-Yang Lin Hong-Ling	Chairman Chairman Chairman Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	N one
Li Ching-Yi	2,584,347	3.91%	13,897,000	21.04%	0	0	Lin Hsien-Lu Lin Ming-Cheng Lin Liang-Yang Lin Hong-Ling	Spouse Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	N one
Tsai Yu-Gui	1,527,602	2.31%	70,374	0.11%	0	0	Huang Nan-Hao	Relative within the second degree of kinship	N one
Lin Hong-Ling	1,314,000	1.99%	0	0	0	0	Lin Hsien-Lu Li Ching-Yi Lin Ming-Cheng Lin Liang-Yang	Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	N one
Huang Nan-Hao	821,673	1.24%	0	0	0	0	Tsai Yu-Gui	Relative within the second degree of kinship	N one
Lin Liang-Yang	762,000	1.15%	0	0	0	0	Lin Hsien-Lu Li Ching-Yi Lin Ming-Cheng Lin Hong-Ling	Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	N one

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

Unit: thousand shares; %

Investee	The Company's investment		Investments by directors, supervisors, managers, and businesses directly or indirectly controlled by them		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
ATW PHILIPPINES, INC	12,000	100%	-	-	12,000	100%



ATW TECHNOLOGY MEXICO	-	100%	-	-	-	100%
Jin-Wei Technology (Chengdu) Co., Ltd.	-	100%	-	-	-	100%
Jin-Wei Electronics Co., Ltd.	240	24%	500	50%	740	74%
ATW Technology (HongKong) Limited	-	100%	-	-	-	100%
"ATW Technology Inc" LLC	-	100%	-	-	-	100%
Yotascop Technologies Co., Ltd. (Note)	500	11.90%	0	0	500	11.90%
Binom Technology LLC	-	100%	-	-	-	100%

(Note): Fully recognized as impairment loss.

## Three. Fundraising:

### I. Sources of share capital:

(1) The types of shares issued in the most recent year and as of the printing date of the annual report.

Year/month	Issuance price	Authorized share capital		Paid-in capital stock		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Offset by any property other than cash	Others
1986/06	100	50,000	5,000,000	50,000	5,000,000	Capital at establishment	None	-
1997/01	100	200,000	20,000,000	200,000	20,000,000	Cash capital increase by 150,000 shares	None	-
1998/07	100	400,000	40,000,000	400,000	40,000,000	Cash capital increase by 200,000 shares	None	-
1999/04	100	560,000	56,000,000	560,000	56,000,000	Cash capital increase by 160,000 shares	None	-
2000/02	100	1,000,000	100,000,000	1,000,000	100,000,000	Cash capital increase by 440,000 shares	None	Note 1
2000/02	10	10,000,000	100,000,000	10,000,000	100,000,000	Change in face value	None	-
2000/10	10	16,000,000	160,000,000	16,000,000	160,000,000	Cash capital increase by 4,596,448 shares Retained earnings transferred to capital by 1,403,552 shares	None	Note 2
2001/06	10	40,000,000	400,000,000	22,000,000	220,000,000	Retained earnings transferred to capital by 2,707,011 shares Employee bonus transferred to capital increase by 307,615 shares Capital reserve transferred to capital by 2,985,374 shares	None	-
2009/08	25	40,000,000	400,000,000	26,000,000	260,000,000	Cash capital increase by 4,000,000 shares	None	Note 3
2002/07	10	40,000,000	400,000,000	28,000,000	280,000,000	Cash capital increase by 2,000,000 shares	None	Note 4
2003/11	10	40,000,000	400,000,000	31,100,000	311,000,000	Retained earnings transferred to capital by 2,044,000 shares Employee bonus transferred to capital increase by 300,000 shares Capital reserve transferred to capital by 756,000 shares	None	Note 5
2004/08	10	54,000,000	540,000,000	34,800,000	348,000,000	Retained earnings transferred to capital by 2,799,000 shares Employee bonus transferred to capital increase by 590,000 shares Capital reserve transferred to capital by 311,000 shares	None	Note 6
2004/10	10	54,000,000	540,000,000	34,844,052	348,440,520	Bond convertible to common stock 44,052 shares	None	Note 7
2005/04	10	54,000,000	540,000,000	38,525,077	385,250,770	Corporate bonds converted to common stock by 3,681,025 shares	None	Note 8
2005/07	10	54,000,000	540,000,000	38,903,455	389,034,550	Corporate bonds converted to common stock by 378,378 shares	None	Note 9
2005/08	10	54,000,000	540,000,000	42,565,200	425,652,000	Retained earnings transferred to capital by 2,961,745 shares Employee bonus transferred to capital increase by 700,000 shares	None	Note 10
2005/10	10	54,000,000	540,000,000	43,571,117	435,711,170	Corporate bonds converted to common stock by 1,005,917 shares	None	Note 11
2006/04	10	54,000,000	540,000,000	44,926,145	449,261,450	Corporate bonds converted to common stock by 1,355,028 shares	None	Note 12
2006/07	10	54,000,000	540,000,000	45,991,233	459,912,330	Corporate bonds converted to common stock by 1,065,088 shares	None	Note 13
2006/10	10	54,000,000	540,000,000	46,760,463	467,604,630	Corporate bonds converted to common stock by 769,230 shares	None	Note 14
2007/04	10	54,000,000	540,000,000	47,598,786	475,987,860	Corporate bonds converted to common stock by 838,323 shares	None	Note 15
2007/07	10	54,000,000	540,000,000	47,676,630	476,766,300	Corporate bonds converted to common stock by 77,844 shares	None	Note 16
2008/03	10	80,000,000	800,000,000	62,676,630	626,766,300	Cash capital increase by 15,000,000 shares	None	Note 17
2008/11	10	80,000,000	800,000,000	40,350,421	403,504,210	Capital reduction by 22,326,209 shares	None	Note 18
2011/07	10	80,000,000	800,000,000	20,350,421	203,504,210	Capital reduction by 20,000,000 shares	None	Note 19
2011/11	3.51	80,000,000	800,000,000	40,350,421	403,504,210	Capital increase by private placement of 20,000,000 shares	None	Note 20
2012/08	10	80,000,000	800,000,000	13,674,306	136,743,060	Capital reduction by 26,676,115 shares	None	Note 21
2015/03	7.56	80,000,000	800,000,000	20,100,306	201,003,060	Capital increase by private placement of 6,426,000 shares	None	Note 22
2015/03	7.68	80,000,000	800,000,000	26,674,306	266,743,060	Capital increase by private placement of 6,574,000 shares	None	Note 23

2021.01	10	80,000,000	800,000,000	30,674,306	306,743,060	Capital increase by private placement of 4,000,000 shares	None	Note 24
2021.07	17	80,000,000	800,000,000	38,674,306	386,743,060	Cash capital increase by 8,000,000 shares	None	Note 25
2022.03	10	80,000,000	800,000,000	42,078,017	420,780,170	Corporate bonds converted to common stock by 3,403,711 shares	None	Note 26
2022.05	10	80,000,000	800,000,000	43,167,206	431,672,060	Corporate bonds converted to common stock by 1,089,189 shares	None	Note 27
2022.08	10	100,000,000	1,000,000,000	45,162,505	451,625,050	Corporate bonds converted to common stock by	None	Note 28
2022.11	10	100,000,000	1,000,000,000	48,054,518	480,545,180	Corporate bonds converted to common stock by 2,892,013 shares	None	Note 29
2023.01	10	100,000,000	1,000,000,000	60,054,518	600,545,180	Cash capital increase by 12,000,000 shares	None	Note 30
2023.04	10	100,000,000	1,000,000,000	60,064,468	600,644,680	Corporate bonds converted to common stock by 9,950 shares	None	Note 31
2023.05	10	100,000,000	1,000,000,000	68,064,468	680,644,680	Capital increase by private placement of 8,000,000 shares	None	Note 32

Note 1: Approval Letter (89)-Sheng-Zi No. 089103569 dated February 2, 2000.

Note 2: Approval Letter (89)-Sheng-Zi No. 089139163 dated October 23, 2000.

Note 3: Approval Letter (89)-Sheng-Zi No. 09001361340 dated September 10, 2001.

Note 4: Approval Letter (91)-Tai-Cai-Zheng-Zi No. 128003 dated May 22, 2002.

Note 5: Jing-Shou-Zhong-Zi No. 09232950870 dated November 12, 2003.

Note 6: Jing-Shou-Zhong-Zi No. 09332521060 dated August 9, 2004.

Note 7: Jing-Shou-Zhong-Zi No. 09332928880 dated October 27, 2004.

Note 8: Jing-Shou-Zhong-Zi No. 09432022400 dated April 25, 2005.

Note 9: Jing-Shou-Zhong-Zi No. 09432469630 dated July 15, 2005.

Note 10: Jing-Shou-Zhong-Zi No. 09432732140 dated August 26, 2005.

Note 11: Jing-Shou-Zhong-Zi No. 09432993890 dated October 14, 2005.

Note 12: Jing-Shou-Zhong-Zi No. 09532027870 dated April 20, 2006.

Note 13: Jing-Shou-Zhong-Zi No. 09532522990 dated July 18, 2006.

Note 14: Jing-Shou-Zhong-Zi No. 09533002660 dated October 19, 2006.

Note 15: Jing-Shou-Zhong-Zi No. 09631965360 dated April 14, 2007.

Note 16: Jing-Shou-Zhong-Zi No. 09632468670 dated July 23, 2007.

Note 17: Jing-Shou-Shang No. 09701058290 dated March 7, 2008.

Note 18: Jin-Guan-Zheng-(1)-Zi No. 0970043826 dated September 9, 2008; Jing-Shou-Shang-Zi No. 09733397820 dated November 7, 2018.

Note 19: Jin-Guan-Zheng-Fa-Zi No. 1000029761 dated July 5, 2011, Bei-Fu-Jing-Deng-Zi No. 1005046696 dated July 28, 2011.

Note 20: Bei-Fu-Jing-Deng-Zi No. 1005075172 dated November 30, 2011.

Note 21: Jin-Guan-Zheng-Fa-Zi No. 1010029585 dated July 11, 2012; Bei-Fu-Jing-Deng-Zi No. 1015049358 dated August 13, 2012.

Note 22: Bei-Fu-Jing-Si-Zi No. 1045134112 dated March 11, 2015.

Note 23: Bei-Fu-Jing-Si-Zi No. 1045135333 dated March 17, 2015.

Note 24: Xin-Bei-Fu-Jing-Si-Zi No. 1108002317 dated January 15, 2021.

Note 25: Xin-Bei-Fu-Jing-Si-Zi No. 1108053589 dated August 5, 2021.

Note 26: Xin-Bei-Fu-Jing-Si-Zi No. 1118025017 dated April 14, 2022.

Note 27: Xin-Bei-Fu-Jing-Si-Zi No. 1118035587 dated May 24, 2022.

Note 28: Xin-Bei-Fu-Jing-Si-Zi No. 1118058411 dated August 15, 2022.

Note 29: Xin-Bei-Fu-Jing-Si-Zi No. 1118082476 dated November 23, 2022.

Note 30: Jing-Shou-Shang-Zi No. 11230010030 dated 18 January 2023.

Note 31: No. Jing-Shou-Shang-Zi No. 11230070180 dated 25 April 2023.

Note 32: Jing-Shou-Shang-Zi No. 11230095010 dated June 14, 2023.

Type of shares	Authorized share capital			R e m a r k
	Outstanding shares	Unissued shares	Total	
Registered common shares	56,064,468 shares (TPEx-listed) 12,000,000 (private placement, not TPEx listed)	33,935,532 shares	100,000,000 shares	

(II) If the company adopts the shelf registration method for the issuance of new shares, it shall disclose relevant information including the total amount registered for issuance, the total amount already issued, and the balance amount of the shelf registration: None.

**II. List of major shareholders:** List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list

Shares Name of major shareholder	Number of shares held	Shareholding ratio
Lin Hsien-Lu	13,897,000	21.04%
Lukisen Electronic Corp. Representative: Lin Ming-Cheng	4,877,000	7.38%
Lin Ming-Cheng	4,624,000	7.00%
Hung Chuan Investment Co., Ltd. Representative: Lin Ming-Cheng	3,101,069	4.69%
Loopcomm Technology Inc. Representative: Lin Ming-Cheng	2,781,000	4.21%
Li Ching-Yi	2,584,347	3.91%
Tsai Yu-Gui	1,527,602	2.31%
Lin Hong-Ling	1,314,000	1.99%
Huang Nan-Hao	821,673	1.24%
Lin Liang-Yang	762,000	1.15%

**III. The Company's dividend policy and implementation status:**

(I) Dividend policy stipulated in the Articles of Incorporation: if the Company has a profit at the end of the year, it shall first be used to pay tax and make up for accumulated losses, and secondly, 10% of it shall be set aside for legal reserve and special reserve to be appropriated or reversed as required by the competent authority. The remaining balance, together with the undistributed earnings of prior years, to be distributed in the form of dividends and bonuses, shall be proposed by the Board of Directors for distribution to shareholders, and shall be resolved by the shareholders in the shareholders' meeting, and no less than 5% of the total shall be distributed in cash.

(II) Dividend distribution proposed at this shareholders' meeting:  
not to distribute dividends.

(III) If a material change in dividend policy is expected, provide an explanation:

The Company has amended the Articles of Incorporation, which was discussed in the shareholders' meeting on June 30, 2023. The amended policy is as follows: If the Company has a profit at the end of the year, it shall first be used to pay tax and make up for accumulated losses, and secondly, 10% of it shall be set aside for legal reserve and special reserve to be appropriated or reversed as required by the competent authority. The remaining balance, together with the undistributed earnings of prior years, to be distributed in the form of dividends and bonuses, shall be proposed by the Board of Directors for distribution to shareholders, and shall be resolved by the shareholders in the shareholders' meeting, and no less than 5% of the total shall be distributed in cash.

The Company authorizes the Board of Directors to pay dividends and bonuses in whole or in part in accordance with Article 240, Paragraph 5 of the Company Act in the presence of at least two-thirds of the directors and a majority of the directors present, to be reported to the shareholders' meeting.

The Company authorizes the Board of Directors at the Board meeting, attended by more than two-thirds of the directors, in the attendance of more than two-thirds of the directors in the board meeting when distributing the legal reserve and capital reserve in whole or in part in proportion to the original shares of shareholders. Resolutions

reached by more than half of the directors will be reported to the shareholders' meeting in accordance with Article 241 of the Company Act. in the case of an issuance of new shares, a resolution shall be submitted to the shareholders' meeting.

#### **IV. The effect of the current bonus shares on the operating performance, EPS and return on shareholder's investment:**

Not applicable, as there are bonus shares proposed at the 2025 General Meeting of Shareholders.

#### **V. Remuneration to employees, directors and supervisors:**

(I) The percentages or ranges with respect to employee, director, and supervisor profit-sharing remuneration, as set forth in the company's articles of incorporation.

If the Company makes a profit for the year, 0.5% to 12% of the profit shall be appropriated as remuneration to employees, and no more than 2% of the profit shall be appropriated as remuneration to directors and supervisors. However, if the Company still has accumulated losses, an amount shall be reserved to offset the accumulated losses.

(II) The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: None.

(III) Remuneration distribution approved by the board of directors: The Company's pre-tax income (net income before the distribution of remuneration to employees and director) for 2024 was NTD 29,163,688. On March 12, 2025, the Board of Directors approved an allocation of NTD 291,637 or 1% as remuneration to employees and NTD 145,818 or 0.5% as remuneration to directors, all paid in cash.

(IV) The actual distribution of remuneration to employees, directors, and supervisors in the previous year (including the number of shares allotted, the amount, and the price at which they were issued), and any discrepancy between the remuneration and the recognized remuneration to employees, directors, and supervisors, state the amount of the cause and treatment of the discrepancy: NONE.

#### **VI. Repurchase of the company shares:**

(I) Shares repurchased by the Company (repurchases already completed)

Repurchase time	1st time (period)
Purpose of repurchase	Transferred to employees
Repurchase period	February 16, 2024 - April 15, 2024 (completed on February 21, 2022)
Repurchase range price	55-80
Type and quantity of shares repurchased	Common stock 1,500,000 shares
Amount of shares repurchased	\$101,581,290
Ratio of repurchased shares to expected repurchased shares (%)	100%
Quantity of shares canceled and transferred	0
Cumulative quantity of the Company's shares held	1,500,000 shares
The ratio of the number of the Company's shares held to the total number of issued shares (%)	2.20%

Repurchase time	2nd time (period)
Purpose of repurchase	protect company reputation and shareholder equity
Repurchase period	July 12, 2024 -September 11, 2024 (completed on July 31, 2024)
Repurchase range price	55-80
Type and quantity of shares repurchased	Common stock 2,000,000 shares
Amount of shares repurchased	\$137,198,827
Ratio of repurchased shares to expected repurchased shares (%)	100%
Quantity of shares canceled and transferred	0(note1)
Cumulative quantity of the Company's shares held	3,500,000 shares(note1)
The ratio of the number of the Company's shares held to the total number of issued shares (%)	5.14%(note1)

Note 1: The Company subsequently retired 2,000,000 common shares on September 13, 2024, reducing its cumulative shareholding to 1,500,000 shares and decreasing its shareholding ratio to 2.27% of total issued shares.

Repurchase time	3th time (period)
Purpose of repurchase	protect company reputation and shareholder equity
Repurchase period	April 9, 2025 -June 6, 2025 (completed on May 19, 2025)
Repurchase range price	55-80
Type and quantity of shares repurchased	Common stock 2,262,000 shares
Amount of shares repurchased	\$158,630,735
Ratio of repurchased shares to expected repurchased shares (%)	100%
Quantity of shares canceled and transferred	0
Cumulative quantity of the Company's shares held	3,762,000shares
The ratio of the number of the Company's shares held to the total number of issued shares (%)	5.69%

(II) Shares repurchased by the Company (repurchase still in progress): None.

**VII. Corporate bonds:** None.

**VIII. Preferred shares:** None.

**IX. Global depository receipts:** None.

**X. Employee share subscription warrants:**

(I) Unexpired employee subscription warrants issued by the company in existence as of the publication date of the annual report, and the effect of such warrants upon shareholders' equity. Any privately placed employee subscription warrants shall be prominently identified as such: None.

(II) Names of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the publication date of the annual report: None.

**XI. Restricted stock awards:**

- (I) For all restricted stock awards for which the vesting conditions have not yet been met for the full number of shares, the status up to the publication date of the annual report and the effect on shareholders' equity: None.
- (II) Names and acquisition status of managers who have acquired new restricted stock awards and of employees who rank among the top ten in the number of restricted stock awards acquired, cumulative to the publication date of the annual report: None.

**XII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:**

- (I) new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies up to the publication date of the annual report: None.
- (II) During the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company completed: None.

**XIII. Implementation of the company's capital allocation plan: Please refer to the Company's announcements on the Market Observation Post System (new MOPS), with the index route: MOPS > Single Company > Share Changes/Securities Issuance > Fund Raising > Fund Raising Plan Implementation. URL: [https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2)**

## FOUR. An Overview of Operations

### I. Business description:

#### (I) Scope of business:

1. Principal business activities:
  - (1) Sales of network communication products and related parts and components.
  - (2) Sales of IoT smart home products.
2. Weight of business:

Unit: NTD thousand

By product \ Year	2023		2024	
	Amount	%	Amount	%
Communication peripheral products	222,085	98.17	224,126	99.31
Semi-finished products and others	1,971	0.87	1,704	0.69
Internet of Things	1,782	0.79	-	-
OEM	380	0.17	-	-
Total	226,218	100.00	245,830	100.00

3. The Company's current products:
  - (1) Netcom related products.
  - (2) IoT related products.
4. New products planned for development:
  - (1) Improvement of specifications of Netcom products.
  - (2) Products related to new applications of IoT/smart home.

#### (II) Industry overview:

ATW Technology Inc. (hereinafter referred to as ATW Technology or the Company) is mainly engaged in the network communication industry. Therefore, the overview of the network communication industry is explained as follows:

##### 1. Industry status and development

For the global Netcom equipment market, the overall supply chain has been affected by raging COVID-19 variants since 2022, the Russo-Ukrainian War, and China's strict prevention and control measures. Europe and the United States have also been facing the test of high inflation, which has affected end consumption dynamics and overall economic recovery. However, since the global outbreak of COVID-19, consumers have continued to accept work from home, online learning, online video and audio, and e-commerce services, and enterprises have actively pursued digital transformation, resulting in a significant increase in end-user demand for network bandwidth, transmission speed, and stability. These factors have driven many countries to launch a number of policies related to broadband network infrastructure to expand the penetration rate of broadband networks and meet the needs of end users. This stimulates telecom providers to actively invest in broadband equipment replacements and additions, and has prompted a significant increase in the demand for Wi-Fi 6/6E equipment upgrades. In addition, cloud service companies such as Google, Meta, and Microsoft continue to invest in the construction of large-scale data centers and accelerate equipment upgrades, thereby driving the continued shipment of cloud infrastructure equipment, WLAN equipment and modules, and 400G switches to continue to look up.

On the other hand, with the launch of 5G services in various countries, major telecommunication companies not only invest in the establishment of 5G Standalone



(SA) networks, but also focus on the expansion in the 5G application service market. Major telecommunication companies in the U.S. are gradually opening up 5G Fixed Wireless Access (FWA) services to replace fiber optic and other fixed broadband networks with tandem 5G wireless services, driving the demand for 5G Client Premises Equipment (CPE) significantly. As 5G services become more and more popular, China and Japan are making every effort to promote 5G industry applications and actively encourage the establishment of 5G enterprise private networks, driving the demand for related private network equipment.

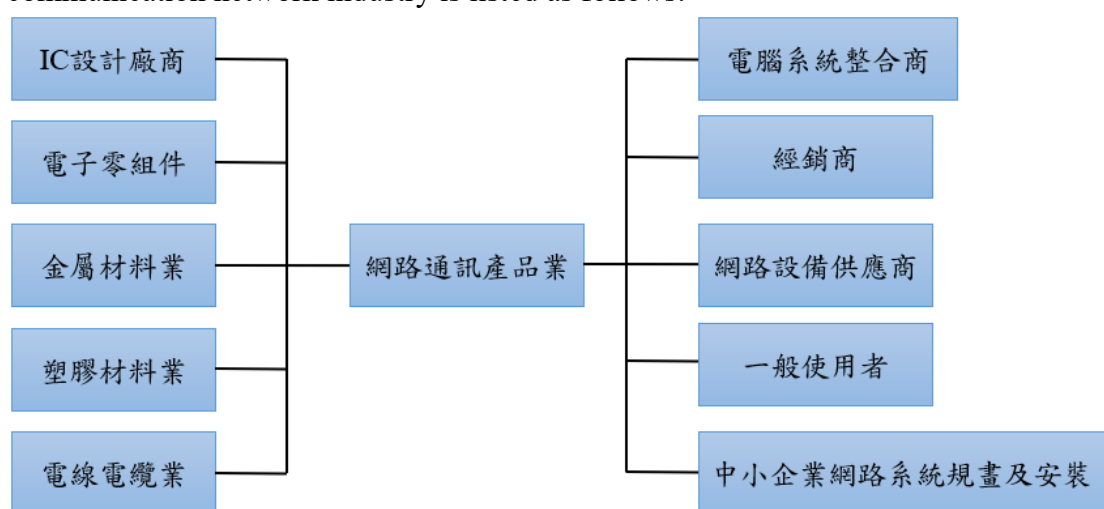
Overall, as stay-at-home economy applications such as working from home, online learning, online video and audio, and e-commerce services become the norm, and enterprises actively invest in digital transformation, the demand for broadband networks continues to increase, resulting in the continued investment in the construction of national telecommunication providers and cloud service vendors in 5G FWA, enterprise private network applications, broadband networks, and data centers, and equipment upgrades. This is aimed to satisfy the demand of end-users, effectively increasing the demand for various Netcom equipment. According to the estimates of the ITRI Industrial Economics and Knowledge Center, the output value of the global Netcom equipment manufacturing industry will reach US\$322.126 billion in 2022, a growth of 22.5% from 2021. As the demand in the end market continues to increase and the supply of Netcom chips is in place, the growth momentum is even greater than that in 2021.

As far as the global Wi-Fi market is concerned, in light of the smart phone brands accelerating the introduction of Wi-Fi 6, coupled with the support of the stay-at-home economy, notebooks and Netcom devices are also gradually introducing Wi-Fi 6, and the Wi-Fi Alliance has announced the Wi-Fi 6E certification program, emphasizing that Wi-Fi 6E-enabled devices can access the 6GHz band for faster connection speeds and lower latency. In addition, the supply of Wi-Fi 5 main chips continues to be in shortage. Netcom equipment manufacturers accelerate the introduction of Wi-Fi 6/6E to reduce the risk of shipment loss due to chip shortages. This has also become one of the driving forces for the increase in global Wi-Fi 6 market penetration. According to TrendForce, the global Wi-Fi 6/6E market penetration reached 43% in 2021, a significant increase from 28% in 2020, but it has not yet replaced Wi-Fi 5 as the mainstream in the market.

Since 2022, as the U.S., U.K., Germany, France, Japan, and Taiwan have all opened up the 6GHz band for Wi-Fi technology, 6E meets the growing consumer demand for Wi-Fi high-performance networking. In addition, due to the integration of Wi-Fi 6/6E and 5G communication technology, the needs of video conferencing, telemedicine, car navigation systems, smart home equipment can be further met. The demand for large bandwidth and low latency of IoT applications such as smart lighting is expected to drive more diverse applications such as automobile, medical care, and IoT to accelerate the introduction of Wi-Fi 6/6E. Therefore, considering that the proportion of products such as smart phones, notebooks, and routers supporting Wi-Fi 6/6E continues to increase, coupled with the gradual extension of Wi-Fi 6/6E applications to automobiles, medical care, and various IoT applications, it is estimated that the shipment of devices supporting Wi-Fi 6/6E will reach 2.3 billion units in 2022, which will further increase the penetration rate of the global Wi-Fi 6/6E market to 58%, making it the mainstream specification in the Wi-Fi market.

## 2. Links between the upstream, midstream, and downstream segments of the industry supply chain

The network communication product market is largely based on the production and sale of network equipment products in the communication network industry. The main products are wireless broadband network products. The upstream of the industry mainly consists of the IC design, the electronic parts and components, the metal materials, the plastic materials, and the wire and cable industries. Due to the abundant experience in electronic product manufacturing and the related industrial foundation and engineering technology capability in Taiwan, a sufficient and effective network upstream supply system has been developed. While the downstream suppliers of the industry mainly consists of computer system integration vendors, distributors and network equipment suppliers, corporate users and general consumers have the need for computer use or system integration for connection of their independent computer equipment to each other and integrate network resources. This achieves the purpose of information transmission and resource sharing. The relevance of the upstream, midstream and downstream of the communication network industry is listed as follows:



IC 設計廠商	IC Designers
電子零組件	Electronic Components
金屬材料業	Metal Materials
塑膠材料業	Plastic Materials
電線電纜業	Wire & Cable
網路通訊產品業	Network Communication Products
電腦系統整合商	Computer System Integrator
經銷商	Distributors
網路設備供應商	Network Equipment Supplier
一般使用者	General Users
中小企業網路系統規安及安裝	Small and Medium Business Networking System Planning and Installation

### 3. Development trends of products:

Family is the foundation of physical and mental development for human beings and the most powerful support for the sense of security and belonging. With the rapid advancement of science and technology, freedom from fear and safety are still the

most basic needs of mankind. Taiwanese people most often express their desire to reduce accidents, such as typhoons, earthquakes, heavy rains, and fires, while they are most worried about the safety of family members, such as falls for the elderly and burns for young children. Home is also a safe haven for city dwellers to relieve physical and mental stress. It is expected that the connection from home life to the construction of the entire smart city environment will be smooth, comfortable and convenient, such as home appliance automation, home cleaning, community meal delivery, urban garbage classification and transportation. This enable people to enjoy the quality of life brought about by technology.

In the past two years, smart home has become the new favorite of the IoT application market. The rise of technologies such as the IoT, cloud big data, smart phones, and the Internet has prompted technology giants and startups to continue to launch smart home software and hardware new products and new services. At the same time, these technology giants and startups are also actively using an open architecture design and preparing for the establishment of an alliance ecosystem to gradually carry out cross-platform, cross-brand, and cross-device integration. This will further expand their influence in the smart home application market, in order to break the past clear boundaries of the smart home barriers. Given this, the public can expect that various different brands of home appliances in the future will eventually be interoperable and interconnected.

The public is most concerned about home safety, which is also the most basic smart home functional services. Video surveillance and home sensing are two of the earliest industries to enter the home application industry, and they are also responding to the formation of new technologies and new markets and develop innovative business models, such as: (1) Using image recognition technology, including facial recognition and motion recognition, to develop various smart phone APPs for different ethnic groups; (2) integrating and analyzing home sensing data to be designed into smart home scenarios in interface settings to monitor what is happening at home and share daily life records; (3) joining forces with insurance companies to launch home security services for monthly or yearly charges.

Secondly, the comfort and convenience that the public expects at home vary due to the living habits of users, the size and location of the home, and the composition of family members. "Home automation" is involved in the field of technology application. In other words, various home sensor data can be integrated according to the home comfort and convenience services required by users under different scenarios. With the appropriate device or home service platform activated or connected in the home, users are free from pressure from daily household chores, allowing them to relax and enjoy their home life. In short, in order to achieve the comprehensive "home automation" service for the safety, comfort and convenience of the entire home, various innovative business models have emerged.

Source: IEK

#### 4. Product competition:

The main customers of the Company's Netcom products are foreign telecom giants. The smart home products are jointly developed with domestic telecom giants. In sum, the Company's products are competitive in terms of customization and cost.

### (III) Overview of technology and R&D:

#### 1. R&D expenses during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Unit: NTD thousand

	2024	As of March 31, 2025
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R&D expenses	51,714	12,857
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2. Successfully developed technologies or products during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

- (1) Customized 4G applications: 4G LTE Dongle and 4G LTE Router
- (2) Upgrade of VDSL products to Wi-Fi 5, Wi-Fi 6 and VOIP transmission protocols
- (3) Development of various GPON applications: GPON Gateway, GPON Modern and GPON WiFi 6
- (4) Upgrade of VOIP routers and gateways: ATA VOIP Gateway and VIOP Router
- (5) Customized IoT related products: IoT Smart Home and wireless network card

(IV) Long-term and short-term business development plans:

1. Short-term business development plan:

- (1) Implement lean measures and reduce costs, expenses, inventory and product development time.
- (2) Continue to increase market share, expand production capacity, and raise industry threshold.

2. Long-term business development plans:

- (1) Expand the sales market and develop diversified products and services.
- (2) Strengthen the training of R&D personnel to meet market requirements and continue to develop new products.

## II. Market analysis as well as the production and marketing situation

(I) Market analysis:

1. Sales regions of the main products:

Unit: NTD thousand

		2024	
		Sales amount	Sales ratio %
Export sales	Asia	1,489	0.61
	Americas	182,068	74.06
	Europe	60,541	24.63
	Subtotal	244,098	99.30
Domestic sales		1,732	0.70
Total		245,830	100.00

2. Market share:

The Company provides design, development, integration, and marketing services for Netcom and related components required by customers. Although the Company has extensive experience in the Netcom industry, after years of development in the Netcom market, the Netcom market has matured. Therefore, there are a large number of domestic and foreign manufacturers engaged in the Netcom industry, and the market competition is relatively fierce. Due to this, the Company's share of the global market share of the net communication production value is very limited, and there is no single Netcom equipment vendor that can have a significant impact on the overall market supply and demand of Netcom products.

3. Future supply, demand and growth of the market:

The main business of the Company is the processing, manufacturing and trading of communication and network electronic products. The products the Company produces and sells include Netcom related products such as routers, gateways, modems and network cards. As the Company is located in the middle reaches of the Netcom industry chain, the prosperity of the domestic and foreign downstream terminal application markets will jointly affect the development of the industry

where the Company is located. The supply and demand conditions are described as follows:

(1) Supply side

Since COVID-19 broke out at the end of 2019, in an effort to curb the spread of the disease to reduce the movement of people, governments around the world adopted a series of measures such as home isolation, area closure, and border control. However, they have also relatively restricted the conduct of economic activities, which in turn had a negative impact on global economic growth. In 2020, upstream and midstream manufacturers in the networking industry had to coordinate with end customers to defer shipments due to factors such as the flow of raw materials and personnel, as well as transportation constraints. As a result, the market supply of Netcom products in 2020 declined. However, as governments around the world gradually showed their effectiveness in controlling the pandemic and gradually lift restrictions on movement of people and border controls, it is expected that the global economy is expected to recover in 2021, and the upstream and midstream players in the Netcom industry will also begin to resume normal production. Overall, the supply of Netcom products worldwide will grow year-on-year.

In order to avoid the impact of tariffs imposed by the US-China trade war, some Taiwanese Netcom vendors have been deploying production bases around the world or increasing the capacity of Taiwan factories based on the needs of end customers and their own plans to diversify production area risks. Under the circumstance of restricted supply, the quantity supplied by Taiwanese Netcom-related vendors is expected to grow at a higher rate, thereby increasing the market share of domestic Netcom vendors in the global Netcom product market.

(2) Demand side

In recent years, benefiting from the development of IoT and 5G related applications, the world's major Netcom industry terminal manufacturers have actively invested in 5G network equipment. However, the global communication industry was affected by the COVID-19 pandemic in 2020, resulting in a slight decline in the overall industry output value. As the pandemic is expected to subside in 2021, global economic activities will gradually return to normal. As a result, some orders that were delayed by the pandemic will be postponed to 2021. The recovery of terminal demand, coupled with the rise of work from home, distance learning, and online entertainment due to the impact of the pandemic, will further boost the market demand for Netcom products. Therefore, overall, the market demand for Netcom products in the next few years will have room for growth.

In addition, as the US-China trade war intensifies, in order to contain Huawei and restrict the development of Chinese companies, the US has actively promoted the de-Sinicization of global telecommunications, application stores, applications, cloud storage, and undersea cables. In 2020, the clean network policy was adopted, which caused some global telecommunications, network and related supply chain manufacturers to stop cooperation with Chinese companies. Moreover, due to the fact that Taiwan's Netcom equipment manufacturers have closer cooperation with European and American brands, the gaps for Chinese manufacturers are expected to be filled. The vacant orders after the elimination have led to more orders from companies in Europe and the United States, which further increased the demand for Netcom products from Netcom end users in Taiwan.

#### 4. Competitive niche:

##### (1) Outstanding product design ability

The development team of the Company has a wealth of experience in the design of Netcom products, which enables the development colleagues of the Company to develop products and functions that meet the needs of customers in the shortest time possible, greatly increasing the competitiveness of products and improving adhesion between the Company and customers.

##### (2) Stringent quality control

The Company has extensive experience in the business field of Netcom products, and has a business philosophy of providing stable quality products. Product design, key raw material selection and inspection, production assembly, functional testing, final packaging and shipping, and other operating procedures and quality control points are subject to rigorous process control. This ensures that the production quality meets the strict requirements of customers for product quality.

##### (3) Cultivation of the local market and customer service

The Company's main customers are located in Latin America. Through product sales and after-service collaboration, real-time communication can meet customer needs, and immediately solved customer problems. In addition to maintaining good relationships with existing customers, the Company also continues to develop new customers through its product design capabilities, thereby enhancing the Company's visibility in the international Netcom market.

##### (4) Real-time grasp of overall industry trends

The Company will continue to observe the future development trend of the Netcom industry to adjust the operating strategy in time, and plan for the future development direction of the industry in advance. By doing this, the Company can continue to maintain its competitive advantage in the industry.

#### 5. Positive and negative factors for future development, and countermeasures:

##### (1) Favorable factors

###### ① Promising future for the network industry

As far as the long-term development of the network industry is concerned, with the consumerization of information products, Internetization, and the close integration of information and communication, the network industry structure and market scale have shown steady growth. Benefiting from the increasingly diversified applications of 5G and the booming development of the IoT, it is expected that the network industry as a whole will continue to have room for growth.

###### ② Trends in broadband communication networks

Although the growth of global DSL subscribers has slowed down in recent years, its broadband access technologies such as DPU, G.hn PLC, and G. fast V DSL bonding continue to make breakthroughs. Benefitting from the growing demand for network infrastructure, global telecommunications companies actively plan and invest in the deployment of various new technologies and products in order to meet the needs of users seeking new and fast products, the global communication market scale will continue to grow in the future.

###### ③ Governments around the world are actively deploying broadband network infrastructure

Under the vigorous promotion of broadband deployment plans by governments around the world, in order to rapidly reduce the broadband digital gap between

urban and rural areas in developing countries, the development of broadband network infrastructure focuses on backbone networks. Developed countries have completed fiber-optic long-distance backbone networks and are now moving toward metropolitan networks and access point equipment to meet the increasing demand for high bandwidth and diversified services. Therefore, with the active promotion of governments around the world, the growth of global broadband networks will be accelerated and the growth of the communication industry driven.

④ Software and hardware design integration ability

The Company has solid experience in the design of communication software, and can provide customized design services according to the needs of customers, and engage in the integration of related software and hardware to meet the needs of customers.

⑤ Maintain good relationship with major customers

Due to the vigorous development of the network communication industry in Taiwan in recent years, the integration of upstream and downstream components has been improving day by day, making the development of the network communication industry more stable. In addition, the Company has established good cooperative relations with customers, regardless of the quality requirements, the rationalization of production and the confirmation of delivery date have reached a considerable consensus. Therefore, we should be able to create stable growth results together in the future.

(2) Unfavorable factors and countermeasures

① Increasing competition in the market

Under the trend of Internet liberalization and internationalization, domestic and foreign research institutions are optimistic about the future growth of the Netcom market. The demand for communication products is increasing day by day, and domestic and foreign manufacturers are rushing to enter this market, resulting in market competition becoming increasingly fierce.

Responsive measures:

The Company will actively expand the scope of business to seek opportunities to cooperate with new customers. In addition, the Company will also absorb the latest professional knowledge and analyze the market demand in various regions as the direction of future product planning, in order to accelerate product development and seize potential markets market to improve overall product profitability.

② The scale of the Company's operation affects the cost

Compared to major communication equipment manufacturers, the Company's current scale of operation is relatively small, which is less advantageous to the procurement of raw materials.

Responsive measures:

At the current stage, the Company's product strategy focuses on niche markets. The products are manufactured and assembled by professional foundries. Through long-term partners, the Company integrates up-stream, mid-stream and down-stream third parties to give full play to their respective areas of expertise and continue to grow in the communication equipment industry and gain a firm foothold.

(II) Important usage and manufacturing processes for the company's main products

1. Important usage for the main products:

Main products	Important usage
---------------	-----------------

Communication peripherals	Wireless broadband network
Smart home products	Home surveillance, care, member care, etc.

2. Manufacturing processes for the company's main products: Not applicable.

(III) Supply of main raw materials: The Company mainly purchases IC raw materials from AA003 .

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

1. Information on major suppliers for the past 2 fiscal years:

Unit: NTD thousand; %

Item	2023				2024				As of Q1 2025			
	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer
1	BZ032	166,866	97.30	None	BZ032	183,388	94.69	None	BZ032	61,815	74.57	None
2	AA003	1,076	0.63	None	AD121	3,628	1.87	None	H014	19,236	23.21	None
3	AA020	446	0.26	None	AA020	1,835	0.95	None	AA020	953	1.15	None
	Others	3,098	1.81		Others	4,819	2.49		Others	891	1.07	
	Net purchase	171,486	100.00		Net purchase	193,670	100.00		Net purchase	82,895	100.00	

1-1 Reason for change in increase or decrease in the main suppliers:

Based on the consideration of production cost and proximity to the market, the Company adopts the production and sales strategy of regional specialization of labor, and accelerates the delivery time and reduces the cost of new customers' products.

2. Information on major customers for the past 2 fiscal years:

Unit: NTD thousand; %

Item	2023				2024				As of Q1 2025			
	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer
1	A000135	213,984	94.59	None	A000146	169,898	69.11	None	A000146	80,290	72.01	None
2	A000117	5,612	2.48	None	A00002	32,537	13.24	None	A00001	19,296	17.31	None
3	A000138	1,782	0.79	None	A00001	27,188	11.06	None	A00002	9,341	8.38	None
4	A000137	1,621	0.72	None	A000117	6,964	2.83	None	Z0032	551	0.49	None
	Others	3,219	1.42		Others	9,243	3.76		Others	2,013	1.81	
	Net sales	226,218	100.00		Net sales	245,830	100.00		Net sales	111,491	100.00	

2-1 Reason for change in increase or decrease in the main sales customers:

The difference between 2024 and Q1 2025 is the delivery according to customer's order.

**III. The number of employees employed for the past 2 fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels:**

Year		2023	2024	Current year up to March 31, 2025
No. of employees	Direct employees	0	0	0



	Indirect employees	43	44	45
	Total	43	44	45
Average age		45	45	45
Average years of service		3.94	4.46	4.61
Educational background distribution percentage	Doctoral Degree	0%	0%	0%
	Master's Degree	20.93%	20.45%	22.22%
	College	72.09%	70.46%	68.89%
	Senior High School	6.98%	9.09%	8.89%
	Below high school	0%	0%	0%

#### IV. Disbursements for environmental protection:

Any losses suffered by the company during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

#### V. Labor relations:

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

##### 1. Employee welfare plans and implementation:

(1)The Company provides employee labor insurance and national health insurance in accordance with regulations.

(2)We have established an Employee Welfare Committee in accordance with the regulations. We appropriate welfare funds on a timely basis for employee benefits covering maternity, wedding, bereavement, injury and sickness subsidies, birthday/new year's gift vouchers, employee travel/group activity subsidies, and labor education subsidies.

(3)At the end of the year, year-end bonuses are paid based on the Company's profitability.

(4)We provide employees with group accident insurance, medical insurance and regular health checkups.

##### 2. Employee continuing education and training measures and implementation:

In order to organize employee education and training to improve the quality and work knowledge of employees, and to reserve technical and management talent in line with the Company's business development and seek the effective use of manpower, the Company has formulated education and training management measures and implemented the following related trainings:

(1) Training on safety and health education and disaster prevention.

- (2) Pre-service training
- (3) Other professional training.
- (4) Labor education.

In addition, the Company will plan related internal training courses according to the plans and goals of the year. Employees can also apply for external training and overseas training based on their personal needs to improve their professional skills and management level and accelerate the development of the Company's professional knowledge.

3. Retirement system and implementation:

In accordance with the promulgation of the Labor Pension Act (hereinafter referred to as the "New System") on July 1, 2005, the Company has changed to a defined contribution plan based on the employee's years of service. For the employees who were previously subject to the old system and choose to opt for the new system, or if the employees who joined the Company after the implementation of the new system adopt the defined contribution pension plan, the Company will appropriate no less than 6% of the monthly salary on a monthly basis for the pension payment, which is deposited in the individual labor pension account. According to the Labor Pension Act, the regulations have not yet been amended in line with the implementation of the new system. Therefore, if there are no employee retirement regulations, the provisions of the Labor Pension Act shall be applied. Each month, the labor pension reserve is appropriated at 4.5% of the total salary of employees, which are deposited into a dedicated account at the Central Trust Bureau. Since November 2005, the labor pension reserve has been changed to 2%.

4. Agreement between labor and management:

- (1) The Company currently does not have a labor union; the rights and obligations of both employers and employees are handled in accordance with the Company's work rules.
- (2) The Company holds a monthly staff meeting to provide a communication channel between the Company and employees.

5. Measures for protection of employees rights and interests

- (1) The Company has signed a contract with a security company to maintain the safety of the factory premises at night and during the day.
- (2) The Company conducts fire inspections every year in accordance with the provisions of the Fire Protection Act; inspections and maintenance are carried out on elevators, water dispensers, air conditioners, automobiles, motorcycles, high and low voltage electrical appliances, fans and other equipment.
- (3) The importance of occupational accidents, traffic safety and health and safety are promoted from time to time to reduce the possibility of injury or death. Surveillance cameras are installed to ensure the safety of employees and the Company's assets.
- (4) Regular labor meetings are held; employee opinions and proposals are expressed through the Welfare Committee.

- (II) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

## VI. Cybersecurity management

- (1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management: The cybersecurity policy, management plan, and required resources are to be planned by the IT Department of the Administration Department, and are sent to the general manager for decision-making after coordinating with the required departments. See also the instructions on page 69.
- (2) List any losses suffered by the company during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. None.

## VII. Important contracts:

Contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the publication date of the annual report:

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restricted terms
Lease contract	Northern Region Office, National Property Administration	2024/04/01-2034/03/31	State-owned land (applicable for "three exemptions and five half" rent reduction)	None
Lease contract	Northern Region Office, National Property Administration	2024/04/01-2034/03/31	State-owned land (applicable for "three exemptions and five half" rent reduction)	None

## Five. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

- I. Financial atatus:** The annual report shall list the main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the annual report shall describe the measures to be taken in response.

Unit: NTD thousand

Item \ Year	2023	2024	Difference	
			Amount	Ratio (%)
Current assets (Note 1)	982,057	736,277	(245,780)	(25.03)
Investment accounted for under the equity method	2,279	2,264	(15)	(0.66)
Property, plant and equipment	84,572	83,093	(1,479)	(1.75)
Investment property, net	378,654	357,295	(21,359)	(5.64)
Intangible assets and other assets (Note 2)	239,306	445,872	206,566	86.32
Total assets	1,686,868	1,624,801	(62,067)	(3.68)
Current liabilities (Note 3)	35,380	117,110	81,730	231.01
Non-current liabilities (Note 4)	30,651	92,929	62,278	203.18
Total liabilities (Note 5)	66,031	210,039	144,008	218.09
Share capital	680,645	660,645	(20,000)	(2.94)

Capital reserve	848,124	730,926	(117,198)	(13.82)
Retained earnings (Note 6)	89,431	114,434	25,003	27.96
Other items of shareholders' equity (Note 7)	2,637	(91,243)	(93,880)	(3,560.11)
Total shareholders' equity	1,620,837	1,414,762	(206,075)	(12.71)

Explanation for the reasons for the increase or decrease between two periods: The increase or decrease ratio exceeds 20% and the amount exceeds NTD 10 million.

Note (1): Due to the purchase of financial assets.

Note (2): Due to the purchase of financial assets and right-of-use assets for renewal.

Note (3): Due to increased accounts payable arising from increased revenue.

Note (4): Due to the renewal of lease liabilities.

Note (5): Due to the renewal of accounts payable and lease liabilities.

Note (6): Due to increased net profit arising from increased revenue.

Note (7): Due to the valuation of treasury stock and long-term investments in financial assets.

Source: Financial reports audited and certified by CPAs.

**II. Financial performance:** The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

Unit: NTD thousand

Item \ Year	2023	2024	Increase (decrease) amount	Change ratio (%)
Net operating revenue	226,218	245,830	19,612	8.67
Operating cost	192,428	174,438	(17,990)	(9.35)
Gross operating profit	33,790	71,392	37,602	111.28
Operating expenses	110,190	111,911	1,721	1.56
Net operating profit (loss)	(76,400)	(40,519)	35,881	(46.96)
Non-operating income and expenses	31,705	69,245	37,540	118.40
Net (loss) before tax from continuing operations	(44,695)	28,726	73,421	(164.77)
Income tax benefits (expenses)	-	(3,732)	(3,732)	-
Other comprehensive income	2,601	7,701	5,100	196.08
Total comprehensive income for the period	(42,094)	32,695	74,789	(177.67)

(I) Analysis of major changes:

1. Net operating revenue: due to the increase in new customers.
2. Operating cost: decreased year on year due to increased revenue and effective cost control.
3. Gross operating profit: due to increased revenue.
4. Operating expenses: due to increased revenue.
5. Net operating profit (loss): decreased year on year due to increased revenue.
6. Non-operating income and expenses: due to increased investment gains, dividend income and foreign exchange gains.
7. Net (loss) before tax from continuing operations: due to increased revenue and non-operating income.
8. Other comprehensive income: due to increased valuation of investments in long-term financial assets.
9. Total comprehensive income for the period: due to increased revenue and non-operating income.

(II) Sales volume forecast and the basis, and describe the effect upon the company's financial operations as well as measures to be taken in response.

The Company's 2025 sales forecast is based on market demand and industry development trends. The Company will continue to make an effort to cultivate the customer sources and markets for Netcom products, hoping to steadily increase sales. Therefore, the Company will continue to improve service quality to meet the needs of customers and maintain good cooperative relations with suppliers and banks in order to reduce the cost of capital acquisition.

**III. Cash flow:** Describe and analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year.

(I) Analysis of 2024 cash flow changes:

Unit: NTD thousand

Cash at beginning of period Balance	Net cash flow from operating activities for the year	Annual cash inflows (outflows)	Cash surplus (insufficient) amount	Remedies for cash shortfalls	
				Investment plan	Financing plan
900,416	(86,742)	(465,155)	435,261	-	-
Analysis of changes:					
1. Operating activities: due to increased accounts receivable.					
2. Investing activities: due to the acquisition of financial assets.					
3. Financing activities: due to the implementation of treasury stock.					

(II) Corrective measures to be taken in response to illiquidity: Not applicable.

(III) Liquidity analysis for the coming year:

Unit: NTD thousand

Cash at beginning of period Balance (1)	Projected full-year net cash flows from operating activities (2)	Projected full-year cash outflows (3)	Projected cash surplus (deficit) amount (1) + (2) - (3)	Remedies for projected cash shortfalls to maintain a comparable cash balance	
				Investment plan	Financing plan
435,261	110,508	(478,500)	67,269	-	-
Analysis of liquidity:					
1. Operating activities: due to related costs should be covered.					
2. Investing activities: due to add equipment and invest in financial assets.					
3. Financing activities: due to add equipment and materials.					

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

There was no major capital expenditure in the most recent year.

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

In response to the Company's business expansion, the Company has successively invested and established subsidiaries in the Philippines, Mexico, China and Hong Kong. It is expected that the subsidiaries will be able to develop local markets and new customers. In the future, depending on business and operational needs, the Company will also establish subsidiaries in other countries or regions to develop the local business.

**VI. Risk matters:** The following matters during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report shall be analyzed and evaluated:

(I) Impact on the company's profits (losses) of interest and exchange rate fluctuations and

changes in the inflation rate, and response measures to be taken in the future:

1. Impact on the company's profits (losses):

Unit: NTD thousand; %

Item	2024	Q1 2025
Net interest income (expenditure)	20,734	2,959
Net foreign exchange gain (loss)	26,039	4,429
Ratio of net interest income (expenditure) to net revenue	8.43	0.03
Ratio of net interest income (expenditure) to pre-tax net profit	72.18	0.73
Ratio of net exchange gains (losses) to net revenues	10.59	0.04
Ratio of net exchange gains (losses) to pre-tax net profit	90.65	1.09

(1) Changes in interest rates: The Company borrowed NTD 26,250 thousand from financial institutions at the end of 2024. Changes in market interest rates lead to fluctuations in the fair value of financial instruments or future cash flows. The risks are mainly from the floating interest rates of the borrowings.

(2) Changes in exchange rates: The Company has import and export transactions denominated in foreign currencies and are mainly affected by fluctuations in the exchange rates of USD and CNY. Appreciation or depreciation of foreign currencies will affect the Company's income and equity.

(3) Inflation: The average annual growth rate of the Consumer Price Index (CPI) in December 2024 was within a reasonable range, so there was no significant impact on the Company.

2. Response measures to be taken in the future:

(1) Interest rate changes: There will be no significant impact of interest rate changes on the Company, and the Company maintains a good relationship with the banks and uses financial instruments to reduce the risk of interest rate changes.

(2) Exchange rate changes: In order to effectively reduce the impact of exchange rate changes on revenues and profits, the Company actively collects information on exchange rate changes to fully grasp the changes in exchange rates.

(3) Inflation: The Company pays attention to the fluctuation of market prices and maintains good interaction with suppliers and customers. Therefore, inflation does not have a significant impact on the Company.

(II) High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The board meeting dated March 11, 2024 resolved to grant the Russia sub-subsidiary a revolving credit line of NT\$225 million; the board meeting dated July 11, 2024 resolved to grant the Russia sub-subsidiary a revolving credit line of NT\$280 million and the Philippines subsidiary a revolving credit line of NT\$20 million; the board meeting dated August 30, 2024 resolved to grant the Russia sub-subsidiary a revolving credit line of NT\$200 million; the board meeting dated November 12, 2024 resolved to grant the Russia sub-subsidiary a revolving credit line of NT\$250 million and the

- Philippines subsidiary a revolving credit line of NT\$50 million, subject to controllable risk upon assessment.
2. All derivative transactions in progress are evaluated and executed according to the acquisition and disposal regulations, and the overall risk is controllable.
- (III) R&D work to be carried out in the future, and further expenditures expected for R&D work.
1. R&D work to be carried out in the future: The Company will invest in the R&D of Netcom products.
  2. Further expenditures expected for R&D works: As of 2024, the Company had spent NTD 51,714 thousand on R&D, and it is expected that the Company will continue to invest in R&D to complete the mass production.
- (IV) impact upon the company's financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response:
- In response to the various supervisory measures adopted by the competent authority and the amendments to the laws and regulations, the Company has strengthened its compliance with laws and regulations, so there is no significant impact on the financial business.
- (V) Impact on the company's financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response:
- ATW Technology Inc. is a Netcom product manufacturer. Changes in technology can provide the Company with business opportunities for innovative products. Therefore, changes in technology and industry changes have no significant impact on the Company's finance and business.
- (VI) Impact of changes in the company's image upon its crisis management, and the measures the company plans to adopt in response:
- The Company always adheres to the business principles of "Integrity and Service", and if there are any material issues affecting the Company's operations or shareholders' equity, management will inevitably take immediate measures to maintain a good corporate image.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- (VIII) Expected benefits and potential risks of any plant expansion, and measures to be adopted in response:
- The Company did not expand any plant in the most recent year.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and measures to be adopted in response:
1. Risks faced by the concentration of purchases: Based on the considerations of production costs and proximity to the market, the Company adopts the production and sales strategy of regional professional division of labor to enhance the niche of product competition. Give this, there is no major risk.
  2. Risks associated with concentration of sales: The Company's sales customers are relatively concentrated at present. A slowdown in customer demand will affect the Company's operating performance.
  3. Measures to be adopted in response: In order to reduce costs, the Company will continue to actively develop new customers and new products to diversify risks.
- (X) Impact upon and risk to the company if a substantial quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and measures to be



adopted in response: None.

- (XI) Impact upon and risk to the company associated with any change in governance personnel or top management, and measures to be adopted in response:

There was no change in governance personnel or top management of the Company in 2025 as of the publication date of the annual report.

- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the company, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

1. Major litigations, non-litigations or administrative disputes with a final and unappealable judgment, or are still under litigation during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the results of which may materially affect shareholders' equity or the prices of the company's securities: None.
2. Major litigious, non-litigious or administrative disputes involving the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the company, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

- (XIII) Other important risks and measures to be adopted in response:

Information security risk assessment and analysis, and measures to be adopted in response:

1. Information security measures

The Company's network architecture uses firewalls to protect the intranet security of hosts and databases to reduce the risk of malware infection and attack. The server and the cloud computer are searched for viruses through the automatic update of customized programs and regular scanning. The operation records accessing the server and the cloud computer are periodically reviewed and retained. Passwords of employee accounts are updated every 3 months, and device rules of higher security must be adopted.

2. Backup plan

As a means to prevent unforeseen events such as power outages and other natural disasters, while effectively utilizing the database to ensure the stability of the security system, the database is periodically backed up on site and off site. By doing this, we are able to ensure that the system or database can be resumed within a short period of time in the event of unexpected conditions such as system or database damage or operation interruption to avoid risks.

3. Internal audit

For information security inspection and control operations, the audit unit shall conduct an audit at least once a year to evaluate and improve the Company's

information system.

**VII. Other important matters:** None.-

## **SIX. Special Items to Be Included**

- I. Information on affiliates:** Please refer to the Company's announcements on the Market Observation Post System (new MOPS), index route: MOPS > Single Company > Electronic File Download > Income Statements, Balance Sheets and Cash Flow Statements of Affiliates. URL:  
[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- II. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing setting, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan:** Please refer to the Company's announcements on the Market Observation Post System (new MOPS), with the index route: MOPS > Theme Zone > Investment Zone > Private Placement Zone > Private Placement Zone. URL:  
<https://mops.twse.com.tw/mops/#/web/t116sb01>
- III. Other matters that require additional description:** None.
- IV. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one.** None.-