



一詮精密工業股份有限公司  
I-CHIUN PRECISION INDUSTRY CO., LTD.

Stock code: 2486

# I-CHIUN PRECISION INDUSTRY CO., LTD.

2024

## Annual Report

Date of publication: April 25, 2025

To access this annual report, please visit:

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V. Name of any exchange where the Company's securities are traded overseas and the method to access information on the overseas securities: None.

VI. Company Website:

<http://www.i-chiun.com.tw>

## Table of Contents

|        |  |    |
|--------|--|----|
| One.   | Letter to Shareholders .....   | 1  |
| Two.   | Corporate Governance Report .....  | 6  |
| I.     | Directors, Supervisors, President, Vice President, Assistant Vice President and Supervisors of Departments and Branches .....  | 6  |
| II.    | Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents .....   | 13 |
| III.   | Status of corporate governance .....   | 18 |
| IV.    | Independent Auditor Fee Information.....   | 50 |
| V.     | Information on the Replacement of Independent Auditor .....  | 50 |
| VI.    | Where the Company's chairman, president, or any managerial officer 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.....  | 50 |
| 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 Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10%. Where the counterparty to an equity transfer or equity pledge is a related party, the following information shall be disclosed: the name of the counterparty, their relationship with the Company, directors, supervisors, managers, or shareholders holding more than 10% of the shares, and the number of shares acquired or pledged..... | 50 |
| VIII.  | Information on shareholders holding positions among the top ten, who are related parties or have relationships within the second degree of kinship, including spouses and relatives .....  | 51 |
| IX.    | Total Number of Shares and Total Equity Stake Held in any Single Invested Businesses by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company .....  | 52 |
| Three. | Fundraising Status.....  | 53 |
| I.     | Share capital and shares .....   | 53 |
| II.    | Issuance of Corporate Bonds .....  | 59 |
| III.   | Status of issue and private placement of preferred shares .....  | 60 |
| IV.    | Status of issue global depositary receipts .....   | 60 |
| V.     | Issue of employee stock warrants .....   | 60 |
| VI.    | Issue of new employee restricted shares .....  | 61 |
| VII.   | Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies .....  | 61 |
| VIII.  | Implementation of Fund Usage Plan.....   | 62 |
| Four.  | Overview of Operations .....   | 65 |
| I.     | The content of business.....   | 65 |
| II.    | Market and Sales Overview .....  | 73 |

|        |   |    |
|--------|---|----|
| III.   | The number of employees, average years of service, average age, and education distribution in the last two years and as of the publication date of the annual report.....   | 78 |
| IV.    | Information on Environmental Expenditure .....  | 78 |
| V.     | Management-union relations.....   | 78 |
| VI.    | Cyber Security Management.....  | 82 |
| VII.   | Important Contracts.....  | 82 |
| Five.  | Review and Analysis of Financial Position and Financial Performance and Risk Matters .....  | 83 |
| I.     | Financial position .....  | 83 |
| II.    | Financial performance.....  | 84 |
| III.   | Cash flow .....   | 85 |
| IV.    | Major capital expenditures in the most recent year .....  | 86 |
| V.     | The investment strategy in the most recent year, main causes for profits or losses, improvement plans and investment plans for the coming year.....   | 86 |
| VI.    | Risk Analysis Assessment .....  | 87 |
| VII.   | Other important matters .....   | 92 |
| Six.   | Special Disclosure.....   | 93 |
| I.     | Information on Affiliates .....   | 93 |
| II.    | Any private placement of securities in the most recent year up to the publication of this annual report.....  | 97 |
| III.   | Other Necessary Supplements .....   | 97 |
| Seven. | Any event that occurred in the last year and up to the publication of this annual report, which significantly affected shareholders' equity or price of securities pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Act ..... | 97 |

## One. Letter to Shareholders

In 2024, global economic growth slowed due to unfavorable factors such as inflation. Despite these challenges, the Company's main products—including LED lead frames, ceramic substrates, IC lead frames, and TV backlight modules—achieved revenue growth. However, revenue from heat dissipation components slightly declined due to product transitions by customers and the ongoing development and certification of new products. Thanks to the collective efforts of all employees, overall revenue continued to grow steadily.

Looking ahead to 2025, although global inflation persists, the Russia-Ukraine war remains unresolved, China's economy is slowing, the U.S.-China tariff conflict continues, and climate change impacts are intensifying, the path to global economic recovery remains uncertain. However, the demand for electronics-related products will recover. Driven by the demand for emerging technologies such as high-speed computing and artificial intelligence, it is expected to regain its growth momentum. The Company will also continue to strive for comprehensive cooperation with customers, spare no efforts in developing new-generation products, and establish automated production equipment to improve production efficiency and efficacy, accumulate operating momentum, with all employees working together to exhibit its active intentions. The Company will invest in premium human resources and financial resources, strive to exceed expectations, and improve shareholders' rights and interests.

I. The overview of the Company's business in 2024 is as follows:

(I) Implementation results of the 2024 business plan (consolidated financial statements):

1. Comparative analysis of business results

Unit: NTD thousand

|                                     | 2024      | 2023      | Increase<br>(decrease) in<br>Amount | Change in<br>Percentage<br>(%) |
|-------------------------------------|-----------|-----------|-------------------------------------|--------------------------------|
| Net operating revenue               | 5,492,378 | 5,068,696 | 423,682                             | 8.36%                          |
| Operating costs                     | 4,721,507 | 4,351,582 | 369,925                             | 8.50%                          |
| Gross profit                        | 770,871   | 717,114   | 53,757                              | 7.50%                          |
| Operating expense                   | 793,640   | 540,614   | 253,026                             | 46.80%                         |
| Operating profit                    | (22,769)  | 176,500   | (199,269)                           | (112.90%)                      |
| Non-operating revenues and expenses | 88,957    | 67,935    | 21,022                              | 30.94%                         |
| Net profit before tax               | 66,188    | 244,435   | (178,247)                           | (72.92%)                       |
| Income tax expense                  | 36,484    | 45,527    | (9,043)                             | (19.86%)                       |
| Current net profit                  | 29,704    | 198,908   | (169,204)                           | (85.07%)                       |
| Non-controlling equity              | 10,897    | (1,979)   | 12,876                              | (650.63%)                      |
| Current net profit or loss          | 18,807    | 200,887   | (182,080)                           | (90.64%)                       |

The Company's product portfolio includes LED lead frames, TV backlight modules, heat spreaders (for semiconductors), ceramic substrates, and IC lead frames. In 2024, operating

revenue reached NT\$5,492,378 thousand, representing an increase of NT\$423,682 thousand or 8.36% compared to NT\$5,068,696 thousand in 2023. This growth was primarily driven by increases in sales of LED lead frames (up 18.46%) and ceramic substrates (up 43.68%) in 2024, contributing to the overall rise in revenue.

Gross profit margin remained relatively stable at approximately 14% over the past two years. However, pre-tax net profit declined in 2024, mainly due to increased operating expenses related to share-based payment transactions and higher expected credit impairment losses, resulting in lower profitability compared to the previous year.

(II) Execution of the 2024 budget: The Company did not disclose the financial forecast for 2024.

(III) Analysis on financial revenue and expenditure, and profitability

| Items                        |  | Year | 2024      | 2023      |
|------------------------------|--|------|-----------|-----------|
| Financial income and expense | Operating revenue (NTD thousand)                         |      | 5,492,378 | 5,068,696 |
|                              | Gross profit (loss) (NTD thousand)                       |      | 770,871   | 717,114   |
|                              | Profit after tax (loss) (NTD thousand)                   |      | 29,704    | 198,908   |
| Profitability Analysis       | Asset return ratio (%)                                   |      | 0.75      | 3.17      |
|                              | Return On Equity (%)                                     |      | 0.61      | 4.62      |
|                              | Income before tax as a percentage of paid-in capital (%) |      | 2.83      | 11.01     |
|                              | Net profit ratio (%)                                     |      | 0.54      | 3.92      |
|                              | Earnings Per Share (losses) (NTD)                        |      | 0.08      | 0.92      |

(IV) R&D status

1. The Company will continue to develop new products, continue the transformation, and promote the development of new products with new technologies and core competitiveness, in order to achieve sustainable development.
2. Through continuous improvement and creation of competitiveness, the Company will deal with the future with new knowledge and also promote creation of competitiveness.
3. The Company will continue to develop the following new products:
  - (1) Development of high-density AI energy-saving HPC (High Performance Computing) technology.
  - (2) Development of external automotive remote sensor brackets.
  - (3) Development of super-large composite regional package heat dissipation systems.
  - (4) High-reliability automotive ceramic circuit boards.
  - (5) High power laser ceramic circuit board.

## II. Business operating plan for 2025

### (I) Business policy

#### 1. Key points

- (1) Persistence: Cultivation of talents, development of new products, rapid improvement, and a growth rate of more than 20%.
- (2) With the aforementioned four pillars, we establish our obligations for long-term development, and implement improved administration as the method of sustainable development for corporate governance and management.
- (3) With refining, we focus on strategies to create core values. From a macro perspective, we shall think about how to achieve company goals.
- (4) Select the topics, measure the value created, and conduct business activities.
- (5) Focus on specific research areas, so that urgency and importance can be determined consistently. Achieve a balance between long-term and short-term goals. Lead decision-making, and reach the achievement of the overall goals.

#### 2. Operation strategy

- (1) Success comes from “change.”
- (2) Proactive change offers a greater chance of success and carries lower risk.
- (3) People possess a high degree of sensitivity to change and can proactively anticipate and respond. Compared to passive change, proactive adaptation significantly improves the likelihood of success.
- (4) As the saying goes: “When things reach an extreme, they change; through change comes opportunity; and from one breakthrough, many paths open.”

#### 3. Business philosophy

- (1) Honesty: the beginning and the end.
- (2) Integrity: the process.
- (3) Consistency: the results.

Rooted in goodwill and a people-first mindset, strive to develop high technology, nurture talent, and invest in R&D.

Through strategic goals, refined principles, and innovative thinking, we drive the continuous growth of the Company.

Maintain a positive and optimistic attitude, take responsibility with courage, and work together to create and share value fairly. With integrity and continuous improvement, the Company aims to shape a better future and contribute to society through sustainable operations.

## (II) Expected sales volume

The expected sales volume is estimated based on existing orders and potential customer orders under discussion, taking into account the progress of new product development plans and future production capacity planning. Considering current international conditions and economic outlook, the Company anticipates sales volume to grow in 2025 compared to the previous year.

## (III) Key production and marketing policies

### 1. Production policy

- (1) Target-based management system to improve production capacity.
- (2) Performance accountability system to meet quality requirements.
- (3) Budget-based cost system to effectively reduce costs.
- (4) Research and develop low-cost, high-value-added, and competitive products.

### 2. Sales policy

- (1) Develop new products and develop new customers.
- (2) Expand the share of existing customers.
- (3) Develop new products, improve products, reduce costs, and create benefits.
- (4) Train talents and internationalize marketing:
  - (A) Implement education and training based on the knowledge and skills required by job duties.
  - (B) Pay attention to customer services, keep abreast of information, and expand the market.
  - (C) Cultivation and training of talents.
  - (D) Cultivation and training of talents with organizational leadership, promotion of growth and planning.

## III. Future development strategy

In response to the rise of AI, the overall electronics industry is expected to continue growing this year. Over the coming year, the Company will deepen its understanding of market trends, engage in closer communication with customers, identify core customer needs, and enhance product design to improve production efficiency and ensure stable quality. The Company will focus on developing niche and high value-added products.

Electronic products continue to emphasize high performance and miniaturization. Therefore, as electronic components become smaller in volume and higher in power performance, solving the problem of heat dissipation within limited space is essential to stabilize product reliability and extend service life. Thermal components are the main solution to the heat dissipation issues of electronic

components. Their applications cover servers, communication base stations, automotive electronics, gaming consoles, PCs, and more. In recent years, they have been further applied in automotive and high-speed computing HPC/AI (high-performance computing/artificial intelligence). Therefore, the Company will continue to upgrade production technologies, optimize automated equipment, and develop new products through strategic cooperation with international industry leaders, in order to strengthen production advantages and product quality.

#### IV. Impact of external competition environment, legal environment, and overall business environment

As global operations gradually recover, global economic growth continues to be threatened by persistent inflation, the ongoing Russia–Ukraine war, China’s economic slowdown, the U.S.–China tariff conflict, and global climate change. However, demand for 5G applications, IoT, and AI continues to grow. In response to various regulatory changes and environmental laws requiring net-zero carbon emissions, governments around the world have set timelines for industry compliance. Both domestic and international competitors are facing similar challenges. The Company will respond by continuing to develop new products, enhancing process capabilities and efficiency, and reducing costs to address these challenges.

Adhering to the business philosophy of integrity, respect, and consistency of words and action, the Company responds to changes in the international market and industry to meet customers’ needs, enhance product supply flexibility, and achieve the benefits of the international division of labor. In the spirit of pragmatism and integrity as promoted by the Company’s leaders, the Company as a whole will lay a solid foundation for sustainable development.

Chairman: CHOU, WAN-SHUN

## Two. Corporate Governance Report

### I. Directors, Supervisors, President, Vice President, Assistant Vice President and Supervisors of Departments and Branches

#### (I) Directors and supervisors:

March 28, 2025

| Position             | Nationality or place of registration | Name              | Gender/ Age | Date of election (appointment) date | Term of office | Date of first elected | Shareholding when elected |                            | Current shareholding |                            | Shareholdings of spouse and underage children |                            | Shareholding under other's name |                            | Education and selected past positions   | Concurrent positions held in the Company and other companies   | Managers, directors or supervisors who are spouses or relatives within the second degree of kinship |                |                          | Remarks  |
|----------------------|--------------------------------------|-------------------|-------------|-------------------------------------|----------------|-----------------------|---------------------------|----------------------------|----------------------|----------------------------|---|----------------------------|---------------------------------|----------------------------|---|--|---|----------------|--------------------------|----------|
|                      |                                      |                   |             |                                     |                |                       | Shares                    | Percentage of shareholding | Shares               | Percentage of shareholding | Shares  | Percentage of shareholding | Shares                          | Percentage of shareholding |   |  | Position  | Name           | Relationship             |          |
| Chairman             | Republic of China                    | CHOU, WAN-SHUN    | M 71-80     | 2023.5.30                           | 3              | 1992.10.11            | 21,575,157                | 9.72                       | 23,032,644           | 9.84                       | 206,584                                       | 0.09                       | 0                               | 0                          | Doctoral Degree in Business Administration, Pacific Western University, U.S.  | (Note 1)   | Vice Chairman   | LEE, CHUNG-YI  | Second degree of kinship | (Note 5) |
| Vice Chairman        | Republic of China                    | LEE, CHUNG-YI     | M 61-70     | 2023.5.30                           | 3              | 1992.10.11            | 16,007,705                | 7.21                       | 16,156,787           | 6.91                       | 257,391                                       | 0.11                       | 0                               | 0                          | EMBA, National Chengchi University  | (Note 2)   | Chairman  | CHOU, WAN-SHUN | Second degree of kinship | None     |
| Director             | Republic of China                    | LIN, WU-CHUN      | M 81-90     | 2023.5.30                           | 3              | 2008.7.01             | 516,693                   | 0.23                       | 740,931              | 0.32                       | 0   | 0                          | 0                               | 0                          | Department of Political Science, National Taiwan University Associate Professor, Shih Chien University  | Director of SFI Electronics Technology Inc.  | None  | None           | None                     | None     |
| Director             | Republic of China                    | YEH, CHWEI-JING   | M 61-70     | 2023.5.30                           | 3              | 2008.7.01             | 0                         | 0                          | 0                    | 0                          | 0   | 0                          | 0                               | 0                          | Master's Degree, Stevens Institute of Technology  | ((Note 3)  | None  | None           | None                     | None     |
| Independent Director | Republic of China                    | LEE, JIH-CHIEH    | M 61-70     | 2023.5.30                           | 3              | 2017.6.13             | 500,000                   | 0.23                       | 300,264              | 0.13                       | 0   | 0                          | 0                               | 0                          | Doctor of Commerce, Chinese Culture University; Assistant Professor, Chinese Culture University; Vice President of Ming Yuan Certified Public Accountants | Director of Ming-Yuan Enterprise Management Consulting<br>Director of Ming-Yang Enterprise Management Consulting<br>Director of Far Eastern Commercial<br>Director of Ming-Yuan Enterprise Management Consulting | None  | None           | None                     | None     |
| Independent Director | Republic of China                    | KUO, CHUNG-CHIEH  | M 71-80     | 2023.5.30                           | 3              | 2017.6.13             | 0                         | 0                          | 0                    | 0                          | 0   | 0                          | 0                               | 0                          | (Note 4)  | Director of Jin-Yuan-San Automobile Director, Legal Representative of Sanjin Integrated Marketing Independent Director of U-TECH   | None  | None           | None                     | None     |
| Independent Director | Republic of China                    | CHANG, HSIEN-SUNG | M 61-70     | 2023.5.30                           | 3              | 2017.6.13             | 107,922                   | 0.05                       | 112,298              | 0.05                       | 0   | 0                          | 0                               | 0                          | Chairman of Song Lei Precision Industries Co., Ltd.   | Chairman of Song Lei Precision Industries Co., Ltd.  | None  | None           | None                     | None     |
| Independent Director | Republic of China                    | HUNG, SHUN-CHING  | M 61-70     | 2023.5.30                           | 3              | 2023.5.30             | 0                         | 0                          | 0                    | 0                          | 0   | 0                          | 0                               | 0                          | Doctor of Marketing, Northwestern University; Professor Department of Business Administration at National Chengchi University                             | None   | None  | None           | None                     | None     |

Note 1: Chairman of I-Zou Hi-Tech (SZN) Co., Ltd.; Chairman of I-Chiun Precision Electric (Nanjing) Co., Ltd.; Chairman of I-Chiun Precision Electric Industry (China) Co., Ltd.; Chairman of I-Chiun Technology (China) Co., Ltd.; Chairman of Ecocera Optronics Co., Ltd.; Director of Aimcore Technology Co., Ltd.; Chairman of Advance Venture Corporation; Chairman of Yenyun Investments Limited.

Note 2: Director of I-Zou Hi-Tech (SZN) Co., Ltd.; Director of I-Chiun Precision Electric (Nanjing) Co., Ltd.; Director / President of Ecocera Optronics Co., Ltd.; Director of I-Chiun Technology (China) Co., Ltd.; Director of Advance Venture Corporation.

Note 3: Chairman of RITEK Corporation; Chairman of Zhongfu Investment Co. Ltd.; Chairman of Zhongyuan International Venture Capital; Chairman of RiTdisplay Corporation; Director of Keynes Investment Co. Ltd.; Chairman of Aimcore Technology Co., Ltd.; Chairman of Ritedia Corporation; Chairman of Welltech Energy Inc.; Chairman of Evergreat E&C Co., Ltd.; Chairman of Ritfast Corporation; Director of Dingsheng Investment Co., Ltd.; Director of Yusheng Investment & Development Co., Ltd.; Chairman of Pvnnext Corporation; Chairman of Ritwin Corporation.

Note 4: Deputy Convener of the Disciplinary Committee of the Taiwan Securities Association; member of the Research and Development Committee of the Taiwan Securities Association; Supervisor of Aimcore Technology Co., Ltd.; Director of Jin-Yuan-San Automobile Co., Ltd.; Director of Human Cultural Enterprise Co., Ltd.

Note 5: Chairman CHOU, WAN-SHUN serves as the President concurrently. He has high degree of control over the overall industrial arteries, the Company's operating conditions, risk control, and operational strategic directions, and can effectively propose the most optimal solutions in case of major business strategies. Additionally, only one of the eight directors has the employee ID of the Company, while the remaining seven are outside directors (including independent directors). Therefore, the Board of Directors still acts objectively in making decisions.

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

| Qualification<br>Name                    | Professional Qualifications and Experience   | Compliance of Independence  | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|--|--|---|---|
| CHOU, WAN-SHUN<br>(Director)             | 1. With working experience in business, legal, finance and accounting; currently serving as the Company's chairman and president.<br>2. Does not meet any of the conditions stated in Article 30 of the Company Act.                 | Not applicable  | 0   |
| LEE, CHUNG-YI<br>(Director)              | 1. With working experience in business, legal, finance and accounting; currently serving as Ecocera Optronics Co., Ltd.'s director and president.<br>2. Does not meet any of the conditions stated in Article 30 of the Company Act. | Not applicable  | 0   |
| LIN, WU-CHUN<br>(Director)               | 1. With working experience in business, legal, finance and accounting; currently serving as Director of SFI Electronics Technology Inc.<br>2. Does not meet any of the conditions stated in Article 30 of the Company Act.           | Not applicable  | 0   |
| YEH, CHWEI-JING<br>(Director)            | 1. With working experience in business, legal, finance and accounting; currently serving as chairman of Ritek.<br>2. Does not meet any of the conditions stated in Article 30 of the Company Act.                                    | Not applicable  | 0   |
| LEE, JIH-CHIEN<br>(Independent director) | 1. With experience in finance, accounting or subjects required by the business of the company in public or private colleges or universities.<br>2. Does not meet any of the conditions stated in Article 30 of the Company Act.      | 1. Whether the independent director himself/herself, his/her spouse or relative within 2nd degree of kinship serve as a director, supervisor or employee in the Company or affiliates.<br>Yes. LI, CHIA-WEI serves as an Independent Director of Ecocera Optronics Co., Ltd.<br>2. The proportion of shares held by the independent director himself, his/her spouse, or second-degree relatives (or in the name of others):<br>300,264 shares of the Company were held, with a shareholding ratio of 0.13%.<br>3. Acting for a company specifically related to the Company: None.<br>4. The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the past two years: None. | 0   |

|   |   |  |   |
|---|---|--|---|
| KUO, CHUNG-CHIEH<br>(Independent director)  | <ol style="list-style-type: none"> <li>With experience in finance, accounting or subjects required by the business of the company in public or private colleges or universities.</li> <li>Does not meet any of the conditions stated in Article 30 of the Company Act.</li> </ol> | <ol style="list-style-type: none"> <li>Whether the independent director himself, their spouse, or second-degree relatives serve as a director, supervisor, or employer in the Company or affiliates: None.</li> <li>The proportion of shares held by the independent director himself, his/her spouse, or second-degree relatives (or in the name of others): None.</li> <li>Acting for a company specifically related to the Company: None.</li> <li>The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the past two years: None.</li> </ol>  | 1 |
| CHANG, HSIEN-SUNG<br>(Independent director) | <ol style="list-style-type: none"> <li>With working experience in business, legal, finance and accounting</li> <li>Does not meet any of the conditions stated in Article 30 of the Company Act</li> </ol>   | <ol style="list-style-type: none"> <li>Whether the independent director himself, their spouse, or second-degree relatives serve as a director, supervisor, or employer in the Company or affiliates: None.</li> <li>The proportion of shares held by the independent director himself, his/her spouse, or second-degree relatives (or in the name of others): 112,298 shares of the Company were held, with a shareholding ratio of 0.05%.</li> <li>Acting for a company specifically related to the Company: None.</li> <li>The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the past two years: None.</li> </ol> | 0 |
| HUNG, SHUN-CHING<br>(Independent director)  | <ol style="list-style-type: none"> <li>With experience in marketing, commerce, or subjects required by the business of the Company in public or private colleges or universities</li> <li>Does not meet any of the conditions stated in Article 30 of the Company Act</li> </ol>  | <ol style="list-style-type: none"> <li>Whether the independent director himself, their spouse, or second-degree relatives serve as a director, supervisor, or employer in the Company or affiliates: None.</li> <li>The proportion of shares held by the independent director himself, his/her spouse, or second-degree relatives (or in the name of others): None.</li> <li>Acting for a company specifically related to the Company: None.</li> <li>The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the past two years: None.</li> </ol>  | 0 |

## 2. Diversity and independence of the Board of Directors:

### (1) Diversity of the Board of Directors:

According to the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors shall be determined by taking diversity into consideration. The directors who hold the position as the Company's managers shall be no more than one-third of all of the directors and an appropriate policy on diversity shall be formulated based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy includes, without being limited to, the following two general standards:

- A. Basic conditions and values: gender, age, nationality and culture, among which, the ratio of female directors should reach one-third of the board seats.
- B. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal objectives of corporate governance, the Board of Directors as a whole should possess the following competencies: A. Operational judgment, B. Accounting and financial

analysis, C. Business management, D. Crisis management, E. Industry knowledge, F. International market perspective, G. Leadership, H. Decision-making abilities.

The Company currently has eight board members, all of whom are Taiwanese nationals. The board composition includes four independent directors, zero female directors, and one employee director. Going forward, the Company plans to promote board diversity and gender equality, and intends to add at least one female director in the next board election. The core of director diversity is as follows:

| Position                | Name              | Gender/<br>Age |       | Concurrent<br>position as an<br>employee | Management | Leadership and<br>decision-making | Knowledge of<br>the industry | Financing<br>accounting | Legal |
|-------------------------|-------------------|----------------|-------|--|------------|-----------------------------------|------------------------------|-------------------------|-------|
| Director                | CHOU, WAN-SHUN    | M              | 71-80 | V  | V          | V                                 | V                            |                         |       |
| Director                | LEE, CHUNG-YI     | M              | 61-70 |  | V          | V                                 | V                            |                         |       |
| Director                | LIN, WU-CHUN      | M              | 81-90 |  | V          |                                   | V                            | V                       |       |
| Director                | YEH, CHWEI-JING   | M              | 61-70 |  | V          | V                                 |                              |                         |       |
| Independent<br>Director | LEE, JIH-CHIEN    | M              | 61-70 |  | V          |                                   |                              | V                       | V     |
| Independent<br>Director | KUO, CHUNG-CHIEN  | M              | 71-80 |  | V          |                                   |                              | V                       | V     |
| Independent<br>Director | CHANG, HSIEN-SUNG | M              | 61-70 |  | V          | V                                 | V                            |                         |       |
| Independent<br>Director | HUNG, SHUN-CHING  | M              | 61-70 |  | V          |                                   |                              | V                       |       |

## (2) Independence of the Board:

The election process of the Company's directors is open and fair, in line with regulations stipulated in the Company's "Articles of Incorporation," "Rules for Director Elections," "Corporate Governance Best-Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act." The composition of the current Board is four independent directors (50%) and four non-independent directors (50%). Among them, only Chairman CHOU, WAN-SHUN, and Director Lee, Chung-Yi have relationships with spouses or second-degree relatives, so there are more than half of the seats on the board held by individuals who do not have relationships with spouses or second-degree relatives.

The Company's Board of Directors guides company strategies, supervises the management, and is responsible for the Company and shareholders. The Board of Directors exercises its responsibilities in all operations and arrangements of the corporate governance system in accordance with the laws, Articles of Incorporation or resolutions of the shareholders' meeting. The Company's Board emphasizes its independent operations and transparency

functions. Moreover, all directors and independent directors are independent individuals exercising their responsibilities independently. In conjunction with the responsibilities of the Audit Committee, the four independent directors review the control of the Company's existing or potential risks as required by applicable laws and regulations. By doing so, the Audit Committee ensures the effective implementation of the supervision of the Company's internal control, the appointment (dismissal) of CPAs and their independence, as well as the appropriate interpretation of financial statements. According to the Company's "Rules for Director Elections," the cumulative voting system and candidate nomination system have been adopted to elect directors and independent directors, with which shareholders are engaged. Shareholders holding a certain number of shares may propose a list of candidates and review the qualifications of these candidates and check whether they violate any of the matters listed in Article 30 of the Company Act. Related acceptance of proposals is carried out and announced according to the law to ensure the rights and interests of shareholders as a means to avoid monopoly or excessive nomination rights and maintain independence.

The Company has established the "Regulations Governing the Performance Evaluation of the Board of Directors" and conducts an annual performance evaluation of the entire Board, individual directors, the Audit Committee, and the Compensation Committee. The results are submitted to the Board for review and improvement, and disclosed in the Company's annual report.

## (II) President, Vice President, Assistant Vice President and Supervisors of Departments and Branches:

March 28, 2025

| Position                 | Nationality       | Name            | Gender | Date of (Election) Appointment Date | Shares held |                            | Shares held by spouse or minor children |                            | Shareholding under other's name |                            | Education and selected past positions   | Concurrent positions at other companies  | Managers who are spouses or relatives within the second degree of kinship |      |              | Remarks |
|--------------------------|-------------------|-----------------|--------|-------------------------------------|-------------|----------------------------|---|----------------------------|---------------------------------|----------------------------|---|--|---|------|--------------|---------|
|                          |                   |                 |        |                                     | Shares      | Percentage of shareholding | Shares                                  | Percentage of shareholding | Shares                          | Percentage of shareholding |   |  | Position  | Name | Relationship |         |
| Chairman / President     | Republic of China | CHOU, WAN-SHUN  | M      | 2016.03.08                          | 23,032,644  | 9.84                       | 206,584                                 | 0.09                       | 0                               | 0                          | Doctoral Degree in Business Administration, Pacific Western University, U.S.  | Note 1   | None  | None | None         | Note 2  |
| Vice President           | Republic of China | HUANG, PEI-FENG | M      | 2011.01.01                          | 105,139     | 0.04                       | 0                                       | 0                          | 0                               | 0                          | Information Engineering, Lee-Ming Institute of Technology<br>Vice President of I-CHIUN PRECISION INDUSTRY CO., LTD.   | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | TSAI, MIN-CHEN  | M      | 2013.04.01                          | 12,000      | 0.01                       | 0                                       | 0                          | 0                               | 0                          | Vice President of I-Zou Hi-Tech (SZN) Co., Ltd.   | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | YANG, PAI-JUNG  | M      | 2007.09.01                          | 190,203     | 0.08                       | 0                                       | 0                          | 0                               | 0                          | Department of Accounting, Fu Jen Catholic University<br>More than 20 years of work experience in finance and accounting   | Supervisor of I-Chiun Precision Electric Industry (China) Co., Ltd.;<br>Corporate Representative Director of Advance Venture Corporation;<br>Supervisor of CMTEK Co., Ltd. | None  | None | None         | None    |
| Assistant Vice President | Republic of China | CHEN, CHIH-YUNG | M      | 2013.04.01                          | 64,743      | 0.03                       | 0                                       | 0                          | 0                               | 0                          | Department of International Trade/Business Administration, University of Technology Sydney, Australia, More than 20 years of experience in business at I-CHIUN PRECISION INDUSTRY CO., LTD. | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | LU, TSUNG-WEI   | M      | 2013.04.01                          | 77,000      | 0.03                       | 2,000                                   | 0.00                       | 0                               | 0                          | Automatic Control, Lunghwa University of Science and Technology<br>More than 15 years of experience in mold processing at I-CHIUN PRECISION INDUSTRY CO., LTD.                              | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | HUANG, LI-WEI   | M      | 2018.07.01                          | 11,758      | 0.01                       | 0                                       | 0                          | 0                               | 0                          | Information, Tung Hai Senior High School<br>More than 15 years of experience in the mold-related business   | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | LEE, CHIA-MING  | M      | 2019.08.01                          | 283         | 0.00                       | 0                                       | 0                          | 0                               | 0                          | Mold Engineering, New Taipei Municipal San-Chung Commercial and Industrial Vocational High School<br>More than 15 years of experience in the mold-related business                          | None   | None  | None | None         | None    |
| Assistant Vice President | Republic of China | LIU, HSIU-HSING | M      | 2020.03.23                          | 42,920      | 0.02                       | 0                                       | 0                          | 0                               | 0                          | Master's in International Marketing, Bournemouth University, U.K.   | None   | None  | None | None         | None    |

Note 1: Chairman of I-Zou Hi-Tech (SZN) Co., Ltd.; Chairman of I-Chiun Precision Electric (Nanjing) Co., Ltd.; Chairman of I-Chiun Precision Electric Industry (China) Co., Ltd.; Chairman of I-Chiun Technology (China) Co., Ltd.; Chairman of Ecocera Optonics Co., Ltd.; Director of Aimcore Technology Co., Ltd.; Chairman of Advance Venture Corporation; Chairman of Yenyun Investments Limited.

(III) If the Chairman and the President (or an equivalent high-level executive) are the same person, spouses, or first-degree relatives, an explanation must be provided addressing the reasons for such an arrangement, its reasonableness, necessity, and the corresponding response measures:

Chairman CHOU, WAN-SHUN serves as the President concurrently. He has high degree of control over the overall industrial arteries, the Company's operating conditions, risk control, and operational strategic directions, and can effectively propose the most optimal solutions in case of major business strategies. Additionally, only one of the eight directors has the employee ID of the Company, while the remaining seven are outside directors (including independent directors). Therefore, the Board of Directors still acts objectively in making decisions.

## II. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents:

### (I) Remuneration to Directors and Independent Directors

Unit: NTD thousand

| Position  | Name              | Remuneration to Directors |  |                             |  |                             |  |                      |  | Sum of A, B, C, and D and percentage of net profit margin (%) |  | Remuneration to directors also holding employee positions |  |                             |   |  |   |             |  | The sum of A, B, C, D, E, F and G and percentage of net profit margin (%) |                  | Remuneration from Invested Businesses Other than Subsidiaries or from Parent Company |  |
|---|-------------------|---------------------------|--|-----------------------------|--|-----------------------------|--|----------------------|--|---|--|---|--|-----------------------------|---|--|---|-------------|--|---|------------------|--|--|
|   |                   | Remuneration (A)          |  | Pension upon retirement (B) |  | Directors' remuneration (C) |  | Service Expenses (D) |  |   |  | Wages, bonuses, and special allowances, etc. (E)          |  | Pension upon retirement (F) |   | Employee Compensation (G)                          |   |             |  |   |                  |  |  |
|   |                   | The Company               | All companies included in the financial statements | The Company                 | All companies included in the financial statements | The Company                 | All companies included in the financial statements | The Company          | All companies included in the financial statements | The Company   | All companies included in the financial statements | The Company   | All companies included in the financial statements | The Company                 |   | All companies included in the financial statements |   | The Company | All companies included in the financial statements |   |                  |  |  |
|   |                   |                           |  |                             |  |                             |  |                      |  |   |  |   |  |                             |   |  |   |             |  |   |                  |  |  |
| Chairman  | CHOU, WAN-SHUN    | 7,001                     | 9,411  | 0                           | 0  | 37                          | 1,008  | 90                   | 160  | 7,128<br>37.90%   | 10,579<br>56.25%                                   | 0   | 0  | 0                           | 0 | 45   | 0 | 45          | 0  | 7,173<br>38.14%   | 10,624<br>56.49% | None   |  |
| Vice Chairman   | LEE, CHUNG-YI     | 0                         | 0  | 0                           | 0  | 37                          | 437  | 90                   | 160  | 127<br>0.68%  | 597<br>3.17%                                       | 0   | 4,179  | 0                           | 0 | 0  | 0 | 1,275       | 0  | 127<br>0.68%  | 6,051<br>32.17%  | None   |  |
| Director  | LIN, WU-CHUN      | 0                         | 0  | 0                           | 0  | 100                         | 100  | 90                   | 90   | 190<br>1.01%  | 190<br>1.01%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 190<br>1.01%  | 190<br>1.01%     | None   |  |
| Director  | YEH, CHWEI-JING   | 0                         | 0  | 0                           | 0  | 100                         | 100  | 60                   | 60   | 160<br>0.85%  | 160<br>0.85%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 160<br>0.85%  | 160<br>0.85%     | None   |  |
| Independent Director  | LEE, JIH-CHIEH    | 120                       | 120  | 0                           | 0  | 100                         | 100  | 90                   | 90   | 310<br>1.65%  | 310<br>1.65%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 310<br>1.65%  | 310<br>1.65%     | None   |  |
| Independent Director  | KUO, CHUNG-CHIEH  | 120                       | 120  | 0                           | 0  | 100                         | 100  | 80                   | 80   | 300<br>1.60%  | 300<br>1.60%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 300<br>1.60%  | 300<br>1.60%     | None   |  |
| Independent Director  | CHANG, HSIEN-SUNG | 120                       | 120  | 0                           | 0  | 100                         | 100  | 80                   | 80   | 300<br>1.60%  | 300<br>1.60%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 300<br>1.60%  | 300<br>1.60%     | None   |  |
| Independent Director  | HUNG, SHUN-CHING  | 120                       | 120  | 0                           | 0  | 100                         | 100  | 90                   | 90   | 310<br>1.65%  | 310<br>1.65%                                       | 0   | 0  | 0                           | 0 | 0  | 0 | 0           | 0  | 310<br>1.65%  | 310<br>1.65%     | None   |  |
|   | Total             | 7,481                     | 9,891  | 0                           | 0  | 674                         | 2,045  | 670                  | 810  | 8,825<br>46.92%   | 12,746<br>67.77%                                   | 0   | 4,179  | 0                           | 0 | 45   | 0 | 1,320       | 0  | 8,870<br>47.16%   | 18,245<br>97.01% | None   |  |
| 1. Please describe the remuneration policies, systems, standards and packages for independent directors, and the connection of factors such as responsibilities, risks and hours spent with the amount of remuneration.   |                   |                           |  |                             |  |                             |  |                      |  |   |  |   |  |                             |   |  |   |             |  |   |                  |  |  |
| (1) Under the Articles of Incorporation, all Directors and Supervisors of the Company may receive regular compensation, including transportation allowances and salaries. The Board of Directors is authorized to determine the specific amounts based on their level of participation in and contribution to the Company's operations. Such compensation shall be provided in accordance with standard industry practices, regardless of whether the Company operates at a profit or a loss. |                   |                           |  |                             |  |                             |  |                      |  |   |  |   |  |                             |   |  |   |             |  |   |                  |  |  |
| (2) If the Company makes a profit, up to 3% of the profit may be allocated as directors' remuneration, as stipulated in the Articles of Incorporation.  |                   |                           |  |                             |  |                             |  |                      |  |   |  |   |  |                             |   |  |   |             |  |   |                  |  |  |
| 2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services (e.g. as an advisor other than employee in the parent company/all companies included in the financial statements/Invested businesses) in the most recent year: None.   |                   |                           |  |                             |  |                             |  |                      |  |   |  |   |  |                             |   |  |   |             |  |   |                  |  |  |

### (II) Remuneration to Supervisors: Not applicable. Since July 1, 2017, the Audit Committee has been responsible for implementing the supervisors' functions and powers as stipulated in relevant laws and regulations.

### (III) Remuneration to President and Vice Presidents

Unit: NTD thousand

| Position             | Name            | Salary (A)  |  | Pension upon retirement (B) |  | Bonuses and special allowances (C) |  | Employee Compensation (D) |                  |  |                  | Sum of A, B, C, and D and percentage of net profit margin (%) |  | Remuneration from Invested Businesses Other than Subsidiaries or from Parent Company |
|----------------------|-----------------|-------------|--|-----------------------------|--|------------------------------------|--|---------------------------|------------------|--|------------------|---|--|--|
|                      |                 | The Company | All companies included in the financial statements | The Company                 | All companies included in the financial statements | The Company                        | All companies included in the financial statements | The Company               |                  | All companies included in the financial statements |                  | The Company   | All companies included in the financial statements |  |
|                      |                 |             |  |                             |  |                                    |  | Amount of cash            | Amount of shares | Amount of cash                                     | Amount of shares |   |  |  |
| Chairman / President | CHOU, WAN-SHUN  | 5,033       | 7,171  | 0                           | 0  | 1,968                              | 2,240  | 45                        | 0                | 45   | 0                | 7,046<br>37.46%   | 9,456<br>50.28%                                    | None   |
| Vice President       | HUANG, PEI-FENG | 1,380       | 1,380  | 0                           | 0  | 1,194                              | 1,194  | 30                        | 0                | 30   | 0                | 2,604<br>13.84%   | 2,604<br>13.84%                                    | None   |
|                      | Total           | 6,413       | 8,551  | 0                           | 0  | 3,162                              | 3,434  | 75                        | 0                | 75   | 0                | 9,650<br>51.30%   | 12,060<br>64.12%                                   | None   |

### (IV) Top Five Managers of the Company with the Highest Remuneration

Unit: NTD thousand

| Position                 | Name            | Salary (A)  |  | Pension upon retirement (B) |  | Bonuses and special allowances (C) |  | Employee Compensation (D) |                  |  |                  | Sum of A, B, C, and D and percentage of net profit margin (%) |  | Remuneration from Invested Businesses Other than Subsidiaries or from Parent Company |
|--------------------------|-----------------|-------------|--|-----------------------------|--|------------------------------------|--|---------------------------|------------------|--|------------------|---|--|--|
|                          |                 | The Company | All companies included in the financial statements | The Company                 | All companies included in the financial statements | The Company                        | All companies included in the financial statements | The Company               |                  | All companies included in the financial statements |                  | The Company   | All companies included in the financial statements |  |
|                          |                 |             |  |                             |  |                                    |  | Amount of cash            | Amount of shares | Amount of cash                                     | Amount of shares |   |  |  |
| Chairman / President     | CHOU, WAN-SHUN  | 5,033       | 7,171  | 0                           | 0  | 1,968                              | 2,240  | 45                        | 0                | 45   | 0                | 7,046<br>37.46%   | 9,456<br>50.28%                                    | None   |
| Vice President           | HUANG, PEI-FENG | 1,380       | 1,380  | 0                           | 0  | 1,194                              | 1,194  | 30                        | 0                | 30   | 0                | 2,604<br>13.84%   | 2,604<br>13.84%                                    | None   |
| Assistant Vice President | LIU, HSIU-HSING | 1,920       | 1,920  | 0                           | 0  | 239                                | 239  | 23                        | 0                | 23   | 0                | 2,182<br>11.60%   | 2,182<br>11.60%                                    | None   |
| Assistant Vice President | CHEN, CHIH-YUNG | 1,284       | 1,284  | 0                           | 0  | 820                                | 820  | 23                        | 0                | 23   | 0                | 2,127<br>11.31%   | 2,127<br>11.31%                                    | None   |
| Assistant Vice President | HUANG, LI-WEI   | 1,146       | 1,146  | 0                           | 0  | 833                                | 833  | 23                        | 0                | 23   | 0                | 2,002<br>10.64%   | 2,002<br>10.64%                                    | None   |
| Total                    |                 | 10,763      | 12,901   | 0                           | 0  | 5,054                              | 5,326  | 144                       | 0                | 144  | 0                | 15,961<br>84.85%  | 18,371<br>97.67%                                   | None   |

(V) Managers receiving employee compensation and state of distribution:

December 31, 2024; Unit: NTD Thousand

|          | Position                 | Name            | Amount of shares | Amount of cash | Total | The total amount as a percentage of net income (%) |
|----------|--------------------------|-----------------|------------------|----------------|-------|--|
| Managers | Chairman / President     | CHOU, WAN-SHUN  | 0                | 233            | 233   | 1.24%  |
|          | Vice President           | HUANG, PEI-FENG |                  |                |       |  |
|          | Assistant Vice President | TSAI, MIN-CHEN  |                  |                |       |  |
|          | Assistant Vice President | YANG, PAI-JUNG  |                  |                |       |  |
|          | Assistant Vice President | CHEN, CHIH-YUNG |                  |                |       |  |
|          | Assistant Vice President | LU, TSUNG-WEI   |                  |                |       |  |
|          | Assistant Vice President | HUANG, LI-WEI   |                  |                |       |  |
|          | Assistant Vice President | LEE, CHIA-MING  |                  |                |       |  |
|          | Assistant Vice President | LIU, HSIU-HSING |                  |                |       |  |

(VI) Separately compare and describe total remuneration, as a percentage of net income stated in the standalone or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, presidents, and vice presidents, 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. Analysis on the total remuneration paid to directors, supervisors, President, and Vice Presidents of the Company in latest two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax

Unit: NTD thousand

| Year<br>Items             | 2024        |   | 2023        |   |
|---------------------------|-------------|---|-------------|---|
|                           | The Company | All companies included into the consolidated financial statements | The Company | All companies included into the consolidated financial statements |
| Total remuneration        | 11,474      | 20,849  | 18,893      | 24,661  |
| Net earnings after tax    | 18,807      | 18,807  | 200,887     | 200,887   |
| % to after-tax net profit | 61.01%      | 110.86%   | 9.40%       | 12.28%  |

2. The Company's remuneration policies, standards, and packages, the procedures through which remunerations were determined, and their linkage to business performance and future risks:

- (1) The regulations governing the payment of remuneration to the Company's directors, supervisors, and employees are as follows:

According to the Company's Articles of Incorporation, the Company shall deduct the distribution of the remuneration of employees and the remuneration of directors from the income before tax of the current fiscal year first, followed by compensating the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors. The distribution shall be approved per resolution of the Board of Directors and then reported to a shareholders' meeting.

- (2) The Company has established the Remuneration Committee to assist the Board of Directors in determining the remuneration to the Company's directors and managers, and the Company's remuneration policy. If the Company retains earnings at the end of the year, the remuneration shall be distributed to directors upon review by the Remuneration Committee and per the resolution of the Board of Directors, subject to the Company's operating performance and involvement of each director in the Company's operations and the value of their contribution. The income and remuneration are linked to the reasonableness and fairness of the performance risk. The Remuneration Committee also regularly evaluates the contents and reasonableness of the payment standards applicable to directors.

- (3) All Directors and Supervisors of the Company may receive recurring remuneration, such as transportation allowance and salaries, and the Board of Directors is authorized to determine the amounts of such remunerations based on the level of their involvement in, and the value of their contribution to, the operation of the Company. Such remuneration shall be paid according to the common standard adopted in the same industry regardless of whether there is operating profit or loss.

- (4) The remuneration to managers is determined in reference to the human resources market, the industry of the same type, and the Company's salary and welfare policies. Meanwhile, there are other bonuses and rewards distributed subject to the profitability of the year. The reasonable amount of bonus and remuneration distributable to each manager is determined in reference to the remuneration and benefits that are common in the same industry, and also subject to the Company's business performance, personal job duties and contributions in the year, which is

subject to review by the Remuneration Committee and then presented to the Board of Directors for approval.

(5) Linkage to business performance and future risks:

The Company conducts performance evaluations on directors and functional committees regularly each year, in accordance with the “Regulations Governing Performance Evaluation of the Board of Directors,” and submits the evaluation results to the Board of Directors in the following year for review, reference for improvement, and also as the basis for determination of remuneration and salary. The remuneration to directors, president, and vice presidents has been determined by fully taking into account their professional abilities, the Company’s operations and financial position, and their other special contributions to the Company, linked with the Company’s performance and personal performance as the standard for determination of the remuneration. The remuneration system for the Company’s directors and managers will be reviewed in a timely manner depending on the overall environment, corporate business strategies, and future business risk assessments, in order to maintain a balance between the Company’s sustainable operation and risk management.

### III. Status of corporate governance

#### (I) Information concerning the Board of Directors

1. A total of nine (A) meetings were held in the last year; below are directors' attendance records: (2024.1.1 –2024.12.31)

| Position             | Name              | Actual attendance<br>(B) | Attendance<br>by proxy | Attendance Rate (%)<br>[B/A] | Remarks                   |
|----------------------|-------------------|--------------------------|------------------------|------------------------------|---------------------------|
| Chairman             | CHOU, WAN-SHUN    | 9                        | 0                      | 100%                         | Reelected (2023.5.30)     |
| Vice Chairman        | LEE, CHUNG-YI     | 9                        | 0                      | 100%                         | Reelected (2023.5.30)     |
| Director             | LIN, WU-CHUN      | 9                        | 0                      | 100%                         | Reelected (2023.5.30)     |
| Director             | YEH, CHWEI-JING   | 6                        | 0                      | 67%                          | Reelected (2023.5.30)     |
| Independent Director | LEE, JIH-CHIEN    | 9                        | 0                      | 100%                         | Reelected (2023.5.30)     |
| Independent Director | KUO, CHUNG-CHIEN  | 8                        | 1                      | 89%                          | Reelected (2023.5.30)     |
| Independent Director | CHANG, HSIEN-SUNG | 8                        | 1                      | 89%                          | Reelected (2023.5.30)     |
| Independent Director | HUNG, SHUN-CHING  | 9                        | 0                      | 100%                         | Newly elected (2023.5.30) |

Other matters required to be recorded:

- I. For board of directors meetings that meet any of the following circumstances, specify the date, session, the content of the proposal, independent directors' opinions and the Company's response to such opinions:
  - (I) Conditions described in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee. Therefore, Article 14-3 of the Securities and Exchange Act shall not apply. For related information, please refer to the Operation of Audit Committee in the annual report.
  - (II) Except for said matters, independent directors had any dissenting or reserved opinions regarding other resolutions approved by the board of directors, for which there is a record or declaration in writing: None.
- II. Regarding recusals of directors from voting due to conflicts of interests, the names of directors, details of the relevant agendas, reasons for recusals, and the results of voting:

| Date of meetings | Term      | Motions  | Name of Director | Reasons of the recusal for conflict of interest | Participation on voting  |
|------------------|-----------|--|------------------|---|--|
| 2024/01/26       | 4th time  | Distribution of the 2023 year-end bonus  | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |
| 2024/03/05       | 5Th time  | 1. Treasury shares transferred to employees<br>2. Distribution of the 2023 year-end bonus for supervisors    | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |
| 2024/04/09       | 6th time  | Distribution of 2023 remuneration to directors and employees   | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |
| 2024/05/30       | 8th time  | List of professional managers who have subscribed for shares in connection with the capital increase in cash | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |
| 2025/01/21       | 13rd time | Distribution of the 2024 year-end bonus  | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |
| 2025/03/04       | 14th time | Distribution of the 2024 year-end bonus for supervisors  | CHOU, WAN-SHUN   | President of the Company concurrently           | The director recused himself for conflict of interest pursuant to laws and from the discussion and voting. |

- III. The information on the frequency, period, scope, method and content of TWSE/TPEx listed company's Board of Director self-evaluation (or peer assessment) shall be disclosed. State the status of the Company's Board evaluation in Table 2(2): Please refer to the explanation in 2. Execution status of the board evaluation.
- IV. Targets for strengthening of the functions of the Board during the current and the most recent years
  - (I) The Company has established an Audit Committee since July 1, 2017.
  - (II) The Company's Board of Directors shall meet at least once per quarter and is responsible for the fair

presentation of the Company's financial statements, the independence and performance of external auditors, the effective implementation of the Company's internal control system, the Company's compliance with relevant laws and regulations, and the control over the Company's existing or potential risks. The Board of Directors' operation is considered successful.

- (III) In order to enhance new operational knowledge and knowledge about laws, the Company arranges lectures and related securities laws and regulations training for its directors and officers from time to time. To enhance information transparency, the Company's internal auditors submit audit reports to independent directors on a regular basis. Independent directors communicate with the financial officer and internal auditors from time to time to understand the Company's overview of operations.

Implementation evaluation: Attendance status of independent directors in the current year and the most recent year: V (attended in person)

| 2024              | 1/26 | 3/5 | 4/9          | 5/7 | 5/30 | 7/10         | 8/6          | 9/10 | 11/5 |
|-------------------|------|-----|--------------|-----|------|--------------|--------------|------|------|
| LEE, JIH-CHIEN    | V    | V   | V<br>(Video) | V   | V    | V<br>(Video) | V<br>(Video) | V    | V    |
| KUO, CHUNG-CHIEH  | V    | V   | V            | V   | V    | V            | V            |      | V    |
| CHANG, HSIEN-SUNG |      | V   | V            | V   | V    | V            | V            | V    | V    |
| HUNG, SHUN-CHING  | V    | V   | V            | V   | V    | V            | V            | V    | V    |

| 2025              | 1/21 | 3/4 |  |  |  |  |  |  |  |
|-------------------|------|-----|--|--|--|--|--|--|--|
| LEE, JIH-CHIEN    | V    | V   |  |  |  |  |  |  |  |
| KUO, CHUNG-CHIEH  | V    | V   |  |  |  |  |  |  |  |
| CHANG, HSIEN-SUNG | V    | V   |  |  |  |  |  |  |  |
| HUNG, SHUN-CHING  | V    | V   |  |  |  |  |  |  |  |

## 2. The implementation status of the performance evaluation of the board of directors

| Evaluation cycles    | Evaluation periods                   | Evaluation scope   | Evaluation method  | Evaluation content   |
|----------------------|--------------------------------------|--|--|--|
| Enforced once a year | January 1, 2024 to December 31, 2024 | <ol style="list-style-type: none"> <li>Self-evaluation of the performance of the Board of Directors</li> <li>Self-evaluation by individual directors</li> <li>Self-evaluation on performance evaluation of functional committee members (Audit Committee, Remuneration Committee)</li> </ol> | Questionnaires were sent to directors and functional committee members to complete | <ol style="list-style-type: none"> <li>Self-evaluation of the performance of the Board of Directors: <ol style="list-style-type: none"> <li>Participation in the operation of the Company;</li> <li>Improving the quality of the board's decision-making;</li> <li>Composition and structure of the Board of Directors;</li> <li>The director's professionalism and continuing education.</li> <li>Internal control.</li> </ol> </li> <li>Self-evaluation by individual directors: <ol style="list-style-type: none"> <li>Alignment of the goals and mission of the company;</li> <li>Awareness of the duties of a director;</li> <li>Participation in the operation of the company;</li> <li>Management of internal relationship and communication;</li> <li>The director's professionalism and continuing education; and</li> <li>Internal control.</li> </ol> </li> <li>Self-evaluation on performance evaluation of functional committee members (Audit Committee, Remuneration Committee): <ol style="list-style-type: none"> <li>Participation in the operation of the company.</li> <li>Awareness of the duties of the functional committee;</li> <li>Improving the quality of decision-making by functional committees;</li> <li>Composition of functional committees and election of members;</li> <li>Internal control.</li> </ol> </li> </ol> |

(II) Information on the operation of the Audit Committee

A total of nine (A) Audit Committee meetings were held in the last year; independent directors' attendance records are summarized below: (2024.1.1-2024.12.31)

Directors' attendance records are summarized below. (Unit: 100%) (Unit: 100%)

| Position   | Name  | Attendance in person (B) | Attendance by proxy | Actual attendance (%) (B/A) | Remarks   |
|--|---|--------------------------|---------------------|-----------------------------|---|
| Independent Director   | KUO, CHUNG-CHIEN  | 8                        | 1                   | 89%                         | Reelected (2023.5.30)   |
| Independent Director   | LEE, JIH-CHIEN  | 9                        | 0                   | 100%                        | Reelected (2023.5.30)   |
| Independent Director   | CHANG, HSIEN-SUNG   | 8                        | 1                   | 89%                         | Reelected (2023.5.30)   |
| Independent Director   | HUNG, SHUN-CHING  | 9                        | 0                   | 100%                        | Newly elected (2023.5.30)                                       |
| Other matters required to be recorded:   |   |                          |                     |                             |   |
| I. For Audit Committee meetings that meet any of the following descriptions, state the date, session, the discussed topics, the independent directors' recommendation or objection, independent directors' opinions, and how the Company has responded to such opinions. |   |                          |                     |                             |   |
| (I) The circumstances referred to in Article 14-5 of the Securities and Exchange Act:  |   |                          |                     |                             |   |
| Audit Committee  | Contents of Motion and Follow-up Actions  |                          |                     |                             | Resolution  |
| January 26, 2024 (3rd meeting of the 3rd term)   | 1. The Company applied to Cathay United Bank for credit line extension  |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 2. The Company's loan to the investee Advance Venture Corporation   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 3. The application of the subsidiary in China, I-Chiun Technology (China) Co., Ltd., for a discounted note line of RMB 10 million from the Industrial and Commercial Bank of China Jiangmen Jianghai Branch |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 4. The application of the subsidiary in China, I-Chiun Technology (China) Co., Ltd., for a credit line of RMB 100 million from the Bank of China.   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 5. The amendment to the Company's "Performance Bonus Payout Guidelines of the Group."   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 6. Procurement of fixed assets through purchase of land and buildings   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | The Company's response to the opinions of the Remuneration Committee: N/A   |                          |                     |                             |   |
| March 5, 2024 (4th meeting of the 3rd term)  | 1. The Company's 2023 Business Report and Financial Statements  |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 2. The 2023 Statement on Internal Control System  |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 3. Proposal for the 2023 Surplus Distribution   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 4. The payment of 2023 cash dividends from earnings   |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 5. Amendment to the "Regulations Governing the Allocation of Employee Treasury Stocks"  |                          |                     |                             | The proposal was approved unanimously by all attending members. |
|  | 6. Treasury shares transferred to employees   |                          |                     |                             | The proposal was approved unanimously by all                    |

|  |   |   |
|--|---|---|
|  |   | attending members.  |
|  | 7. The application to the Far Eastern International Bank for the extension of the comprehensive borrowing facilities of NT\$80 million  | The proposal was approved unanimously by all attending members. |
|  | 8. In addition, the investee I-Chiun Technology (China) Co., Ltd., in which the Company holds 100% of indirect shares, applied to the China Construction Bank, Jiangmen Branch for an aggregate quota of RMB 80 million   | The proposal was approved unanimously by all attending members. |
|  | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| April 9, 2024<br>(5th meeting of the 3rd term) | 1. The application for the extension of credit line, the extension of export negotiation lines, and derivative financial product trading limit to Mega International Commercial Bank  | The proposal was approved unanimously by all attending members. |
|  | 2. The reinvestee, the Company's indirect 100%-owned subsidiary, I-Chiun Technology (China) Co., Ltd., applied for a credit line from the China Construction Bank, Jiangmen Branch, for which I-Chiun Precision Electric Industry (China) Co., Ltd. served as the joint guarantor | The proposal was approved unanimously by all attending members. |
|  | 3. The extension of the Fubon Bank (China) Co., Ltd.'s provision of a credit line of RMB 20 million to I-Chiun Technology (China) Co., Ltd., with the Company providing a promissory note of USD 3.1 million and serving as a joint guarantor for the extension                   | The proposal was approved unanimously by all attending members. |
|  | 4. Evaluation of the independence of the Company's appointed CPAs for non-audit and review services   | The proposal was approved unanimously by all attending members. |
|  | 5. Proposal to issue new shares for cash capital increase and the 6th domestic unsecured convertible bonds  | The proposal was approved unanimously by all attending members. |
|  | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| May 7, 2024<br>(6th meeting of the 3rd term)   | 1. The result of evaluation on independence and competence of the Company's external auditors.  | The proposal was approved unanimously by all attending members. |
|  | 2. The appointment and professional fees for the Company's CPAs for 2024.   | The proposal was approved unanimously by all attending members. |
|  | 3. The consolidated financial statements for Q1 2024.   | The proposal was approved unanimously by all attending members. |
|  | 4. Established the "Procedures for Employee Subscription of Shares in Cash Capital Increases"   | The proposal was approved unanimously by all attending members. |
|  | 5. Approved the extension of short-term financing up to NT\$100 million with CTBC Bank Co., Ltd. (original limit: NT\$50 million)   | The proposal was approved unanimously by all attending members. |
|  | 6. Amended the Company's Cybersecurity Management Guidelines  | The proposal was approved unanimously by all attending members. |
|  | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| May 30, 2024 (7th meeting of the 3rd term)     | 1. Established the "Employee Shareholding Trust Committee Charter"  | The proposal was approved unanimously by all attending members. |
|  | 2. Due to operational needs, the Company applied for an extension of credit lines with financial institutions   | The proposal was approved unanimously by all attending members. |
|  | 3. Evaluation of the independence of the Company's appointed CPAs for non-audit and review services   | The proposal was approved unanimously by all attending members. |
|  | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| July 10,                                       | 1. Acquisition of fixed assets for the purchase of real estate land   | The proposal was approved                                       |

|   |   |   |
|---|---|---|
| 2024 (8th meeting of the 3rd term)                | and buildings   | unanimously by all attending members.                           |
|   | 2. Amendment to the Company's Operational Procedures for Endorsements/Guarantees  | The proposal was approved unanimously by all attending members. |
|   | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| August 6, 2024 (9th meeting of the 3rd term)      | 1. The consolidated financial statements for Q2 2024.   | The proposal was approved unanimously by all attending members. |
|   | 2. The extension of the Mega International Commercial Bank – Kunshan Branch's provision of a short-term revolving loan facility of RMB 21 million to I-Chiun Technology (China) Co., Ltd., with the Company serving as a joint guarantor of the facility. | The proposal was approved unanimously by all attending members. |
|   | 3. Application for the extension of a short-term loan facility of NT\$50 million with Taiwan Cooperative Bank   | The proposal was approved unanimously by all attending members. |
|   | 4. Application for the extension of a comprehensive credit line of NT\$200 million with Hua Nan Commercial Bank   | The proposal was approved unanimously by all attending members. |
|   | 5. Approved the limit and duration for short-term investment in marketable securities (acquisition or disposal)   | The proposal was approved unanimously by all attending members. |
|   | 6. Revised the Company's "Regulations Governing Financial and Business Transactions Between Related Parties"  | The proposal was approved unanimously by all attending members. |
|   | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| September 10, 2024 (10th meeting of the 3rd term) | 1. Purchase of real estate land   | The proposal was approved unanimously by all attending members. |
|   | 2. Approval for the Company's mainland subsidiary, I-Chiun Precision Electric industry (China) Co., Ltd., to provide a non-interest-bearing loan to I-Chiun Technology (China) Co., Ltd.  | The proposal was approved unanimously by all attending members. |
|   | The Company's response to the opinions of the Remuneration Committee: N/A   |   |
| November 5, 2024 (11th meeting of the 3rd term)   | 1. The consolidated financial statements for Q3 2024.   | The proposal was approved unanimously by all attending members. |
|   | 2. Amendment (Version D) to the "Regulations Governing the Allocation of Employee Treasury Shares"  | The proposal was approved unanimously by all attending members. |
|   | 3. Amendment (Version B) to the "Regulations Governing the Allocation of Employee Stock Warrants"   | The proposal was approved unanimously by all attending members. |
|   | 4. First amendment to the "Employee Shareholding Trust Committee Charter"   | The proposal was approved unanimously by all attending members. |
|   | 5. Established the "Regulations for Sustainable Information Management"   | The proposal was approved unanimously by all attending members. |
|   | 6. The Company's mainland subsidiary, I-Chiun Technology (China) Co., Ltd., to apply for a loan facility of RMB 10 million from the Agricultural Bank of China, Jiangmen Jianghai Branch  | The proposal was approved unanimously by all attending members. |
|   | 7. Application for the extension of a comprehensive credit facility of NT\$50 million with the Land Bank of Taiwan  | The proposal was approved unanimously by all attending members. |
|   | 8. The Company's participation in the cash capital increase of CMTEK Co., Ltd.  | The proposal was approved unanimously by all attending members. |

|      |  |   |
|------|--|---|
|      | 9. Financing for the purchase of land and buildings  | The proposal was approved unanimously by all attending members. |
|      | The Company's response to the opinions of the Remuneration Committee: N/A  |   |
|      | (II) In addition to the aforementioned motions, other motions without approval by the Audit Committee but passed by the Board with two-thirds of the Directors: None.  |   |
| II.  | Regarding recusals of independent directors from voting due to conflicts of interests, the names of independent directors, details of the relevant agendas, reasons for recusals, and the results of voting: None. |   |
| III. | Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome).          |   |
|      | (1) The Chief Auditor submits audit reports to independent directors on a regular basis.   |   |
|      | (2) Independent directors can communicate with the Chief Auditor or CPAs at any time if they deem necessary.   |   |

(III) Corporate governance implementation and the difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

| Evaluation Item   | Status |    |  | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|---|--------|----|--|--|
|   | Yes    | No | Summary  |  |
| I. Does the Company establish and disclose the corporate governance practices pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies? | V      |    | The Company has established its “Corporate Governance Best-Practice Principles,” and published it on the Company’s website.  | No material discrepancy.   |
| II. Shareholding structure and shareholder’s equity   |        |    |  |  |
| (I) Internal procedures for suggestions, questions, disputes and litigation from shareholders.  | V      |    | The Company has set up a spokesperson system and fully disclosed the spokesperson’s contact information on the Company’s website. Shareholders may provide feedback via phone or email. The Company will handle the matter in accordance with relevant operating procedures. Any matters involving legal issues will be referred to the legal affairs personnel.                                       | No material discrepancy.   |
| (II) Does the Company keep abreast of the list of major shareholders and the ultimate controlling parties of such shareholders?   | V      |    | The Company confirms the changes in the shareholdings of directors, managers, and major shareholders every month to keep abreast of the status of their shareholdings. The Company also publishes the list of the top ten shareholders in the annual report, and discloses the information about any shareholders holding more than 5% of the shares in the financial statements on a quarterly basis. | No material discrepancy.   |
| (III) Does the Company establish and implement a risk control mechanism and firewalls between its affiliates and itself?  | V      |    | The Company maintains financial and business independence from its subsidiaries, and has established the regulations governing the supervision of subsidiaries as the basis to be followed in transactions.  | No material discrepancy.   |
| (IV) Whether the Company established internal regulations prohibiting insider trading against non-public information?   | V      |    | The Company has established the “Regulations Governing the Prevention of Insider Trading,” which prohibits insiders from exploiting undisclosed information to trade securities.   | No material discrepancy.   |
| III. Composition and responsibilities of the board of directors   |        |    |  |  |
| (I) Has the board of directors formulated a diversity policy, and specific management objectives and are they implemented?  | V      |    | The provisions of Article 20 of the Company’s Corporate Governance Best-Practice Principles stipulate the diversity policy of board members, including operations, finances and accounting, management, crisis management, industry knowledge, international perspectives, leadership,   | No material discrepancy.   |

| Evaluation Item  | Status |    |  | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof.            |  |  |     |  |
|--|--------|----|--|---|--|--|-----|--|
|  | Yes    | No | Summary  |   |  |  |     |  |
| (II) In addition to the remuneration committee and the audit committee set up in accordance with the law, does the Company set up other functional committees voluntarily?   |        | V  | and decision-making ability.<br>The Company has not yet established other functional committees.<br><br>The Company has established the “Regulations for Performance Evaluation of the Board of Directors” and conducts evaluations annually. The results of the evaluations are reported to the Board of Directors. The 2024 Board performance evaluation was reported at the Board meeting held on March 4, 2025. For details on the evaluation method and content, please refer to the section “Information concerning the Board of Directors” in this annual report.   | In the future, the Company will establish other functional committees based on its operating condition.<br>No material discrepancy. |  |  |     |  |
| (III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? Are the results of the evaluation reported at the Board Meeting and used as reference for remuneration and the nomination for re-election? | V      |    | The Company has also established the “Regulations for Assessing the Independence and Competence of Certified Public Accountants (CPAs)”. The General Administration Division conducts annual evaluations of the independence and competence of the CPAs. In addition to requiring the CPAs to submit a “Declaration of Independence” and provide Audit Quality Indicators (AQIs), the evaluation is conducted based on the standards listed in the table below, along with 13 AQI metrics. It has been confirmed that the CPAs have no financial interests or business relationships with the Company other than for audit and tax-related fees. No family members of the CPAs are in violation of independence requirements. Based on the AQI indicators, it was also confirmed that both the CPAs and their firms exceed the industry average in terms of audit experience and training hours. Furthermore, over the past three years, the firm has continued implementing digital audit tools to enhance audit quality. The most recent evaluation was approved by the Audit Committee on May 7, 2024, and subsequently approved by the Board of Directors on the same date. The evaluation confirmed that the CPAs meet the Company’s standards for independence and are qualified to serve as the Company’s auditors. | No material discrepancy.  |  |  |     |  |
| (IV) Does the Company regularly assess the independence of CPAs?   | V      |    | <div>Review of the independence criteria:</div> <table><tr><td>Evaluation Item Meets Requirements</td><td></td></tr><tr><td>The CPA, their spouse, and minor children have no investment in or financial interests with the Company.</td><td>Yes</td></tr></table>   | Evaluation Item Meets Requirements  |  | The CPA, their spouse, and minor children have no investment in or financial interests with the Company. | Yes |  |
| Evaluation Item Meets Requirements   |        |    |  |   |  |  |     |  |
| The CPA, their spouse, and minor children have no investment in or financial interests with the Company.   | Yes    |    |  |   |  |  |     |  |

| Evaluation Item | Status |    |   | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|-----------------|--------|----|---|--|
|                 | Yes    | No | Summary   |  |
|                 |        |    | The CPA, their spouse, and minor children have no loan transactions with the Company. This excludes cases where the counterparty is a financial institution with a normal business relationship.  | Yes  |
|                 |        |    | The CPA firm has not issued any assurance service reports on the effective operation of financial information systems it has designed or helped implement.  | Yes  |
|                 |        |    | The CPA or any member of the audit engagement team has not served as a director, manager, or in any position with significant influence over the audit engagement for the Company during the current year or the past two years.                        | Yes  |
|                 |        |    | Non-audit services provided by the CPA do not directly affect any key items in the audit engagement.  | Yes  |
|                 |        |    | The CPA or any audit engagement team member has not promoted or acted as an agent for the Company's issued shares or other securities.  | Yes  |
|                 |        |    | The CPA or any audit engagement team member has not represented the Company in legal matters or disputes with third parties, except for services permitted by law.  | Yes  |
|                 |        |    | The CPA or any audit engagement team member has no spousal, direct blood relative, direct in-law, or second-degree collateral relative relationship with any Company director, manager, or person with significant influence over the audit engagement. | Yes  |
|                 |        |    | No former partner of the CPA firm who left the firm within the past year currently serves as a director, manager, or in a position with significant influence over the audit engagement.  | Yes  |
|                 |        |    | The CPA or any audit engagement team member has not received significant gifts, gratuities, or  | Yes  |

| Evaluation Item | Status |    |   | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|-----------------|--------|----|---|--|
|                 | Yes    | No | Summary   |  |
|                 |        |    | special favors from the Company, its directors, managers, or major shareholders.  |  |
|                 |        |    | The CPA does not perform regular work, receive a fixed salary, or serve as a director or supervisor for the client.   | Yes  |
|                 |        |    | Publicly listed companies:<br>The CPA has not provided audit services to the Company for seven consecutive years.<br>Non-publicly listed companies:<br>The CPA has not provided audit services to the Company for ten consecutive years.            | Yes  |
|                 |        |    | Review of Qualification Criteria:   |  |
|                 |        |    | Evaluation Item   | Meets Requirements   |
|                 |        |    | The CPA has not been subject to any disciplinary action by the CPA Disciplinary Committee in the past two years The CPA firm has not been involved in any litigation in the last two years.   | Yes  |
|                 |        |    | The CPA firm possesses sufficient scale, resources, and regional coverage to effectively provide audit services for the Company.  | Yes  |
|                 |        |    | The CPA firm has established clear quality control procedures, including the hierarchy and key aspects of audit procedures, methods for addressing audit issues and exercising judgment, independence quality control reviews, and risk management. | Yes  |
|                 |        |    | The CPA firm has promptly informed the Audit Committee of any significant issues or developments related to risk management, corporate governance, financial accounting, or relevant risk controls.   | Yes  |
|                 |        |    |   |  |

| Evaluation Item  | Status |    |  | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|--|--------|----|--|--|
|  | Yes    | No | Summary  |  |
| IV. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders' meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders' meetings? | V      |    | <p>The Company's General Management Unit is responsible for business related to corporate governance. The motion was reported to the Board of Directors on April 19, 2021 for approval of the appointment of Assistant Vice President YANG, PAI-JUNG as the Chief Corporate Governance Officer, who has worked as the management in charge of legal affairs, finance and shareholders service in public companies for more than two decades.</p> <p>Terms of reference and implementation:</p> <ol style="list-style-type: none"> <li>1. Organize meetings of the Board of Directors, Audit Committee, and Shareholders' Meeting as required by law. <ol style="list-style-type: none"> <li>(1) Responsible for preparing for and convening meetings, assisting in drafting agendas and compiling information on proposals, providing meeting information and information to members in a timely and appropriate manner, assisting in meeting proceedings and minutes, and reminding recusal for conflict of interest, if necessary.</li> <li>(2) Assisting in compliance matters such as announcement or release of matters resolved at the meeting, and follow up on the implementation of matters resolved in the meeting.</li> </ol> </li> <li>2. Prepare the minutes of the Board of Directors and Shareholders' Meetings and provide the minutes of the Board of Directors and Shareholders' meetings within 20 days after the meeting.</li> <li>3. Assisting in onboarding and continuing education of directors.</li> <li>4. Providing directors with the information needed to perform their duties.</li> <li>5. Reporting to the Board of Directors whether the qualifications of independent directors complied with relevant laws and regulations during the nomination, election, and term of office.</li> <li>6. Assisting directors in complying with laws and regulations, and reminding directors of their rights and obligations under relevant laws and regulations and regulatory developments.</li> <li>7. Other matters stipulated in the Articles of Incorporation or contracts.</li> </ol> | No material discrepancy.   |

| Evaluation Item   | Status |    |  | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|---|--------|----|--|--|
|   | Yes    | No | Summary  |  |
| V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers), and set up a dedicated area for stakeholders on the Company's website, and respond to important corporate social responsibility issues that stakeholders are concerned about appropriately?  | V      |    | The Company regularly discloses its financial reports and business information on the Market Observatory Post System (MOPS) and the Company's website, has engaged a spokesperson for external communication, and discloses a contact mailbox for stakeholders on the Company's website.   | No material discrepancy.   |
| VI. Does the Company appoint a professional stock affairs agency to handle the affairs of shareholders' meetings?   | V      |    | The Company appoints the Shareholders Service Department, Grand Fortune Securities Co., Ltd., to handle shareholders service affairs.  | No material discrepancy.   |
| VII. Public Disclosure of Information   |        |    |  |  |
| (I) Does the Company set up a website to disclose financial business and corporate governance information?  | V      |    | The Company discloses financial business and corporate governance information on its website at <a href="http://www.i-chiun.com.tw">http://www.i-chiun.com.tw</a> .  | No material discrepancy.   |
| (II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating a person for collection and disclosure of information, implementing a spokesperson system, and publishing the process of investor conferences on the website)?   | V      |    | The Company has established a website in Chinese and has engaged a spokesperson and an acting spokesperson for information collection and disclosure, serving as a bridge for external communication.  | No material discrepancy.   |
| (III) Does the company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?   |        | V  | The Company currently discloses and files its financial reports and monthly operating results in accordance with Article 36 of the Securities and Exchange Act and relevant directives issued by the Securities and Futures Bureau.  | No material discrepancy.   |
| VIII. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and evaluation measures, implementation of customer policies and liability insurance coverage for directors | V      |    | <p>(I) Employees' rights and care to employees:</p> <ol style="list-style-type: none"> <li>1. The Company has established an Employee Welfare Committee and appropriated welfare funds as per the laws.</li> <li>2. For information on employee rights and employee care, please refer to this annual report – Labor–Management Relations.</li> </ol> <p>(II) Investor relations</p> <ol style="list-style-type: none"> <li>1. The Company has created an investor relations section on its official website to provide two-way information exchange.</li> <li>2. The Company has established the Internal Material Information</li> </ol> | No material discrepancy.   |

| Evaluation Item  | Status |    |  | Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons thereof. |
|--|--------|----|--|--|
|  | Yes    | No | Summary  |  |
| and supervisors)?  |        |    | <p>Processing Procedures to avoid improper disclosure of information, and to ensure the consistency and accuracy of the information published by the company to the public.</p> <p>(III) The Company has maintained a positive relationship with its suppliers.</p> <p>(IV) The continuing education of directors has been disclosed on the MOPS.</p> <p>(V) Directors' liability insurance has been enshrined in the Articles of Incorporation of the Company and was duly implemented. Important details such as the insured amount, scope and premium rate are reported to the Board of Directors on a regular basis.</p> <p>(VI) In order to improve the supervision and management functions of the Board of Directors, the Company has established the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" promulgated by the competent authority.</p> |  |
| <p>IX. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies.</p> <p>The Company's General Management Unit is responsible for corporate governance-related matters and putting forth improvement measures based on the unimproved items in the corporate governance evaluation.</p> |        |    |  |  |

(IV) Where the Company has set up a remuneration committee or nomination committee, their composition and operational status shall be disclosed

1. Information on the Remuneration Committee members

| Identity                           | Qualification<br>Name | Professional Qualifications and Experience  | Compliance of Independence   | Number of other public companies with concurrent position as a Remuneration Committee member |
|------------------------------------|-----------------------|---|--|--|
| Independent Director<br>(Convener) | LEE, JIH-CHIEN        | <p>Education:</p> <p>Master, Graduate Institute of International Business Administration College of Business Chinese Culture University</p> <p>Ph.D., Graduate Institute of International Business Administration College of Business Chinese Culture University</p> <p>Experience:</p> <p>Vice President of Ming Yuan Certified Public Accountants (December 2004 –December 2017)</p> <p>Lecturer, Chinese Culture University – Department of International Business Administration</p> <p>Current job:</p> <ol style="list-style-type: none"> <li>1. Assistant Professor, Chinese Culture University – Department of International Business Administration (August 2016 –)</li> <li>2. Director of Ming-Yang Enterprise Management Consulting Co., Ltd. (June 21, 2016 –)</li> <li>3. Independent Director, Audit Committee member, Remuneration Committee convener of I-CHIUN PRECISION INDUSTRY CO., LTD. (July 2017 –)</li> <li>4. Director of Ming-Yuan Enterprise Management Consulting Co., Ltd. (December 2017 –)</li> <li>5. Director of Ming-Yuan Enterprise Co., Ltd. (September 20, 2019 –)</li> <li>6. Director of Yuan-Dong Business Co., Ltd. (January 21, 2021 –)</li> </ol> | <ol style="list-style-type: none"> <li>1. The independent director himself/herself, his/her spouse or relative within 2nd degree of kinship does not serve as a director, supervisor or employee in the Company or affiliates.</li> <li>2. The proportion of shares held by the independent director himself/herself, his/her spouse or second-degree relatives (or in the name of others): 300,264 shares, 0.13%</li> <li>3. Does not serve as a director, supervisor, or employee in a company specifically related to the Company (please refer to Subparagraph 5–8, 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).</li> <li>4. The amount of remuneration received for business, legal, financial and accounting services provided to the Company or its affiliates in the past two years.</li> </ol> | 0  |
| Independent Director               | KUO, CHUNG-CHIE       | <p>Education:</p> <p>Master, College of Business Administration, Chinese Culture University</p> <p>Bachelor, Tatung Institute of Technology (Tatung University) / Department of Business Administration</p> <p>Experience:</p> <ol style="list-style-type: none"> <li>1. Over 30 years of experience in securities authorities and securities-related organizations and served as a broker-dealer</li> <li>2. Awarded the 2nd Top 10 Securities and Futures Talent (June 1997; now renamed as Golden Goblet Award)</li> <li>3. Awarded Distinguished Alumni by Tatung University (1997)</li> <li>4. Awarded the 5th Distinguished Alumni of Beipu Elementary School, Hsinchu County (October 2018) (120th anniversary of the school)</li> <li>5. Has over 20 years of experience serving as a part-time lecturer teaching securities-related courses at universities in Taiwan</li> <li>6. Previously served as a director and supervisor for several companies</li> <li>7. Independent director of JOYIN. Co., Ltd.</li> </ol>   | <ol style="list-style-type: none"> <li>1. The independent director himself/herself, his/her spouse or relative within 2nd degree of kinship does not serve as a director, supervisor or employee in the Company or affiliates.</li> <li>2. The proportion of shares held by the independent director himself/herself, his/her spouse or second-degree relatives (or in the name of others): 0 share, 0%</li> <li>3. Does not serve as a director, supervisor, or employee in a company specifically related to the Company (please refer to Subparagraph 5–8, 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</li> </ol>  | 1  |

|                      |                   |  |  |   |
|----------------------|-------------------|--|--|---|
|                      |                   | <p>(public company) (September 2011 –June 27, 2021)</p> <p>8. Supervisor of Zhi-Fu Car Hire Co., Ltd. (July 2017 –May 29, 2020)</p> <p>Current job:</p> <ol style="list-style-type: none"> <li>1. Independent Director and Audit Committee convener, Remuneration Committee member of I-CHIUN PRECISION INDUSTRY CO., LTD. (public company) (July 2017 –)</li> <li>2. Director of Jin-Yuan-San Automobile Co., Ltd. (April 2002 –)</li> <li>3. Taiwan Securities Association (member of R&amp;D Committee) (September 2016 –)</li> <li>4. Director, Legal Representative of Sanjin Integrated Marketing Co., Ltd. (August 22, 2022 –)</li> <li>5. Independent Director of U-Tech Media Co., Ltd. (14 June, 2024 –)</li> </ol>                  | <p>Exchange).</p> <p>4. The amount of remuneration received for business, legal, financial and accounting services provided to the Company or its affiliates in the past two years.</p>  |   |
| Independent Director | CHANG, HSIEN-SUNG | <p>Education:<br/>Dongfang High School of Industry and Commerce</p> <p>Experience:</p> <ol style="list-style-type: none"> <li>1. Chairman of Song Lei Precision Industries Co., Ltd. (May 1994 –present)</li> </ol> <p>Current job:</p> <ol style="list-style-type: none"> <li>1. Chairman of Song Lei Precision Industries Co., Ltd. (May 1994 –present)</li> <li>2. Independent Director, Audit Committee member, Remuneration Committee member of I-CHIUN PRECISION INDUSTRY CO., LTD. (July 2017 –)</li> </ol>   | <ol style="list-style-type: none"> <li>1. The independent director himself/herself, his/her spouse or relative within 2nd degree of kinship does not serve as a director, supervisor or employee in the Company or affiliates.</li> <li>2. The proportion of shares held by the independent director himself/herself, his/her spouse or second-degree relatives (or in the name of others):<br/>112,298 shares, 0.05%</li> <li>3. Does not serve as a director, supervisor, or employee in a company specifically related to the Company (please refer to Subparagraph 5–8, 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).</li> <li>4. The amount of remuneration received for business, legal, financial and accounting services provided to the Company or its affiliates in the past two years.</li> </ol> | 0 |
| Independent Director | HUNG, SHUN-CHING  | <p>Education:<br/>Ph.D., Marketing, Northwestern University<br/>MBA, National Chengchi University<br/>Bachelor of Statistics, National Chengchi University</p> <p>Experience:</p> <ol style="list-style-type: none"> <li>1. Independent Director of AimCore Technology Co., Ltd.</li> <li>2. Independent Director of Le Young Construction Co., Ltd.</li> <li>3. Independent Director of E-life Mall Corporation</li> <li>4. Senior Marketing Scientist of ZS Associates, Inc., USA</li> <li>5. Professor, Dean and Director, MBA Program at National Chengchi University</li> <li>6. Associate Professor, Department of Business Management, National Sun Yat-sen University</li> <li>7. Independent Director of U-Tech Media Co.,</li> </ol> | <ol style="list-style-type: none"> <li>1. The independent director himself/herself, his/her spouse or relative within 2nd degree of kinship does not serve as a director, supervisor or employee in the Company or affiliates.</li> <li>2. The proportion of shares held by the independent director himself/herself, his/her spouse or second-degree relatives (or in the name of others):<br/>0 share, 0%</li> <li>3. Does not serve as a director, supervisor, or employee in a company specifically related to the Company (please refer to Subparagraph 5–8, Paragraph 1, Article 6 of the Regulations Governing the Appointment</li> </ol>   | 0 |

|  |  |   |   |  |
|--|--|---|---|--|
|  |  | Ltd. (18 August, 2021 – 23 June, 2024)<br>Current job:<br>1. Independent Director, Audit Committee member, Remuneration Committee member of I-CHIUN PRECISION INDUSTRY CO., LTD. (30 May, 2023 –) | and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange).<br>4. The amount of remuneration received for business, legal, financial and accounting services provided to the Company or its affiliates in the past two years. |  |
|--|--|---|---|--|

## 2. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of four members.
- (2) The term of office of the current members: May 30, 2023 to May 29, 2026. Total of 6 (A) Remuneration Committee meetings were held during the last year. The qualifications and attendance of the Remuneration Committee members are as follows (2024.1.1–2024.12.31):

| Position   | Name              | Attendance in person (B) | Attendance by proxy | Actual attendance rate (%) (B/A) | Remarks                  |
|--|-------------------|--------------------------|---------------------|----------------------------------|--------------------------|
| Convener   | LEE, JIH-CHIEN    | 6                        | 0                   | 100%                             | Reelected (2023.5.30)    |
| Member   | KUO, CHUNG-CHIEN  | 6                        | 0                   | 100%                             | Reelected (2023.5.30)    |
| Member   | CHANG, HSIEN-SUNG | 5                        | 1                   | 83%                              | Reelected (2023.5.30)    |
| Member   | HUNG, SHUN-CHING  | 6                        | 0                   | 100%                             | Newly elected (2023.8.3) |
| Other matters required to be recorded:<br>I. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.<br>II. If there were any resolutions of the remuneration committee which members objected to or expressed reservations about, and for which there is a written record or declaration, the date of the meeting, the contents of the motion, all members' opinions, and the response to members' opinions shall be specified: No members objected to or expressed reservations. |                   |                          |                     |                                  |                          |

### (3) Duties of the Remuneration Committee

The Committee shall submit its recommendations for deliberation at the Board Meetings with due diligence as a good administrator.

- A. Formulate and regularly review the policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers.
- B. Evaluate and establish the compensation and remuneration of directors and managers on a regular basis.

(4) Resolutions made by the Remuneration Committee

| Remuneration Committee                         | Contents of Motion and Follow-up Actions   | Resolution   | The Company's response to the opinions of the Remuneration Committee   |
|--|--|--|--|
| January 26, 2024 (3rd meeting of the 5th term) | <ol style="list-style-type: none"> <li>1. Review of the revision of version S of the "Group Performance Bonus Payout Guidelines"</li> <li>2. Review of changes in the positions and salaries of professional managers</li> <li>3. Review of the distribution of the 2023 year-end bonus.</li> </ol>  | All other proposals were submitted to the Board and unanimously approved by all attending directors. | Regarding the 2023 performance bonus for managerial personnel, Chairperson CHOU, WAN-SHUN, who concurrently serves as President, recused himself from discussion and voting due to conflict of interest. Other proposals presented to the Board of Directors were approved by the attending directors unanimously  |
| March 5, 2024 (4th meeting of the 5th term)    | <ol style="list-style-type: none"> <li>1. Reviewed the 2023 performance evaluation of the Board of Directors and functional committees</li> <li>2. Reviewed the revised Version C of the "Regulations Governing the Allocation of Employee Treasury Shares"</li> <li>3. Review of the proposal for the number of the Company's employee treasury shares available to be subscribed for by the managers.</li> <li>4. Review on distribution of 2023 performance bonus to managers</li> <li>5. Review of changes in the positions and salaries of professional managers</li> </ol> | All other proposals were submitted to the Board and unanimously approved by all attending directors. | For the proposals related to managerial subscription of treasury shares and the 2023 performance bonus distribution, Chairperson CHOU, WAN-SHUN recused himself from discussion and voting in accordance with conflict-of-interest regulations. Other proposals presented to the Board of Directors were approved by the attending directors unanimously |
| April 9, 2024 (5th meeting of the 5th term)    | <ol style="list-style-type: none"> <li>1. Approved the distribution of 2023 remuneration to directors and employees</li> <li>2. Review of changes in the positions and salaries of professional managers</li> </ol>  | All other proposals were submitted to the Board and unanimously approved by all attending directors. | For the distribution of directors' and employees' remuneration of 2023, Chairperson CHOU, WAN-SHUN recused himself from discussion and voting due to conflict of interest. Other proposals presented to the Board of Directors were approved by the attending directors unanimously  |
| May 7, 2024 (6th meeting of the 5th term)      | <ol style="list-style-type: none"> <li>1. Reviewed the "Operational Procedures for Employee Subscription of Shares in Cash Capital Increases"</li> </ol>   | All other proposals were submitted to the Board and unanimously approved by all attending directors. | Proposed to the Board of Directors and approved by the attending directors unanimously   |
| May 30, 2024 (7th meeting of the 5th term)     | <ol style="list-style-type: none"> <li>1. Reviewed the subscription list of professional managers for the cash capital increase</li> <li>2. Reviewed the establishment of the Employee Shareholding Trust Committee Charter</li> <li>3. Review of changes in the positions and salaries of professional managers</li> </ol>  | All other proposals were submitted to the Board and unanimously approved by all attending directors. | For the managerial subscription list for the cash capital increase, Chairperson CHOU, WAN-SHUN recused himself from discussion and voting due to conflict of interest. Other proposals presented to the Board of Directors were approved by the attending directors unanimously  |

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|--|--|--|--|
| November 5, 2024 (8th meeting of the 5th term) | <ol style="list-style-type: none"> <li>1. Reviewed the design or implementation of internal control systems, including deficiencies and corrective actions as required by the competent authority</li> <li>2. Reviewed the revised Version D of the “Regulations Governing the Allocation of Employee Treasury Shares”</li> <li>3. Reviewed the revised Version B of the “Regulations Governing the Allocation of Employee Stock Warrants”</li> <li>4. Reviewed the first amendment to the Employee Shareholding Trust Committee Charter</li> <li>5. Review of changes in the positions and salaries of professional managers</li> </ol> | All other proposals were submitted to the Board and unanimously approved by all attending directors. | Proposed to the Board of Directors and approved by the attending directors unanimously |
|--|--|--|--|

3. Information on members of the Nomination Committee and state of its operations:  
None.

(V) Promotion of sustainable development and Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

| Current items  | Implementation Status |    |   | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Summary   |  |
| I. Has the Company established a governance framework dedicated to promoting sustainability and has it delegated full-time (part-time) functional units to promote corporate sustainability? Has the Board of Directors authorized senior management to deal with it and how does the Board of Directors supervise it?<br>(For TWSE/TPEX listed companies, the status of implementation should be reported instead of compliance or interpretation.) | V                     |    | 1. The Company has established a Sustainable Development Task Force, with Chairman Mr. CHOU, WAN-SHUN serving as the Chief Convener. The task force includes one Executive Secretary and is further divided into functional sub-groups focusing on business management, environmental sustainability, green products, labor rights, and social engagement. Each functional sub-group is composed of department heads, with one member appointed as the group leader.<br>2. The 2023 Sustainability Report was reviewed and approved by the Board of Directors on May 30, 2024, and was published on the Market Observation Post System (MOPS) and the Company's website before June 27, 2024.   | No material discrepancy  |
| II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operations and establish relevant risk management policies or strategies based on the principle of materiality? (Note 2)<br>(For TWSE/TPEX listed companies, the status of implementation should be reported instead of compliance or interpretation.)   | V                     |    | With respect to environmental, social and corporate governance aspects and issues related to the Company's operations, the Company reviewed the organization's operational activities, business relationships, and the process of identifying stakeholders, in order to gain an understanding of the overall situation of the organization and related impacts, and identify the sustainable stakeholders. Based on the overall overview of the organization and business relationships, the Company identified the actual and potential impacts on the economy, the environment, and the population. The Company identified issues of concern for materiality analysis, and conducted risk assessment and planning, including risk identification, risk analysis and assessment, risk response and control, and risk monitoring. | No material discrepancy  |

| Current items | Implementation Status     |   |   | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |   |             |                         |   |   |                         |  |   |               |                           |   |  |
|---------------|---------------------------|---|---|--|---|-------------|-------------------------|---|---|-------------------------|--|---|---------------|---------------------------|---|--|
|               | Yes                       | No  | Summary   |  |   |             |                         |   |   |                         |  |   |               |                           |   |  |
|               |                           |   | <table><tr><th>Major issues</th><th>Scope of Risk Assessment</th><th>Description</th></tr><tr><td>Sustainable Environment</td><td>Greenhouse gas emission continues to increase</td><td><p>Risk Management Strategy:</p><ol style="list-style-type: none"><li>Identify regions, processes, or facilities with high carbon emissions</li><li>Implement risk control measures targeting the identified areas, processes, and equipment</li><li>Continuously monitor the effectiveness of risk controls and implement improvements</li></ol><p>Response measures:</p><ol style="list-style-type: none"><li>Improve manufacturing scheduling and optimize production procedures to enhance energy efficiency, reduce high-emission processes, and minimize energy waste</li><li>Timely replacement of outdated, inefficient, high-emission machinery and equipment</li><li>During phased replacement of air conditioning systems, prioritize energy-efficient, inverter-based units with Class 1 energy labels to reduce electricity consumption, improve energy utilization efficiency, and mitigate potential future operational cost increases related to carbon taxes or emissions trading</li><li>Adopted the ISO 14064-1 Greenhouse Gas Inventory Standard, with third-party verification successfully completed</li></ol></td></tr><tr><td>Sustainable Environment</td><td>Effluent discharge continues to increase</td><td><p>Risk Management Strategy:</p><ol style="list-style-type: none"><li>Monitor wastewater recycling processes</li><li>Upgrade and improve wastewater recycling equipment</li><li>Enhance wastewater recycling technologies</li></ol><p>Response measures:</p><p>As of 2024, the Company has achieved an average wastewater recycling rate of 80%, representing a high industry benchmark. Efforts will continue to maintain this level of efficiency going forward.</p></td></tr><tr><td>Employee Care</td><td>Overload (long-term work)</td><td><p>Risk Management Strategy:</p><ol style="list-style-type: none"><li>Ensure compliance with, and promote awareness of, labor and human rights laws and regulations</li><li>Properly plan production processes</li></ol></td></tr></table> | Major issues   | Scope of Risk Assessment  | Description | Sustainable Environment | Greenhouse gas emission continues to increase | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Identify regions, processes, or facilities with high carbon emissions</li><li>Implement risk control measures targeting the identified areas, processes, and equipment</li><li>Continuously monitor the effectiveness of risk controls and implement improvements</li></ol> <p>Response measures:</p> <ol style="list-style-type: none"><li>Improve manufacturing scheduling and optimize production procedures to enhance energy efficiency, reduce high-emission processes, and minimize energy waste</li><li>Timely replacement of outdated, inefficient, high-emission machinery and equipment</li><li>During phased replacement of air conditioning systems, prioritize energy-efficient, inverter-based units with Class 1 energy labels to reduce electricity consumption, improve energy utilization efficiency, and mitigate potential future operational cost increases related to carbon taxes or emissions trading</li><li>Adopted the ISO 14064-1 Greenhouse Gas Inventory Standard, with third-party verification successfully completed</li></ol> | Sustainable Environment | Effluent discharge continues to increase | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Monitor wastewater recycling processes</li><li>Upgrade and improve wastewater recycling equipment</li><li>Enhance wastewater recycling technologies</li></ol> <p>Response measures:</p> <p>As of 2024, the Company has achieved an average wastewater recycling rate of 80%, representing a high industry benchmark. Efforts will continue to maintain this level of efficiency going forward.</p> | Employee Care | Overload (long-term work) | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Ensure compliance with, and promote awareness of, labor and human rights laws and regulations</li><li>Properly plan production processes</li></ol> |  |
|               |                           |   | Major issues  | Scope of Risk Assessment   | Description   |             |                         |   |   |                         |  |   |               |                           |   |  |
|               |                           |   | Sustainable Environment   | Greenhouse gas emission continues to increase  | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Identify regions, processes, or facilities with high carbon emissions</li><li>Implement risk control measures targeting the identified areas, processes, and equipment</li><li>Continuously monitor the effectiveness of risk controls and implement improvements</li></ol> <p>Response measures:</p> <ol style="list-style-type: none"><li>Improve manufacturing scheduling and optimize production procedures to enhance energy efficiency, reduce high-emission processes, and minimize energy waste</li><li>Timely replacement of outdated, inefficient, high-emission machinery and equipment</li><li>During phased replacement of air conditioning systems, prioritize energy-efficient, inverter-based units with Class 1 energy labels to reduce electricity consumption, improve energy utilization efficiency, and mitigate potential future operational cost increases related to carbon taxes or emissions trading</li><li>Adopted the ISO 14064-1 Greenhouse Gas Inventory Standard, with third-party verification successfully completed</li></ol> |             |                         |   |   |                         |  |   |               |                           |   |  |
|               |                           |   | Sustainable Environment   | Effluent discharge continues to increase   | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Monitor wastewater recycling processes</li><li>Upgrade and improve wastewater recycling equipment</li><li>Enhance wastewater recycling technologies</li></ol> <p>Response measures:</p> <p>As of 2024, the Company has achieved an average wastewater recycling rate of 80%, representing a high industry benchmark. Efforts will continue to maintain this level of efficiency going forward.</p>   |             |                         |   |   |                         |  |   |               |                           |   |  |
| Employee Care | Overload (long-term work) | <p>Risk Management Strategy:</p> <ol style="list-style-type: none"><li>Ensure compliance with, and promote awareness of, labor and human rights laws and regulations</li><li>Properly plan production processes</li></ol> |   |  |   |             |                         |   |   |                         |  |   |               |                           |   |  |

| Current items | Implementation Status |    |               | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons  |
|---------------|-----------------------|----|---------------|---|
|               | Yes                   | No | Summary       |   |
|               |                       |    |               | <p>and personnel allocation</p> <p>3. Adopt flexible human resource management practices</p> <p>Response measures:</p> <p>1. The management unit actively promotes and enforces compliance with labor-related laws and emphasizes the need to prevent excessive working hours</p> <p>2. Strengthen rolling management mechanisms to closely monitor order volumes, production progress, and capacity utilization, allowing for timely manpower adjustments</p> <p>3. The Human Resources Department should maintain a clear understanding of labor market conditions and cultivate strong relationships with staffing agencies, enabling the Company to dynamically adjust workforce levels based on order volume and production needs—thereby preventing overtime and improving overall labor efficiency</p>   |
|               |                       |    | Employee Care | <p>Occurrence of occupational disasters</p> <p>Risk Management Strategy:</p> <p>1. Prioritize employee well-being</p> <p>2. Provide comprehensive safety education</p> <p>3. Strengthen employee support and care</p> <p>Response measures:</p> <p>1. Prioritizing Employees:<br/>The Company holds regular labor-management meetings, where labor representatives raise relevant topics for discussion. Resolutions and the progress of their implementation are communicated to all employees via the internal network.</p> <p>2. Safety Education:<br/>Standardized operating procedures are established, and comprehensive operational manuals are provided. Workplace safety education is promoted on an ongoing, ad hoc basis.</p> <p>3. Employee Care:</p> <p>(1) Listen to employees' views:<br/>Quarterly labor-management meetings as well as online and offline employee suggestion boxes.</p> <p>(2) Legal employee care: A sound labor insurance/health insurance system, and a complete pension system.</p> |

| Current items | Implementation Status |    |                       |  | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons   |  |
|---------------|-----------------------|----|-----------------------|--|--|--|
|               | Yes                   | No | Summary               |  |  |  |
|               |                       |    |                       |  | (3) Medical care and consultation: Free annual health examination for all employees, and a medical room and on-site medical staff.<br>(4) Sharing the burden on the dual-career family: Childcare subsidies, unpaid parental leave, paternity leave, family care leave, and breastfeeding rooms.   |  |
|               |                       |    | Operating performance | Occurrence of information security incidents | Risk Management Strategy:<br>1. Enforce comprehensive information security management<br>2. Enhance employees' awareness and knowledge of information security<br>3. Conduct ongoing audits and monitoring of cybersecurity practices<br>Response measures:<br>1. Strictly implement the Company's Information Security Management Regulations<br>2. Ensure the security of the Company's data, systems, equipment, and networks<br>3. Strengthen the overall level of information security to support uninterrupted business operations<br>4. Optimize both internal and external network security defenses<br>5. Promote information security awareness among employees and ensure compliance with internal security protocols<br>6. Conduct regular and ad hoc information security audits by designated audit and information security personnel |  |
|               |                       |    | Operating performance | Supply chain interruption                    | Risk Management Strategy:<br>1. Conduct thorough and prudent supplier evaluations<br>2. Foster long-term, sustainable partnerships<br>Response measures:<br>To maintain proactive and sustainable cooperation with suppliers, the Company adopts the following measures<br>1. Prioritize partnerships with suppliers certified under ISO 9001 and ISO 14001<br>2. Require all suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct<br>3. Conduct annual performance evaluations of qualified suppliers   |  |

| Current items   | Implementation Status |    |  | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons                 |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Summary  |  |
| III. Environmental issues<br>(I) Does the Company establish an appropriate environmental management system based on its industrial characteristics?   | V                     |    | The Company has established appropriate management systems tailored to the characteristics of its industry, including the ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 14064-1 Greenhouse Gas Inventory Standard, and IECQ QC 080000 Hazardous Substance Process Management System. These systems have been effectively implemented and strictly followed each year in accordance with their respective standards and requirements.                              | No material discrepancy.   |
| (II) Does the Company endeavor to upgrade the efficient use of available energy, and use environmentally friendly materials?  | V                     |    | 1. The Company is committed to the promotion and improvement of a sustainable environment. Through promotion and implementation, the Company improves the efficiency of reuse of resources, achieves its goals, such as those of energy conservation and waste reduction, and mitigates the impact posed to the environment. Details will be disclosed in the Sustainability Report.<br>2. The Company has appointed qualified businesses to recycle and dispose of waste resources to mitigate the burden on the environment. | No material discrepancy.<br>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website. |
| (III) Does the Company assess the potential risks and opportunities posed by climate change to the enterprise, both now and in the future, and take responsive measures related to these issues?  | V                     |    | The Company will complete the identification and verification of climate change risks and opportunities, and formulate management plans for key risks and opportunities, this year. The General Administration will evaluate, follow up and manage the Company's risks and opportunities of climate change continuously and report them to the Board of Directors on a regular basis.  | No material discrepancy.<br>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website. |
| (IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for energy conservation, greenhouse gas reduction, water reduction, or other waste management? | V                     |    | It also recycles resources, reduces waste, and manages and controls water and power consumption per the ISO 14001 environmental management system. However, greenhouse gas emissions have been disclosed in the Sustainability Report.   | No material discrepancy.<br>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website. |
| IV. Social issues   |                       |    |  |  |

| Current items  | Implementation Status |    |  | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Summary  |  |
| (I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?  | V                     |    | The Company holds labor-management meetings regularly, in which labor representatives put forth relevant issues for discussion, and notifies all employees of the resolutions adopted at such meetings and implementation progress of the resolutions through the internal network.  | No material discrepancy.   |
| (II) Does the Company establish and implement proper employee benefit measures (including the salary, holidays, and other benefits) and reflect the corporate business performance or achievements in the employee remuneration? | V                     |    | <ol style="list-style-type: none"> <li>1. The Company has formulated the relevant employee welfare measures, and also regulated the employee remuneration in the Articles of Incorporation to share the operating results with the employees.</li> <li>2. The Group has established Performance Bonus Distribution Guidelines, ensuring that operating performance is appropriately reflected in employee remuneration.</li> <li>3. According to the Article 17 of the Company's Articles of Incorporation, the Company shall deduct the remuneration distributed to employees and directors from the income before tax of the current fiscal year first, followed by compensating the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration to employees and no more than 3% of such amount as the remuneration to directors. The distribution of the employee remuneration in shares or cash shall be executed in accordance with the resolution of the Board of Directors' Meeting attended by more than two-thirds of the Directors and the consents of a majority of the attending Directors. In addition, report to the shareholders' meeting shall also be made. Employees are entitled to receive employee remuneration distributed in the form of shares or cash, and the subjects may be employees of the parent or subsidiaries of the Company meeting certain specific requirements.</li> <li>4. The Company has implemented employee shareholding trust since September 2024.</li> </ol> | No material discrepancy.   |

| Current items  | Implementation Status |    |   | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Summary   |  |
| (III) Does the Company provide employees with a safe and healthy work environment, and provide employees with regular safety and health education?   | V                     |    | <ol style="list-style-type: none"> <li>1. The Company performs tests and inspection of work environment every six months, and organizes employee health examination every year, while regularly holding fire safety awareness-increasing activities as per the laws.</li> <li>2. In addition to setting up an occupational safety and health unit according to law, the Company has continued to pass the ISO 45001 occupational safety and health management system, and carried out the occupational safety and health education and training for new employees and in-service employees and contractors' personnel to ensure the safety and health of employees.</li> <li>3. For the time being, the effective period of the Company's ISO 45001:2018 occupational safety and health management system commences from September 28, 2023 to September 27, 2026.</li> </ol> | No material discrepancy.   |
| (IV) Is an effective career development and training program established for employees by the Company?   | V                     |    | The Company has established employee education and training operating procedures, and each unit can organize internal and external training sessions based on the needs at work.  | No material discrepancy.   |
| (V) Does the Company comply with related laws and international practices in regard to customer health and safety, customer privacy, marketing and labeling of its products and services, and does it have related consumer protection policies and complaint procedures in place? | V                     |    | <ol style="list-style-type: none"> <li>1. The Company has passed certification for the ISO 9001 quality management system and ISO 14001 environmental management system to ensure that its products and services comply with relevant global regulations and standards. Meanwhile, customer privacy and data security are protected under the "Privacy Policy."</li> <li>2. The Company has established the "Customer Management Procedures" and provided the information about the contact person for stakeholders on the Company's website to provide customer with services and protect consumers' or customers' interests and rights.</li> </ol>  | No material discrepancy.   |
| (VI) Does the Company establish the supplier   | V                     |    | The Company has established the Supplier Evaluation and   | No material discrepancy.   |

| Current items  | Implementation Status |    |   | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons                            |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Summary   |   |
| management policy to require suppliers to comply with relevant regulations on issues of environmental protection, occupational safety and health, or labor rights, and the status of implementation?   |                       |    | <p>Performance Management Procedures, which requires suppliers to comply with the Hazardous Substance Free (HSF) standards and environmental protection laws and regulations.</p> <p>The Company has also formulated supplier social responsibility management procedures. Through the promotion of suppliers' awareness toward social responsibility and execution of the written undertaking, and the regular assessment on suppliers by the virtue of the supplier RBA audit form, the Company urges the suppliers to understand the spirit of social responsibility and respond to the company's social responsibility management activities. This is expected to achieve a green and sustainable supply chain.</p> |   |
| V. Does the Company refer to the international standards or guidelines for report preparation to prepare its sustainability report and other reports that disclose its non-financial information? Have the aforesaid reports been assured or certified by a third-party verification agency?   | V                     |    | <p>In accordance with applicable regulations, the Company has been preparing and submitting the Chinese version of its Sustainability Report since 2023. The 2022 and 2023 reports have been completed and published on the Company's website. All reports are prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards, Sector Standards, and Topic Standards.</p> <p>The Company has not yet completed the inventory and assurance of GHG under Scope 1 and Scope 2; therefore, there is no assurance or assurance opinion from a third-party certifying unit for the time being.</p>  | <p>No material discrepancy.</p> <p>The Company's 2023 Sustainability Report has been publicly disclosed on the Company's website.</p> |
| <p>VI. If the Company has established its own sustainable development principles based on "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation:</p> <p>The Company established its Sustainable Development Best-Practice Principles in accordance with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and prepared its Sustainability Report in accordance with Taiwan Stock Exchange Corporation Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Now, it is actively working in the direction set by the Principles.</p> |                       |    |   |   |
| <p>VII. Other information material to the understanding of sustainable development:</p> <p>The Company's Board of Directors adopted the "Sustainable Development Committee Charter" on March 4, 2025. All relevant information will be published on the Company's website: <a href="http://www.i-chiun.com.tw/">http://www.i-chiun.com.tw/</a>.</p>  |                       |    |   |   |

(VI) Implementation of ethical management and deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof

| Evaluation Item   | Status |    |  | Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof |
|---|--------|----|--|--|
|   | Yes    | No | Summary  |  |
| I. Enactment of ethical management policy and program<br>(I) Does the Company formulate an ethical management policy approved by the board of directors and clearly indicate the ethical management policy and practice in rules and external documents? Are the board of directors and the senior management committed to implementing said policy actively?   | V      |    | The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter, “Procedures and Guidelines”) are adopted pursuant to the provisions of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies ” and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties. | No material discrepancy.   |
| (II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish a prevention program accordingly with the inclusion of the preventive measures against each behavior specified in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”? | V      |    | The Company has implemented relevant accounting systems and internal control systems to prevent the transaction involving unethical conduct from occurring. Meanwhile, the Company also established the “Employee Handbook” and “Employee Code of Ethical Conduct” to regulate various ethical conducts and prevent employees from engaging in unethical practices.  | No material discrepancy.   |
| (III) Does the Company specify the operating procedures, behavior guidelines, disciplinary actions for violation, and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company review and modify the program mentioned above regularly?  | V      |    | The Company has formulated its “Procedures for Ethical Management and Guidelines for Conduct” and the General Management Unit is the dedicated unit in charge of the amendment, implementation, interpretation, and advisory services with respect to the Procedures and Guidelines, the   | No material discrepancy.   |

| Evaluation Item   | Status |    |  | Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof |
|---|--------|----|--|--|
|   | Yes    | No | Summary  |  |
|   |        |    | recording and filing of reports, and the monitoring of implementation.   |  |
| II. Implementation of ethical corporate management  |        |    |  |  |
| (I) Does the Company assess its counterparties' record of ethical conduct and specify the ethical conduct clause in the contracts that it signs with its counterparties?  | V      |    | The Company reviews the status of transactions with customers and suppliers from time to time to prevent unethical conduct from occurring.   | No material discrepancy.   |
| (II) Does the Company establish a dedicated unit under board of directors to promote ethical corporate management and to report on the ethical management policy, prevention program of unethical conduct, and status of supervision to board of directors regularly (at least once a year)?  | V      |    | The Company's General Management Unit is responsible for implementing the Company's ethical corporate management.  | No material discrepancy.   |
| (III) Does the Company formulate policies to prevent conflicts of interest, provide appropriate channels for opinions, and implement them accordingly?  | V      |    | The Company has not yet established a policy to prevent conflicts of interest. In the case of a conflict of interest, any employee can file an opinion with the General Management Unit.   | No material discrepancy.   |
| (IV) Has the Company established an effective accounting system and internal control system to implement ethical management? Have relevant audit plans been drafted by the internal audit unit based on the risk assessment results of unethical conduct? Has the compliance of the prevention program for unethical conduct been audited accordingly by the internal audit unit or CPAs appointed? | V      |    | The Company's auditors arrange an audit plan every year and perform audits in line with the plan while reporting to the Board of Directors.  | No material discrepancy.   |
| (V) Does the Company organize internal and external education and training on ethical corporate management regularly?   |        | V  | The Company has not yet organized internal and external education and training on ethical management regularly, but has disclosed the Procedures for Ethical Management and Guidelines for Conduct on its website as a reference for employees and the public. | No material discrepancy.   |
| III. The operation of the whistleblowing system   |        |    |  |  |
| (I) Does the Company formulate a specific whistleblowing and reward system, and establish an accessible whistleblowing channel, while designating personnel to be responsible for   | V      |    | The Company has adopted the Company's public website and the internal employee suggestion box as channels for whistleblowing, and the Vice Chairman is in charge of  | No material discrepancy.   |

| Evaluation Item   | Status |    |  | Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof |
|---|--------|----|--|--|
|   | Yes    | No | Summary  |  |
| investigating accused parties?  |        |    | accepting reports submitted.   |  |
| (II) Has the Company established standard operating procedures for investigations on reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?  | V      |    | The Company has established a mechanism for accepting reports submitted and relevant confidentiality measures.                                       | No material discrepancy.   |
| (III) Has the Company adopted any measures to prevent the complainants from being abused after filing complaints?   | V      |    | The Company takes appropriate measures to protect whistleblowers and relevant information.   | No material discrepancy.   |
| IV. Enhanced information disclosure<br>Does the Company disclose on its website and MOPS the content and effectiveness of implementation of its Ethical Corporate Management Best-Practice Principles?  | V      |    | The company has disclosed the Procedures for Ethical Management and Guidelines for Conduct and the Employee Codes of Ethical Conduct on its website. | No material discrepancy.   |
| V. If the Company has established its own corporate management principles in accordance with “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies,” please describe its current practices and any discrepancies from the Best-Practice Principles: None.   |        |    |  |  |
| VI. Other information material to the understanding of ethical business operation (e.g. the discussion and amendment to the ethical business best-practice principles defined by the Company)<br>The Company’s business philosophy is based on the business principle of “doing business with integrity; respect; consistency of words and action.” |        |    |  |  |

(VII) Other important information to increase the understanding of corporate governance: None.

(VIII) Matters to be disclosed regarding the status of internal control system:

1. Statement of Internal Control System: The Company's 2024 Statement of Internal Control System has been disclosed on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.
2. Where CPAs are appointed to review the internal control system, the CPAs' review report shall be disclosed: None.

(IX) Important resolutions of the shareholders' meeting and board meetings in the most recent year and as of the date of the publication of the annual report:

1. Important resolutions of Shareholders' meeting

| Date         | Important resolutions  | Following implementation Status   |
|--------------|--|---|
| May 30, 2024 | Approved the Company's 2023 financial statements.              | Approved the 2023 financial statements as the basis for earnings appropriation in 2023.   |
|              | Approved the Company's 2023 Distribution of retained earnings. | The Chairman has set June 8, 2024 as the base date for distribution; distribution was completed on June 25, 2024. (Cash dividends: NT\$0.65 per share.) |

2. Important resolutions of Board of Directors

| Date  | Important resolutions  |
|---|--|
| January 26, 2024<br>(4th meeting of the current term) | <ol style="list-style-type: none"> <li>1. Approved the Company's application for an extension of a credit line to the Cathay United Bank.</li> <li>2. Approved the Company's loan to the investee Advance Venture Corporation.</li> <li>3. Approved the application of the subsidiary in China, I-Chiun Technology (China) Co., Ltd., for a discounted note line of RMB 10 million from the Industrial and Commercial Bank of China Jiangmen Jianghai Branch.</li> <li>4. Approved the application of the subsidiary in China, I-Chiun Technology (China) Co., Ltd., for a credit line of RMB 100 million from the Bank of China.</li> <li>5. Approved the amendment to the Company's "Performance Bonus Payout Guidelines of the Group."</li> <li>6. Approved the proposal for the changes of the Company's professional managers.</li> <li>7. Approved the proposal for the Company's "2023 year-end bonus payment."</li> <li>8. Approved the 2024 annual plan.</li> <li>9. Approved the procurement of fixed assets through the purchase of land and buildings.</li> <li>10. Approved the financing method for the purchase of land and buildings to acquire fixed assets and the selection of a bank.</li> </ol> |
| March 5, 2024<br>(5th meeting of the current term)    | <ol style="list-style-type: none"> <li>1. Approved the balance of 2023 endorsements/guarantees.</li> <li>2. Approved the report on indirect investment in mainland China for 2023.</li> <li>3. Approved the 2023 Statement on Internal Control System.</li> <li>4. Approved the Company's 2023 Business Report and Financial Statements.</li> <li>5. Approved the Company's 2023 Distribution of retained earnings.</li> <li>6. Approved the payment of 2023 cash dividends from earnings.</li> <li>7. Approved the distribution of 2023 remuneration to the Company's directors and employees.</li> <li>8. Approved the amendment to the "Regulations Governing the Allocation of Employee Treasury Stocks."</li> <li>9. Approved the transfer of the Company's treasury shares to employees.</li> <li>10. Approved the distribution of the 2023 year-end bonus for supervisors.</li> <li>11. Approved the changes in the positions and salaries of professional managers.</li> <li>12. Approved the date, place, and reasons for holding the 2024 annual shareholders'</li> </ol>  |

|   |   |
|---|---|
|   | <p>meeting.</p> <p>13. Approved the application to the Far Eastern International Bank for the extension of the comprehensive borrowing facilities of NT\$80 million.</p> <p>14. Approved the investee I-Chiun Technology (China) Co., Ltd., in which the Company holds 100% of indirect shares, to apply to the China Construction Bank, Jiangmen Branch for an aggregate quota of RMB 80 million.</p>  |
| April 9, 2024 (6th meeting of the current term)       | <p>1. Approved the distribution of 2023 remuneration to directors and employees.</p> <p>2. Approved the changes of the Company's managers.</p> <p>3. Approved the application for the extension of credit line, the extension of export negotiation lines, and derivative financial product trading limit to Mega International Commercial Bank.</p> <p>4. Approved the reinvestee, the Company's indirect 100%-owned subsidiary, I-Chiun Technology (China) Co., Ltd., applied for a credit line from the China Construction Bank, Jiangmen Branch, for which I-Chiun Precision Electric Industry (China) Co., Ltd. served as the joint guarantor.</p> <p>5. Approved the extension of the Fubon Bank (China) Co., Ltd.'s provision of a credit line of RMB 20 million to I-Chiun Technology (China) Co., Ltd., with the Company providing a promissory note of USD 3.1 million and serving as a joint guarantor for the extension.</p> <p>6. Approved the evaluation of the independence of the Company's appointed CPAs for non-audit and review services.</p> <p>7. Approved the proposal to issue new shares for cash capital increase and the 6th domestic unsecured convertible corporate bonds.</p> |
| May 7, 2024 (7th meeting of the current term)         | <p>1. Approved the result of evaluation on independence and competence of the Company's external auditors.</p> <p>2. Approved the appointment and professional fees for the Company's CPAs for 2024.</p> <p>3. Approved the formulation of the "Operational Procedures for Employee Subscription of Shares in Cash Capital Increases."</p> <p>4. Approved the extension of the comprehensive short-term loan facility with CTBC Bank Co., Ltd. To within NT\$100 million (original limit: NT\$50 million).</p> <p>5. Approved the amendment to the Company's "Cybersecurity Management Regulations."</p>  |
| May 30, 2024 (8th meeting of the current term)        | <p>1. Approved the draft of the Company's 2023 Sustainability Report.</p> <p>2. Approved the changes of the Company's professional managers.</p> <p>3. Approved the list of professional managers eligible for subscription in the cash capital increase.</p> <p>4. Approved the formulation of the "Employee Shareholding Trust Committee Charter."</p> <p>5. Approved the application for the extension of credit lines with financial institutions due to operational needs.</p> <p>6. Approved the evaluation of the independence of the Company's appointed CPAs for non-audit and review services.</p>  |
| July 10, 2024 (9th meeting of the current term)       | <p>1. Approved the acquisition of fixed assets through the purchase of land and buildings.</p> <p>2. Approved the amendment to the Company's "Operating Procedures for Endorsements and Guarantees."</p>  |
| August 6, 2024 (10th meeting of the current term)     | <p>1. Approved the consolidated financial statements for Q2 2024.</p> <p>2. Approved Mega International Commercial Bank – Kunshan Branch to provide a short-term revolving loan facility of RMB 21 million to I-Chiun Technology (China) Co., Ltd., with the Company acting as a joint guarantor.</p> <p>3. Approved the application for the extension of financing within NT\$50 million of Taiwan Cooperative Bank's short-term loan amount.</p> <p>4. Approved the application for an extension of comprehensive credit line of NT\$200 million for Hua Nan Commercial Bank.</p> <p>5. Approved the limit and duration for short-term investments in marketable securities (acquisition or disposal).</p> <p>6. Approved the revision of the Company's "Regulations Governing Financial and Business Transactions Between Related Parties."</p>  |
| September 10, 2024 (11th meeting of the current term) | <p>1. Approved the acquisition of real estate (land).</p>   |

|   |  |
|---|--|
| November 5, 2024 (12th meeting of the current term) | <ol style="list-style-type: none"> <li>1. Approved the consolidated financial statements for Q3 2024.</li> <li>2. Approved the 2025 audit plan.</li> <li>3. Approved the revised Version D of the “Regulations Governing the Allocation of Employee Treasury Shares.”</li> <li>4. Approved the revised Version B of the “Regulations Governing the Allocation of Employee Stock Warrants.”</li> <li>5. Approved the first amendment to the “Employee Shareholding Trust Committee Charter.”</li> <li>6. Approved the changes in the positions and salaries of professional managers.</li> <li>7. Approved the formulation of the Company’s “Regulations Governing the Management of Sustainable Information.”</li> <li>8. Approved the application by the Company’s mainland subsidiary, I-Chiun Technology (China) Co., Ltd., for a loan facility of RMB 10 million from the Agricultural Bank of China, Jiangmen Jianghai Branch.</li> <li>9. Approved the application for the extension of a comprehensive credit facility of NT\$50 million with the Land Bank of Taiwan.</li> <li>10. Approved the Company’s participation in the cash capital increase of CMTEK Co., Ltd.</li> <li>11. Approved the financing plan for the acquisition of land and buildings, including bank selection for the transaction.</li> </ol>   |
| January 21, 2025 (13th meeting of the current term) | <ol style="list-style-type: none"> <li>1. Approved the extension of a short-term loan facility of NT\$200 million with First Commercial Bank.</li> <li>2. Approved the extension of a short-term loan facility of NT\$50 million with Cathay United Bank.</li> <li>3. Approved the revised Version T of the “Group Performance Bonus Distribution Guidelines.”</li> <li>4. Approved the distribution of 2024 year-end bonuses.</li> <li>5. Approved the changes in the positions and salaries of professional managers.</li> <li>6. Approved the 2025 annual plan.</li> <li>7. Approved the financing plan for the acquisition of land real estate.</li> </ol>   |
| March 4, 2025 (14th meeting of the current term)    | <ol style="list-style-type: none"> <li>1. Approved the balance of 2024 endorsements/guarantees.</li> <li>2. Approved the report on indirect investment in mainland China for 2024.</li> <li>3. Approved the 2024 Statement on Internal Control System.</li> <li>4. Approved the Company’s 2024 Business Report and Financial Statements.</li> <li>5. Approved the distribution of 2024 retained earnings.</li> <li>6. Approved the payment of 2024 cash dividends from earnings.</li> <li>7. Approved the Company’s cash distribution of capital reserve.</li> <li>8. Approved the distribution of 2024 remuneration to directors and employees.</li> <li>9. Approved the distribution of the 2024 year-end bonus for supervisors.</li> <li>10. Approved the changes in the positions and salaries of professional managers.</li> <li>11. Approved the definition of “basic-level employees.”</li> <li>12. Approved the amendment to the Company’s Articles of Incorporation.</li> <li>13. Approved the amendment to the Company’s Corporate Governance Best Practice Principles.</li> <li>14. Approved the amendment to the “Regulations Governing the Prevention of Insider Trading.”</li> <li>15. Approved the amendment to the “Rules of Procedure for Board of Directors Meetings.”</li> <li>16. Approved the amendment to the “Audit Committee Charter.”</li> <li>17. Approved the establishment of the “Sustainable Development Committee Charter.”</li> <li>18. Approved the date, place, and reasons for holding the 2025 annual shareholders’ meeting.</li> <li>19. Approved the Company’s application to the Far Eastern International Bank for the extension of the comprehensive borrowing facilities of NT\$80 million</li> <li>20. Approved the application for the extension of the credit line, export negotiation facility, and derivative financial product trading limit with Mega International Commercial Bank.</li> <li>21. Approved the application for a guarantee facility with Mega International Commercial Bank.</li> <li>22. Approved the application for a short-term loan facility with Yuanta Commercial Bank.</li> </ol> |

- (X) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions passed at the Board Meeting during the most recent fiscal year and up to the date on which this Annual Report was printed, and the opinion was recorded or delivered in writing, please provide its main content: None.

IV. Independent Auditor Fee Information:

Unit: NTD thousand

| Name of accounting firm          | Name of CPA     | Audit period        | Audit professional fees | Non-Audit professional fees  | Total | Remarks |
|----------------------------------|-----------------|---------------------|-------------------------|--|-------|---------|
| PRICEWATERHOUSECOOPERS<br>TAIWAN | FENG, MIN-CHUAN | 2024.1.1~2024.12.31 | 3,860                   | 1,100<br>(Tax certification, transfer pricing, retirement of fixed assets and inventory, audit of undistributed earnings for substantial investment, cash capital increase, and convertible corporate bonds) | 4,960 |         |
|                                  | JUAN LU, MAN-YU |                     |                         |  |       |         |

In the case of any of the following circumstances, the following shall be disclosed:

- (I) If the CPA firm is replaced and the audit fee paid during the year in which the replacement occurs is less than the audit fee paid in the previous year, the amount of the audit fee before and after the replacement and the reason thereof shall be disclosed: None.
- (II) If the audit fee paid decreased by at least 10% compared with that in the previous year, the amount, proportion, and reason for the decrease of the audit fee shall be disclosed: None.

V. Information on the Replacement of Independent Auditor: None.

VI. Where the Company's chairman, president, or any managerial officer 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: 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 Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10%. Where the counterparty to an equity transfer or equity pledge is a related party, the following information shall be disclosed: the name of the counterparty, their relationship

with the Company, directors, supervisors, managers, or shareholders holding more than 10% of the shares, and the number of shares acquired or pledged.

Relevant information has been disclosed on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.

VIII. Information on shareholders holding positions among the top ten, who are related parties or have relationships within the second degree of kinship, including spouses and relatives

March 28, 2025

| Name   | Own Shareholding |                            | Shares held by spouse or minor children |                            | Total shareholding under other's name |                            | Relationship characterized as spouse or relative of second degree or closer among the top-10 shareholders. |                          | Remarks |
|--|------------------|----------------------------|---|----------------------------|---------------------------------------|----------------------------|--|--------------------------|---------|
|  | Shares           | Percentage of shareholding | Shares                                  | Percentage of shareholding | Shares                                | Percentage of shareholding | Name   | Relationship             |         |
| CHOU, WAN-SHUN   | 23,032,644       | 9.84%                      | 206,584                                 | 0.09%                      | -                                     | -                          | LEE, CHUNG-YI  | Second degree of kinship | -       |
| LEE, CHUNG-YI  | 16,156,787       | 6.91%                      | 257,391                                 | 0.11%                      | -                                     | -                          | CHOU, WAN-SHUN   | Second degree of kinship | -       |
| WANG, WEN-YANG   | 3,500,000        | 1.50%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| WU, CHIH-WEI   | 3,260,000        | 1.39%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| CHIEN, CHIH-CHENG  | 1,980,328        | 0.85%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| LI, WEN-CHE  | 1,500,000        | 0.64%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| HUANG, CHUNG-WEI   | 1,479,000        | 0.63%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| Business Department of Standard Chartered International Commercial Bank, acting as custodian for the Advanced Starlight Funds – Advanced Total International Stock Index Fund investment account               | 1,434,016        | 0.61%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| Business Department of Standard Chartered International Commercial Bank, acting as custodian for the Advanced Trust Company – Institutional Total International Stock Market Index Trust II investment account | 1,393,000        | 0.60%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |
| HU, MAN-LING   | 1,200,000        | 0.51%                      | -                                       | -                          | -                                     | -                          | -  | -                        | -       |

IX. Total Number of Shares and Total Equity Stake Held in any Single Invested Businesses by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024; Unit: Thousand shares; %

| Invested businesses<br>(Note 1) | Invested by the Company |                        | Held by directors,<br>supervisors, managers,<br>and businesses directly or<br>indirectly controlled<br>(Note 2, 3) |                        | Comprehensive<br>investment |                        |
|---------------------------------|-------------------------|------------------------|--|------------------------|-----------------------------|------------------------|
|                                 | Shares                  | Shareholdin<br>g ratio | Shares   | Shareholdin<br>g ratio | Shares                      | Shareholdin<br>g ratio |
| MORE FORTUNE PROFITS LIMITED    | 36,179                  | 100%                   | 0  | 0                      | 36,179                      | 100%                   |
| Ecocera Optronics Co., Ltd.     | 18,366                  | 69.720%                | 745  | 2.829%                 | 19,111                      | 72.549%                |
| Advance Venture Corporation     | 12,500                  | 55.556%                | 3,100  | 13.778%                | 15,600                      | 69.334%                |
| CMTEK Co., Ltd.                 | 5,087                   | 46.801%                |  |                        | 5,087                       | 46.801%                |

Note 1: It is the Company's long-term equity investment recognized using the equity method.

Note 2: Where directors and managers hold Ecocera Optronics Co., Ltd.'s shares: CHOU, WAN-SHUN 394 thousand shares; LEE, CHUNG-YI 351 thousand shares

Note 3: The chairman holds 3,100 thousand shares of Advance Venture, a business directly controlled.

## Three. Fundraising Status

### I. Share capital and shares

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

##### 1. Type of Share

Unit: Shares

| Type of Share | Authorized share capital                   |                  |             | Remarks       |
|---------------|--|------------------|-------------|---------------|
|               | Outstanding shares<br>(TPEX listed) (Note) | Un-issued shares | Total       |               |
| Common Stock  | 233,958,579                                | 66,041,421       | 300,000,000 | Listed stocks |

Note: The outstanding shares do not have treasury stock.

##### 2. Formation process of share capital

| Year/<br>Month | Issue<br>price | Authorized share capital |               | Paid-in capital |               | Remarks   |  |   |
|----------------|----------------|--------------------------|---------------|-----------------|---------------|---|--|---|
|                |                | Shares                   | Amount        | Shares          | Amount        | Source of share<br>capital  | Offset by any<br>property other<br>than cash | Others  |
| 2001.01        | 10             | 56,000,000               | 560,000,000   | 56,000,000      | 560,000,000   | Capital increase in cash and capitalization of employee bonus and capital surplus                                     | —  | Tai-Cai-Zeng (I) No. 105596 dated January 3, 2001     |
| 2001.07        | 10             | 61,244,032               | 612,440,320   | 61,244,032      | 612,440,320   | Capitalization of earnings, employee bonus, and capital surplus   | —  | Tai-Cai-Zeng (I) No. 138128 dated June 14, 2001       |
| 2001.09        | 10             | 62,820,500               | 628,205,000   | 62,820,500      | 628,205,000   | Merged with the capital of the I-Zhan Industrial Co., Ltd.  | —  | Tai-Cai-Zeng (I) No. 144580 dated August 7, 2001      |
| 2002.08        | 10             | 105,000,000              | 1,050,000,000 | 66,050,000      | 660,650,000   | Capitalization of earnings, employee bonus, and capital surplus   | —  | Tai-Cai-Zeng (I) No. 0910136825 dated July 4, 2002    |
| 2003.08        | 10             | 105,000,000              | 1,050,000,000 | 86,805,720      | 868,057,200   | Capitalization of earnings, employee bonus, and capital surplus, as well as conversion of convertible corporate bonds | —  | Jing-Shou-Shang-Zi No. 09201245200, August 13, 2003.  |
| 2003.10        | 10             | 105,000,000              | 1,050,000,000 | 88,014,857      | 880,148,570   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09201288080, October 8, 2003.  |
| 2004.01        | 10             | 105,000,000              | 1,050,000,000 | 88,197,862      | 881,978,620   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09301002160, January 8, 2004.  |
| 2004.03        | 10             | 105,000,000              | 1,050,000,000 | 88,341,646      | 883,416,460   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09301040080, March 10, 2004.   |
| 2004.07        | 10             | 98,341,646               | 983,416,460   | 88,838,361      | 888,383,610   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09301118210, July 5, 2004.     |
| 2004.08        | 10             | 150,000,000              | 1,500,000,000 | 93,374,956      | 933,749,560   | Capitalization of earnings, employee bonus, and capital surplus   | —  | Jing-Shou-Shang-Zi No. 09301159590, August 30, 2004.  |
| 2004.10        | 10             | 150,000,000              | 1,500,000,000 | 97,202,271      | 972,022,710   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09301194750, October 13, 2004. |
| 2005.01        | 10             | 150,000,000              | 1,500,000,000 | 98,295,785      | 982,957,850   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09401006710, January 13, 2005. |
| 2005.04        | 10             | 150,000,000              | 1,500,000,000 | 99,737,444      | 997,374,440   | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09401065060, April 18, 2005.   |
| 2005.07        | 10             | 150,000,000              | 1,500,000,000 | 109,295,765     | 1,092,957,650 | Corporate bond conversion   | —  | Jing-Shou-Shang-Zi No. 09401133930, July 19, 2005.    |

| Year/<br>Month | Issue<br>price | Authorized share capital |               | Paid-in capital |               | Remarks   |  |   |
|----------------|----------------|--------------------------|---------------|-----------------|---------------|---|--|---|
|                |                | Shares                   | Amount        | Shares          | Amount        | Source of share<br>capital                                      | Offset by any<br>property other<br>than cash | Others  |
| 2005.09        | 10             | 170,000,000              | 1,700,000,000 | 117,434,507     | 1,174,345,070 | Capitalization of earnings, employee bonus, and capital surplus | —  | Jing-Shou-Shang-Zi No. 09401170540, September 2, 2005.  |
| 2005.09        | 10             | 170,000,000              | 1,700,000,000 | 121,573,788     | 1,215,737,880 | Corporate bond conversion                                       | —  | Jing-Shou-Shang-Zi No. 09401178850, September 15, 2005. |
| 2006.08        | 10             | 170,000,000              | 1,700,000,000 | 139,573,788     | 1,395,737,880 | Capital increase in cash  | —  | Jing-Shou-Shang-Zi No. 09501167730, August 2, 2006.     |
| 2006.08        | 10             | 200,000,000              | 2,000,000,000 | 153,000,000     | 1,530,000,000 | Capitalization of earnings, employee bonus, and capital surplus | —  | Jing-Shou-Shang-Zi No. 09501194770, August 31, 2006.    |
| 2007.08        | 10             | 200,000,000              | 2,000,000,000 | 161,600,000     | 1,616,000,000 | Capitalization of earnings and employee bonus                   | —  | Jing-Shou-Shang-Zi No. 09601191570, August 7, 2007.     |
| 2008.08        | 10             | 200,000,000              | 2,000,000,000 | 170,800,000     | 1,708,000,000 | Capitalization of earnings and employee bonus                   | —  | Jing-Shou-Shang-Zi No. 09701216530, August 26, 2008.    |
| 2009.09        | 10             | 200,000,000              | 2,000,000,000 | 179,542,034     | 1,795,420,340 | Capitalization of earnings and employee bonus                   | —  | Jing-Shou-Shang-Zi No. 09801202160, September 2, 2009.  |
| 2009.11        | 10             | 300,000,000              | 3,000,000,000 | 202,204,922     | 2,022,049,220 | Corporate bond conversion                                       | —  | Jing-Shou-Shang-Zi No. 09801272320, November 25, 2009.  |
| 2010.03        | 10             | 300,000,000              | 3,000,000,000 | 207,198,329     | 2,071,983,290 | Corporate bond conversion                                       | —  | Jing-Shou-Shang-Zi No. 09901054000, March 22, 2010.     |
| 2011.11        | 10             | 300,000,000              | 3,000,000,000 | 205,696,329     | 2,056,963,290 | Cancellation of treasury stock                                  | —  | Jing-Shou-Shang-Zi No. 10001263810, November 22, 2011.  |
| 2013.11        | 10             | 300,000,000              | 3,000,000,000 | 203,196,329     | 2,031,963,290 | Cancellation of treasury stock                                  | —  | Jing-Shou-Shang-Zi No. 10201234710, November 18, 2013.  |
| 2014.05        | 10             | 300,000,000              | 3,000,000,000 | 204,582,329     | 2,045,823,290 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10301089610, May 16, 2014.       |
| 2014.07        | 10             | 300,000,000              | 3,000,000,000 | 204,747,329     | 2,047,473,290 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10301146990, July 24, 2014.      |
| 2014.11        | 10             | 300,000,000              | 3,000,000,000 | 204,858,329     | 2,048,583,290 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10301240300, November 24, 2014.  |
| 2015.03        | 10             | 300,000,000              | 3,000,000,000 | 204,896,329     | 2,048,963,290 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10401051700, March 30, 2015.     |
| 2015.05        | 10             | 300,000,000              | 3,000,000,000 | 205,245,329     | 2,052,453,290 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10401091970, May 21, 2015.       |
| 2015.08        | 10             | 300,000,000              | 3,000,000,000 | 205,254,579     | 2,052,545,790 | Employee stock option   | —  | Jing-Shou-Shang-Zi No. 10401172450, August 17, 2015.    |
| 2018.08        | 10             | 300,000,000              | 3,000,000,000 | 201,958,579     | 2,019,585,790 | Cancellation of treasury stock                                  | —  | Jing-Shou-Shang-Zi No. 10701102650, August 15, 2018.    |
| 2021.08        | 10             | 300,000,000              | 3,000,000,000 | 221,958,579     | 2,219,585,790 | Capital increase in cash  | —  | Jing-Shou-Shang-Zi No. 11001153050, August 31, 2021.    |
| 2024.07        | 10             | 300,000,000              | 3,000,000,000 | 233,958,579     | 2,339,585,790 | Capital increase in cash  | —  | Jing-Shou-Shang-Zi No. 11330115190, July 16, 2024.      |

(II) List of Major Shareholders:

March 28, 2025

| Share<br>Name of major shareholders  | Number of shares held | Shareholding ratio<br>(%) |
|--|-----------------------|---------------------------|
| CHOU, WAN-SHUN   | 23,032,644            | 9.84%                     |
| LEE, CHUNG-YI  | 16,156,787            | 6.91%                     |
| WANG, WEN-YANG   | 3,500,000             | 1.50%                     |
| WU, CHIH-WEI   | 3,260,000             | 1.39%                     |
| CHIEN, CHIH-CHENG  | 1,980,328             | 0.85%                     |
| LI, WEN-CHE  | 1,500,000             | 0.64%                     |
| HUANG, CHUNG-WEI   | 1,479,000             | 0.63%                     |
| Business Department of Standard Chartered International Commercial Bank, acting as custodian for the Advanced Starlight Funds – Advanced Total International Stock Index Fund investment account               | 1,434,016             | 0.61%                     |
| Business Department of Standard Chartered International Commercial Bank, acting as custodian for the Advanced Trust Company – Institutional Total International Stock Market Index Trust II investment account | 1,393,000             | 0.60%                     |
| HU, MAN-LING   | 1,200,000             | 0.51%                     |

(III) The Company's Dividend Policy and Implementation:

1. Dividend policy stipulated in the Company's Articles of Incorporation:

(1) Article 17 of the Company's Articles of Incorporation stipulates that:

The Company shall deduct the distribution of the remuneration of employees and the remuneration of Directors from the income before tax of the current fiscal year first, followed by covering the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors. The distribution of the employee remuneration in shares or cash shall be executed in accordance with the resolution of the Board of Directors' Meeting attended by more than two-thirds of the Directors and the consents of a majority of the attending Directors. In addition, a report to the shareholders' meeting shall also be made. Employees are entitled to receive employee remuneration distributed in the form of shares or cash, and the subjects may be employees of the parent or subsidiaries of the Company meeting certain specific requirements.

- (2) Article 17-1 of the Company's Articles of Incorporation stipulates that:

Where the Company has a net profit in the current period after the settlement of a fiscal year, the accumulated loss shall be covered first, and 10% thereof shall be set aside as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, it may be exempted from such appropriation. For the remaining amount, a special reserve shall be set aside or reversed according to the laws or regulations of the competent authority. Subsequently, if there is still a remaining amount, such remaining amount and the accumulated undistributed surplus at the beginning of the same period may be combined with the undistributed earnings as the accumulated distributable earning for shareholders, which is submitted to the Board of Directors for the preparation of an earning distribution proposal, followed by submitting the proposal to the shareholders' meeting for resolution on the distribution thereof, if the earnings are distributed in the form of new shares.

The Company, in accordance with Paragraph 5 of Article 240 of the Company Act, authorizes the Board of Directors to pay distributable dividends and bonuses or legal reserve and the capital reserve described in Paragraph 1 of Article 241 of the Company, in whole or in part, in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and, in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Company is in the technology industry and the industrial environment change is rapid. With consideration of the future capital demand and sound financial planning for the sustainable development of the Company, it is preferable to adopt a stable dividend policy. The dividend rate is expected to be above 20%, and cash dividend accounts for more than 20% of the total shareholders' bonus. Nevertheless, when the price per share for the cash dividend is lower than NT\$0.1 (inclusive), no cash dividends are to be issued, but stock dividends are issued instead.

2. Distribution of the dividends proposed at the shareholders' meeting

Under the Company's Articles of Incorporation, the Company's Board meeting held on March 4, 2024 resolved to distribute the bonus of shareholders for NT\$35,093,787 at NT\$0.15 per share.

- (IV) The impact of the stock dividend proposed for the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(V) Remuneration of employees, directors and supervisors:

1. The percentage or range of remuneration to the employees, directors and supervisors are delineated under the Articles of Incorporation:

Article 17 of the Company's Articles of Incorporation stipulates that:

The Company shall deduct the distribution of the remuneration of employees and the remuneration of Directors from the income before tax of the current fiscal year first, followed by covering the accumulated loss amount. Where there is any remaining amount after such deduction, no less than 10% of such amount shall be appropriated as the remuneration of employees and no more than 3% of such amount shall be appropriated as the remuneration of Directors. The distribution of the employee remuneration in shares or cash shall be executed in accordance with the resolution of the Board of Directors' Meeting attended by more than two-thirds of the Directors and the consents of a majority of the attending Directors. In addition, a report to the shareholders' meeting shall also be made. Employees are entitled to receive employee remuneration distributed in the form of shares or cash, and the subjects may be employees of the parent or subsidiaries of the Company meeting certain specific requirements.

2. The basis for estimating the amount of remuneration for employees, directors, and supervisors for the current period, the basis for calculating the quantity of stock dividends to be allocated, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure thereof.

- (1) In 2024, the Company deducted the remuneration to employees and directors from the income before tax of the current fiscal year first, followed by covering the accumulated loss amount, and then no less than 10% thereof was appropriated as the remuneration to employees, NT\$2,245,236, and no more than 3% thereof appropriated as the remuneration to directors, NT\$673,570, both distributed in cash.

- (2) The differences between the actual distribution and estimated amount are accounted for as a change in accounting estimate, and recognized as an adjustment in the year at distribution.

3. Information on distribution of bonuses resolved by the board of directors:

- (1) Amount of remuneration to employees, directors and supervisors distributed in cash or in shares. If the amount estimated in the year of the recognized expenses is different, the difference, the cause and the treatment shall be disclosed:

The Company's 2024 remuneration to employees and directors was resolved by the Board meeting held on March 4, 2025. The remuneration to employees was NT\$2,245,236 and remuneration to directors was NT\$673,570, both distributed in cash. There is no difference from the amount estimated in the year when the

expenses were recognized.

- (2) The amount of employee remuneration distributed in stock and the ratio to the net income after tax and the total amount of employee remuneration in the parent company only or individual financial statements of the current term: No employee remuneration distributed in stock, thus not applicable.
4. The actual allocation of the remuneration to employee, directors and supervisors in the previous year (including the number, amount and stock price of allocated shares), the deviation between the actual allocation and the estimated figures, if any, and cause and treatment thereof:
  - (1) The actual distribution of remuneration to employees and directors for the previous year:  
The actual amount of remuneration distributed to employees and directors in 2023 was NT\$26,873,722 and NT\$8,062,116 respectively.
  - (2) The difference between the actual amount distributed referred to in the preceding paragraph and recognized remuneration to employees and directors: None.

(VI) Share repurchases:

1. Execution completed:

|   |  |
|---|--|
| No. of shares repurchased   | 6th time   |
| Purpose of share repurchase   | Repurchase the shares and transfer the same to employees for the purpose of motivating and enhancing the employees' loyalty. |
| Duration of share repurchase  | November 10, 2022 to January 9, 2023   |
| Range of prices at which the shares were repurchased  | NT\$12.4 to NT\$26.50  |
| Type and quantity of shares repurchased   | Ordinary share: 4,000,000 shares   |
| Amount of shares repurchased  | NT\$90,027,683   |
| Quantity of the shares repurchased as a percentage of the number scheduled to be repurchased (%)        | 100%   |
| Quantity of shares canceled and transferred   | 4,000,000 shares (transferred to employees in August 2023 and March 2024)  |
| Cumulative quantity of the Company's shares held  | 4,000,000 shares   |
| Cumulative number of the Company's shares held as a percentage of the Company's total issued shares (%) | 1.80%  |

2. Under implementation: None.

## II. Issuance of Corporate Bonds

The Company issued 6,000 bonds on July 1, 2024 with a total face value of NT\$600,000 thousand and a coupon rate of 0% for a three-year unsecured convertible corporate bond.

|   |   |
|---|---|
| Corporate bond type   | The sixth domestic unsecured convertible corporate bonds  |
| Issuance (process) date   | July 1, 2024  |
| Issued face value   | NT\$100,000 per bond  |
| Issue price   | 101% of face value  |
| Total issue amount  | NT\$600,000,000   |
| Interest rate   | 0% per annum  |
| Maturity term   | 3 years, maturity date: July 1, 2027  |
| Trustee   | Trust Division, Mega International Commercial Bank Co., Ltd.  |
| Underwriting Institution  | Grand Fortune Securities Co., Ltd., President Securities Corporation, and Capital Securities Corporation  |
| Name of Attorney  | CHIU, YA-WEN Attorney-at-Law, Handsome Attorneys-at-law   |
| Name of CPA   | Not applicable  |
| Method of repayment of principal                                      | Unless converted into the Company's common shares, redeemed early, repurchased, or bought back by the Company (including through securities brokers), the principal shall be repaid in full in cash at maturity.  |
| Outstanding principal   | NT\$600,000,000   |
| Terms of redemption or early repayment                                | Please refer to the Regulations Governing Issuance and Conversion   |
| Restricted Clause   | Please refer to the Regulations Governing Issuance and Conversion   |
| Impact of Issuance and Conversion on Equity and Existing Shareholders | The current conversion price is NT\$126. If fully converted, an additional 4,762 thousand shares will be issued. Given the current total outstanding shares of 233,959 thousand, the conversion would account for approximately 2.03% of total shares, which is not expected to have a significant impact on existing shareholders' equity. |

### Information on convertible corporate bonds

|  |         |  |
|--|---------|--|
| Corporate bond type                            |         | The sixth domestic unsecured convertible corporate bonds                       |
| Year / Items                                   |         | As of December 31, 2024  |
| Market Price of Convertible Corporate Bonds    | Highest | 138  |
|  | Lowest  | 111  |
|  | Average | 132.34   |
| Conversion price                               |         | NT\$126 per share  |
| Issuance Date and Conversion Price at Issuance |         | Issuance Date: July 1, 2024<br>Conversion Price at Issuance: NT\$126 per share |
| Method of Fulfilling Conversion Obligation     |         | Conversion is executed through the issuance of new common shares               |

III. Status of issue and private placement of preferred shares: None.

IV. Status of issue global depositary receipts: None.

V. Issue of employee stock warrants:

- (I) Disclosure of unexpired employee stock warrants issued by the Company in existence as of the date of publication of the Annual Report, and the effect of such warrants upon shareholders' equity. Any privately placed employee stock warrants shall be prominently identified as such.

#### Issue of employee stock warrants

Marth 31, 2025

|   |   |      |
|---|---|------|
| Type of employee stock warrants   | 2022 2nd employee share warrants  |      |
| Effective date of reporting and total units   | November 29, 2022 / 5,000,000 units   |      |
| Issuance (process) date   | May 20, 2024  |      |
| Number of issued units  | 5,000,000 units   |      |
| Number of outstanding units   | 0 units   |      |
| Ratio of subscribable shares to total issued and outstanding shares                           | 2.25%   |      |
| Duration of subscription for shares   | Six years   |      |
| Contract performance method   | With book-less appropriation for issuance of new shares   |      |
| Restricted subscription period and percentage (%)   | Upon expiration of two years after the employee stock warrants are granted, the stock options may be exercised in accordance with the following schedule and proportion:  |      |
|   | The accumulated exercisable stock options (%)   |      |
|   | Time course   |      |
|   | After two years upon expiration   | 50%  |
|   | After three years upon expiration   | 75%  |
|   | After four years upon expiration  | 100% |
| Quantity of shares executed   | 0   |      |
| Subscription amount executed  | 0   |      |
| Unexecuted subscription quantity  | 4,774,000 units   |      |
| Subscription price per share for those having not yet executed the stock options              | NT\$80.7 per share  |      |
| Quantity of shares that have not yet been executed to the total quantity of shares issued (%) | 2.04%   |      |
| Impact on shareholders' equity  | The stock warrants are issued in order to attract and retain the talent needed by the Company, motivate and enhance the employees' loyalty, and create profit for the Company and shareholders at the same time, to impose a positive effect on the shareholders' equity. |      |

(II) Name and subscription status of managerial officers who have obtained employee stock options and employees ranked in the top 10 employees with the highest number of shares to which they have subscription rights through employee stock warrants acquired, up to the publication date of this annual report:

Marth 31, 2025

|           | Position  | Name   | Subscribed Quantity<br>(Shares) | Ratio of Subscribed<br>Shares to Total Issued<br>Shares (%) | Executed                          |                             |   |   | Unexecuted                        |                             |   |   |
|-----------|---|--|---------------------------------|---|-----------------------------------|-----------------------------|---|---|-----------------------------------|-----------------------------|---|---|
|           |   |  |                                 |   | Subscription Quantity<br>(Shares) | Subscription Price<br>(NTD) | Executed Subscription<br>Amount<br>(NTD thousand) | Ratio of Subscribed<br>Shares to Total Issued<br>Shares (%) | Subscription Quantity<br>(Shares) | Subscription Price<br>(NTD) | Executed Subscription<br>Amount<br>(NTD thousand) | Ratio of Subscribed<br>Shares to Total Issued<br>Shares (%) |
| Managers  | President   | CHOU, WAN-SHUN   | 503,000                         | 0.21%   | -                                 | -                           | -   | -   | 503,000                           | 80.7                        | 40,952  | 0.21%   |
|           | Vice President                                    | HUANG, PEI-FENG  |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Assistant Vice President                          | TSAI, MIN-CHEN / YANG, PAI-JUNG / CHEN, CHIH-YUNG / LU, TSUNG-WEI / HUANG, LI-WEI / LEE, CHIA-MING / LIU, HSIU-HSING |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
| Employees | President of Overseas Subsidiary                  | CHEN, YU-CHING   | 752,000                         | 0.32%   | -                                 | -                           | -   | -   | 752,000                           | 80.7                        | 60,686  | 0.32%   |
|           | Vice President of Overseas Subsidiaries           | HUANG, CHIA-AN   |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Assistant Vice President of Overseas Subsidiaries | HSU, YI-FAN  |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Senior Manager of Overseas Subsidiaries           | CHENG, CHEN-HO   |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Special Assistant                                 | CHOU, MENG-HSIEN / YEH, SU-CHUN / TENG, YU-WEN   |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Senior Manager                                    | LIAO, TAI-PIN / LI, YEN-HSI / CHEN, YU-JEN / CHEN, HSIEN-CHENG   |                                 |   |                                   |                             |   |   |                                   |                             |   |   |
|           | Manager   | LU, CHIA-YANG / CHANG, KANG-HAO / CHANG, WEI-HUNG  |                                 |   |                                   |                             |   |   |                                   |                             |   |   |

VI. Issue of new employee restricted shares: None

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

### VIII. Implementation of Fund Usage Plan:

(I) Contents of the plan:

1. Total fund required for this project: NT\$1,470,000 thousand.
2. Source of Capital:
  - (1) Capital increase by issuance of 12,000 thousand new common shares at a par value of NT\$10, with an issue price of NT\$72 per share, for a total raised amount of NT\$864,000 thousand.
  - (2) Issuance of up to 6,000 Sixth Domestic Unsecured Convertible Corporate Bonds, each with a face value of NT\$100 thousand, for a total face value of NT\$600,000 thousand, with a three-year maturity and a 0% coupon rate. Bonds will be issued at 100%–101% of face value. The maximum amount raised is expected to be NT\$606,000 thousand. If the convertible bonds are not fully subscribed and the funds raised are insufficient, the shortfall will be covered by bank loans or the Company's own funds.
3. Progress of the scheduled use of funds:

Unit: NTD thousand

| Planned projects             | Scheduled completion date | Total Capital | Scheduled use of funds |
|------------------------------|---------------------------|---------------|------------------------|
|                              |                           |               | 2024                   |
|                              |                           |               | Q3                     |
| To repay bank loans          | 2024 Q3                   | 960,000       | 960,000                |
| To replenish working capital | 2024 Q3                   | 510,000       | 510,000                |
| Total                        |                           | 1,470,000     | 1,470,000              |

4. Expected potential benefits:

(1) To repay bank loans

The Company plans to raise NT\$1,470,000 thousand through this round of cash capital increase and issuance of the sixth domestic unsecured convertible corporate bonds. Of this amount, NT\$960,000 thousand is allocated for repayment of bank loans. The repayment is scheduled to occur in Q3 of 2024, immediately after the fundraising is completed. Based on the current interest rate of 2.6256% for the loans being repaid, the Company expects to save approximately NT\$25,206 thousand in annual interest expenses. This measure is expected to moderately reduce the Company's reliance on bank borrowings, lessen its financial burden, enhance debt-servicing capability, and improve the overall financial structure, thereby supporting the Company's long-term operational development.

(2) To replenish working capital

The Company plans to raise NT\$1,470,000 thousand through this round of cash capital increase and issuance of the sixth domestic unsecured convertible corporate bonds, NT\$510,000 thousand is allocated to replenish working capital. This is intended to meet the growing working capital needs resulting from the Company's expanding business scale. In addition to reducing dependence on bank financing and increasing the flexibility and stability of capital use, this allocation is expected to result in estimated annual savings of NT\$10,200 thousand in interest expenses, assuming the current weighted average borrowing rate of 2%. This funding will relieve the Company's financial pressure, strengthen its financial structure, and enhance long-term competitiveness.

(II) Implementation Status:

1. Implementation Status

Unit: NTD thousand

| Planned projects             | Implementation Status       |           | 2024 Q3   | Reason for being ahead of schedule or behind schedule   |
|------------------------------|-----------------------------|-----------|-----------|---|
| To repay bank loans          | Amount used                 | Scheduled | 960,000   | (1) The Company has repaid the bank loans in accordance with the planned schedule, with the repayment completed in Q3 2024. No irregularities have occurred.<br>(2) Working capital was 100% replenished by Q3 2024 and there was no abnormality. |
|                              |                             | Actual    | 960,000   |   |
|                              | Implementation progress (%) | Scheduled | 100.00    |   |
|                              |                             | Actual    | 100.00    |   |
| To replenish working capital | Amount used                 | Scheduled | 510,000   |   |
|                              |                             | Actual    | 510,000   |   |
|                              | Implementation progress (%) | Scheduled | 100.00    |   |
|                              |                             | Actual    | 100.00    |   |
| Total                        | Amount used                 | Scheduled | 1,470,000 |   |
|                              |                             | Actual    | 1,470,000 |   |
|                              | Implementation progress (%) | Scheduled | 100.00    |   |
|                              |                             | Actual    | 100.00    |   |

2. Efficiency evaluation:

(1) To repay bank loans

To reduce interest expenses, the Company repaid its bank loans as planned in Q3 2024. Based on the loan interest rate of 2.6256%, the estimated interest savings from Q3 2024 onward is approximately NT\$12,603 thousand, with annual interest savings of around NT\$25,206 thousand in subsequent years. There were no material deviations from the plan.

(2) To replenish working capital

After successfully raising the required funds in June 2024, the Company allocated NT\$510,000 thousand in Q3 2024 to replenish working capital. The funds were

used to support material purchases and day-to-day operational needs. This not only reduced the Company's reliance on bank loans, but also improved long-term capital stability and flexibility in fund utilization. Based on the current short-term loan interest rate of 2%, the Company expects to save approximately NT\$5,100 thousand in interest expenses starting Q3 2024, and around NT\$10,200 thousand annually thereafter. There were no material deviations from the plan.

## Four. Overview of Operations

### I. The content of business:

#### (I) The scope of business

##### 1. Main businesses of the Company include:

- (1) CB01010 Mechanical Equipment Manufacturing
- (2) CB01020 Affairs Machine Manufacturing
- (3) CB01030 Pollution Controlling Equipment Manufacturing
- (4) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (5) CC01040 Lighting Equipment Manufacturing
- (6) CC01060 Wired Communication Mechanical Equipment Manufacturing
- (7) CC01070 Wireless Communication Mechanical Equipment Manufacturing
- (8) CC01080 Electronics Components Manufacturing
- (9) CC01110 Computer and Peripheral Equipment Manufacturing
- (10) CQ01010 Mold and Die Manufacturing
- (11) F106030 Wholesale of Molds
- (12) F107190 Wholesale of Plastic Films and Bags
- (13) F113010 Wholesale of Machinery
- (14) F113020 Wholesale of Electrical Appliances
- (15) F113050 Wholesale of Computers and Clerical Machinery Equipment
- (16) F113070 Wholesale of Telecommunication Apparatus
- (17) F113100 Wholesale of Pollution Controlling Equipment
- (18) F119010 Wholesale of Electronic Materials
- (19) F206030 Retail Sale of Molds
- (20) F213010 Retail Sale of Electrical Appliances
- (21) F213030 Retail Sale of Computers and Clerical Machinery Equipment
- (22) F213060 Retail Sale of Telecommunication Apparatus
- (23) F213080 Retail Sale of Machinery and Tools
- (24) F213100 Retail Sale of Pollution Controlling Equipment
- (25) F219010 Retail Sale of Electronic Materials
- (26) F401010 International Trade
- (27) F601010 Intellectual Property Rights
- (28) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business breakdown:

Unit: NTD thousand

| Items \ Year          | 2024         |            | 2023         |            |
|-----------------------|--------------|------------|--------------|------------|
|                       | Sales amount | Percentage | Sales amount | Percentage |
| Lead frame (LED/SMD)  | 2,150,426    | 39.15%     | 1,815,369    | 35.82%     |
| Thermal component     | 990,313      | 18.03%     | 1,200,378    | 23.68%     |
| Ceramic circuit board | 867,256      | 15.79%     | 603,617      | 11.91%     |
| TV backlight module   | 697,072      | 12.69%     | 619,448      | 12.22%     |
| IC lead frame         | 441,289      | 8.03%      | 408,582      | 8.06%      |
| Rental income         | 35,606       | 0.65%      | 89,585       | 1.77%      |
| Others                | 310,416      | 5.66%      | 331,717      | 6.54%      |
| Total                 | 5,492,378    | 100.00%    | 5,068,696    | 100.00%    |

3. Current products (services) and items:

| Category  | Main products                    |
|---|----------------------------------|
| Light-emitting diode (LED) lead frame                       | Lead frame for SMD, LED, and P/C |
| Back Light Module   | TV backlight module              |
| High-power heat sink substrate and heat dissipation module  | Ceramic circuit board            |
| Semiconductor package heat sink and heat dissipation module | Thermal component                |
| Semiconductor IC lead frame                                 | IC lead frame                    |

4. New products and technologies (services) planned to be developed:

| R&D fields  | Research and Development Items                                  | Current R&D progress  | Estimated R&D timeline                     |
|---|---|---|--|
| Human-machine robots, industrial control, servers, and power supply | Development of ultra-high density photo coupler lead wire frame | 2025 Q1: Design of new products, development of new molds, and sampling<br>2025 Q2: Product testing and reliability verification<br>2025 Q3: Passed client packaging and testing verification<br>2025 Q4: Certification for small batch test production<br>2026 Q1: Mass production | Expected mass production in 2026 Q1        |
| Battery Management System (BMS)                                     | Development of high power TOLL and TOLT lead wire frame         | 2025 Q1: Research and feasibility assessment of product technology<br>2025 Q2: Assessment, planning and modification of stamping, electroplating process equipment<br>2025 Q3: Design and development of new  | It is expected to be developed by 2025 Q4. |

| R&D fields                     | Research and Development Items    | Current R&D progress   | Estimated R&D timeline              |
|--------------------------------|-----------------------------------|--|-------------------------------------|
|                                |                                   | products, mold development, and sampling<br>2025 Q4: Testing of samples, reliability verification, product verification  |                                     |
| Intelligent Power Module (IPM) | Development of power module frame | 2025 Q1: Research and feasibility assessment of product technology<br>2025 Q2: Process equipment feasibility assessment, planning and project integration<br>2025 Q3: Designing new products, etching samples, development, production, and sampling of samples<br>2025 Q4: Testing of etching samples, reliability verification, product verification | Expected mass production in 2027 Q1 |

## (II) Industry Overview

### 1. Industry status and development:

The Company's main products include LED lead frames, TV backlight modules, ceramic substrates, thermal components, and IC lead frames, among other components. LED lead frames are positioned in the downstream segment of the LED industry. The Company primarily produces surface-mount device (SMD) LED lead frames and lamp-type LED lead frames; TV backlight modules belong to the upstream segment of the flat panel display industry chain; Ceramic substrates, mainly used for high-heat-dissipation LED packaging bases, fall within the midstream segment of the LED industry chain; Thermal components and IC lead frames are part of the downstream segment of the semiconductor industry chain. The following outlines the current situation and development of the relevant industries:

#### (1) LED Industry

In 2024, global economic growth remained under pressure due to factors such as the Russia-Ukraine conflict, inflation, and China's sluggish economy. The consumer electronics sector continued to contract. While there was gradual growth in demand for automotive LED components, the overall LED component market continued to decline. It is expected that the automotive and ultraviolet/infrared rays

will grow slightly in 2025, and the lighting and LED display will decline slightly.

(2) Flat panel display industry

In 2024, the Paris Olympics and numerous major sporting events spurred demand for large-size TVs, which in turn boosted panel shipments. Looking ahead to 2025, advancements in technologies such as OLED and Mini LED, along with trends like AI-enabled PCs and smartphones, are expected to drive a new wave of device upgrades and replacements. This will further support the growth in panel shipments. Growth in the TV panel segment will be primarily driven by increased demand for larger screen sizes, with the average panel size now exceeding 50 inches.

(3) Semiconductor industry

In 2024, the semiconductor end-market began to recover, with inventory levels returning to a healthy state. Additionally, strong demand for emerging applications, especially in artificial intelligence (AI), fueled upgrades across electronic devices such as personal computers and smartphones. Looking forward to 2025, the semiconductor industry is projected to continue on a positive growth trajectory, supported by the ongoing recovery of end markets and the rising demand for AI and high-performance computing (HPC) applications. These factors are expected to further drive technological development and market expansion in the semiconductor sector.

2. Correlation between the upstream, midstream and downstream parts of the industry:

(1) LED Industry

According to its manufacturing process, LEDs can be roughly divided into three stages: upstream epitaxy, midstream chip production, and downstream packaging.

| LED industry structure |  |  |   |
|------------------------|--|--|---|
| LED industry           | Upstream                               | Midstream                                | Downstream                              |
| Process                | Raw material → MOCVD machine → epitaxy | Adapter plate → chip cutting → chip test | Chip bonding → wire bonding → packaging |
| Company                | EPISTAR (ENNOSTAR), TEKCORE, TYNTEK    |  | LITEON, EVERLIGHT HARVATEK, AOT         |

The Company's role in the LED industry supply chain is as a downstream lead frame supplier for the packaging business. Lead frame, also known as frame or bracket, is one of the three major raw materials in the packaging industry. Lead frames can be divided into three types according to different application areas,

namely IC lead frame, LED lead frame, and transistor lead frame. They serve as the medium between chip, LED, or transistor and the printed circuit board.

| Upstream                        | Midstream   | Downstream  | Relevant applications of products   |
|---------------------------------|---|---|---|
| Copper alloy, nickel-iron alloy | LED lead frame industry (I-CHIUN, Jentech Precision Industrial Co., Ltd. and SDI Corporation) | LED packaging industry (Lite-On Technology Corp., Everlight Electronics Co., Ltd., Harvatek Corporation, and Advanced Optoelectronic Technology Inc.) | Automotive and industrial products, telecommunications, communications products, computers and peripheral products, consumer electronics, precision instruments, and aerospace industry |

## (2) Flat panel display industry

| Upstream  | Midstream                          | Downstream                            | Relevant applications of products                                     |
|---|------------------------------------|---------------------------------------|---|
| Upstream materials and components (Backlight modules, color filter, polarized light panels, glass substrates, and drivers of IC, etc.) (I-Chuan, Delta Electronics and Darwin Precisions Corporation) | Panel manufacturers (AUO, Innolux) | Module assembly vendor (AUO, Innolux) | Notebooks<br>TV<br>Mointor<br>Mobile phone<br>Other portable products |

The backlight module of the flat panel display is a component that provides the back light source of a product, and can be applied to various information, communication, and consumer products, such as LCD and scanners. However, the market for light source components for LCD is relatively large, and the LED backlight technology can be divided into two types: direct back-lit or full LED array back-lit and edge LED back-lit. The Company mainly provides direct back-lit modules for flat-screen TVs.

## (3) Semiconductor industry

In the semiconductor industry, with IC designers in the upstream. IC design is to present the specifications and functions of customers' or self-developed products through circuit design. In other words, it's the process in which the function of the chip is changed from logic design to wafer design. Then, in the midstream IC manufacturing, wafer manufacturing, and relevant processes and inspection/testing

equipment manufacturers collaborate and divide labor. The wafers made in the fab are printed with the basic circuit pattern from the mask. Then, through the process equipment of each stage, such as oxidation, diffusion, etching, deposition, and ion implantation, the circuits and the components on the circuits are fabricated on the wafer. The key to each process lies in the development of advanced process technology and equipment. Finally, in downstream IC packaging, the manufacturers package the chips after the wafer is cut with plastic, ceramic, or metal to protect the chips from collision and pollution, allowing them to be assembled easily, to achieve connection and the heat dissipation effect for the electrical properties of the chips and the electronic system. The Company operates in the downstream segment of the industry, specializing in the manufacturing of thermal components for IC packaging and testing. The diagram below illustrates the relationship and flow between upstream and downstream sectors of the industry:

| Upstream                    | Midstream                             | Downstream                              |
|-----------------------------|---------------------------------------|---|
| IC design<br>(MTK, NOVATEK) | IC wafer manufacturing<br>(TSMC, UMC) | IC packaging and testing<br>(ASE, SPIL) |

### 3. Various product development trends:

#### (1) LED Industry

With the rise of AI, Big Data, the Internet of Things (IoT), and the smart technology era, demand for LED sensors, automotive LEDs, and infrared LED components is steadily increasing. Taiwanese LED manufacturers are actively expanding into niche markets, focusing on the development of high value-added products. As revenue contributions from these niche sectors grow, industry profit margins are expected to improve, fostering a positive long-term development outlook for the LED industry.

#### (2) Flat panel display industry

Korean panel manufacturers have scaled down or shut down production of TFT-LCD products, shifting their focus toward high-end technologies such as OLED and Micro LED. At the same time, panel makers continue to enhance their manufacturing processes and reduce production costs. Micro LED is seen as a key emerging technology poised to compete with OLED in high-end applications, particularly in automotive displays, smart displays, and AR/VR/MR applications—where factors like brightness, power efficiency, and resistance to environmental interference are critical. Once Micro LED overcomes current challenges in yield and cost, it is expected to become a major driver of the next wave of growth in high-

end display technologies.

(3) Semiconductor industry

The semiconductor sector continues to benefit significantly from growing demand in AI (Artificial Intelligence) and HPC (High-Performance Computing), which are driving increases in overall industry output value. At the same time, advanced process capacity in semiconductor manufacturing continues to expand, propelling the development of advanced packaging technologies and increasing demand for thermal management components, including heat spreaders and thermal modules.

4. Competition:

(1) LED Industry

The Company is a domestic LED lead frame manufacturer, and its main competitors include SDI Corporation, and Jentech Precision Industrial Co., Ltd. In recent years, the lead frame factories of China's companies have gradually risen, which has facilitated the already fierce competition in market prices. Compared with its competitors, the Company has advantages in economies of scale and a steep learning curve in production and R&D. Additionally, as the Company's technological capability and quality stability have grown stronger, it has established long-term partnerships with the main domestic LED packaging companies.

(2) Flat panel display industry

In the direct-lit backlight module market, the main competitors include manufacturers from Taiwan and mainland China. The Company holds a competitive edge in production technology and quality, earning the trust of its clients. In addition, the Company has improved its production technology capabilities and continued optimization of automation equipment, so its production efficiency has improved steadily, while strengthening its production advantages to differentiate its quality, technology, and efficiency from other competitors.

(3) Semiconductor industry

In the semiconductor thermal component market, the primary competitor is Jentech Precision Industrial Co. Although the Company entered the thermal component sector relatively recently, it has continuously enhanced its R&D capabilities, manufacturing technology and efficiency, product quality, and customer relationships. These efforts have gradually earned customer recognition, thereby strengthening the Company's overall market competitiveness.

(III) Technology and R&D overview

1. R&D expenses invested in the most recent year up to the publication date:

Unit: NTD thousand

| Items                       | 2024      | 2023      |
|-----------------------------|-----------|-----------|
| R&D expenses                | 159,592   | 117,139   |
| Net revenue                 | 5,492,378 | 5,068,696 |
| Proportion to total revenue | 2.91%     | 2.31%     |

2. Technologies or products successfully developed in the last year:

| Year | R&D outcomes  | Description   |
|------|---|---|
| 2020 | Developed IC mold structure technology and successfully developed 5G composite boss heat sink | Optimized the stamping structure to improve the accuracy and stability of stamping quality; stamping multi-step and partial microstructure processing to realize that the same set of molds can produce composite bosses and products with different thicknesses, and used specially developed fixtures to achieve partial electroplating of nickel and gold in multiple spots. |
|      | New product development – electric vehicle product application                                | Development of electric vehicle tire pressure monitoring products for BYD, a Chinese terminal car manufacturer, and passed customer verification.   |
| 2021 | 5G mobile phone (3030) RF bracket   | Develop new molds to improve production capacity advantage and reduce product costs.  |
|      | New product development – application of LEO satellites                                       | Development of the RF-2627NPA and RF-3125NPA LEO satellites produced by the US customer Wolfspeed has completed the verification and mass production introduction.  |
| 2022 | Thin DPC heat sink substrate  | Development of thin and lightweight thermal substrates delivering better thermal efficiency.  |
|      | Upgrade product quality   | Utilize the new technology of high-end IC molds, redevelop new molds to improve the quality of A5023-1011, and pass the customer verification and mass production introduction.   |
| 2023 | 1kw high power VC LID development   | Develop products with higher efficiency than the industry in the industry, so that customers can use them in high-end CPU products to accelerate computing benefits in the future.  |
|      | Improve the professional skills of R&D personnel  | In response to the future development of new AI products for heat dissipation, the professional thermal simulation analysis technology of SolidWorks Flow Simulation will be introduced, and the training of R&D personnel will be completed.   |
| 2024 | Metal aluminum/foil process   | Apply the future encapsulation and wire quality improvement technology to high-watt lamps for automotive use.   |

#### (IV) Long/Short-term business development plans

##### 1. Short-term business development plans

- (1) Engage in professional division of labor to enhance competitiveness. With Taiwan as the R&D center, high value-added products will be produced in Taiwan, and the mass production of well-developed products will be carried out in China through the professional division of labor model to reduce production costs and enhance product competitiveness.
- (2) Establish various management and control standards, improve personnel efficiency, actively improve quality, enhance product competitiveness, increase productivity, lower production costs, and increase the Company's profits.

##### 2. Long-term business development plans

Strengthen customer development, and focus on quality and service stability with the aim of adopting a steady and stable strategy to provide satisfactory services that are recognized and trusted by customers using its technology, so as to win over more international customers and develop higher value-added products.

## II. Market and Sales Overview:

### (I) Market analysis

#### 1. Sales regions for the main products

Unit: NTD thousand

| Year<br>Location |          | 2024         |        | 2023         |        |
|------------------|----------|--------------|--------|--------------|--------|
|                  |          | Sales amount | %      | Sales amount | %      |
| Export           | Americas | 80,387       | 1.46   | 186,428      | 3.68   |
|                  | Europe   | 1,423        | 0.03   | 4,219        | 0.08   |
|                  | Asia     | 4,573,703    | 83.27  | 4,005,273    | 79.02  |
|                  | Subtotal | 4,655,513    | 84.76  | 4,195,920    | 82.78  |
| Domestic sale    |          | 836,865      | 15.24  | 872,776      | 17.22  |
| Total            |          | 5,492,378    | 100.00 | 5,068,696    | 100.00 |

#### 2. Market share percentage

After looking into the relevant industry statistics, there was no relevant statistics on the production and sales of the Company's main product LED lead frames. However, the aforementioned products are indispensable and critical components for LED, and there is a one-to-one corresponding relationship between the quantity and the final product, so the Company instead adopted the monthly industrial production statistics reports on the sales volume of LED in recent years to estimate the approximate domestic market share of the Company's products:

| Items  | 2024       | 2023       | 2022       |
|--|------------|------------|------------|
| Total domestic sales of LEDs                       | 31,999,335 | 27,169,743 | 30,588,128 |
| I-CHIUN's domestic sales of LED lead frames        | 1,267,113  | 1,027,235  | 1,636,058  |
| I-CHIUN's domestic market share of LED lead frames | 3.96%      | 3.78%      | 5.35%      |

Source: Product Statistics (2024) in the Industrial Production, Sales, and Inventory Survey by the Department of Statistics, Ministry of Economic Affairs.

### 3. Future market supply and demand and growth

It is expected that global inflation will gradually ease, with Europe and the United States entering an interest rate cut cycle. As a result, consumer spending is projected to continue expanding, supporting a steady economic recovery. With global trade returning to moderate growth, the AI boom is fueling increased demand for end-user information and communications technology (ICT) products. The application of high-performance computing chips in areas such as AI smartphones, AI PCs, edge AI devices, automotive electronics, and servers is driving growth in the IC design industry. In this context, advancements in advanced process nodes and packaging technologies have become key engines for the industry's rapid expansion. The continued progress in AI, automotive electronics, and satellite communications is also accelerating specification upgrades across electronic components, including PCBs, passive components, and sensors. The semiconductor market is expected to maintain its growth momentum in 2025.

However, risks remain. Escalating regional conflicts, the rise of trade protectionism, excess capacity in China, and intensifying climate change have contributed to growing global economic uncertainties, and future developments should be monitored with caution.

### 4. Competitive niche

#### (1) High quality and stable supply of raw materials

The primary raw materials used in the Company's LED lead frames, including iron and copper, are mainly sourced from Rong Feng Industrial Co., Ltd., First Copper Technology Co., Ltd., Minchali (In-Sun), and Proterial Taiwan, Ltd. Electroplated silver plates are supplied by Solar Applied Materials Technology Corp., Mattel, Inc, and Purify Fine Materials Co., Ltd. For direct-lit TV backlight modules, LED materials are provided by Kunhsin and ZDM. These suppliers consistently provide high-quality and reliable raw materials, enabling the Company to maintain long-term and stable cooperative relationships with them.

#### (2) Complete process and quick response to customer needs

The production process of the Company's LED lead frame is from mold design

→ mold grinding and cutting → stamping forming → electroplating → plastic injection → packaging; the TV backlight module production process is from B/L components → LED SMT → welding → L/B dispensing → LENS SMT → curing → optical inspection → packaging → warehousing. Every step of the process is based on consistent operations to shorten the production process, so that the Company can quickly respond to changes in customer needs.

(3) Improve production technology and optimize automation equipment

The Company focuses on the improvement of production technology, optimizes automation equipment continuously, strengthens production efficiency and stability of quality so as to obtain customers' trust.

5. Favorable, unfavorable factors and countermeasures for our development vision

(1) Favorable factors

- (a) The Company's software and hardware equipment, management system, and personnel training have been quite well developed as intangible assets for business expansion.
- (b) The Company aims to work with internationally renowned manufacturers in terms of products and future R&D to gradually move from components → OEM → its own finished products.
- (c) Actively develop thin, short, and small components to meet market demand.

(2) Unfavorable factors

Fierce market competition, declining prices, and high domestic labor wages affect the manufacturing costs, with continuous downward pressure on product prices.

(3) Response strategies:

- (a) Committed to the development of high value-added products.
- (b) Introduce foreign labor through legal channels to make up for labor shortage.
- (c) Increase the automation equipment to reduce the needs for manpower.
- (d) Move some well-developed products or processes with greater needs for manpower to overseas factories with lower manpower costs for production while providing customer services in the local market in line with the cluster production in the upstream and downstream sections.

(II) Important usages and production processes of the main products

1. Usages of main products:

| Main products         | Main applications   |
|-----------------------|---|
| LED lead frame        | Its purpose is to carry a semiconductor chip. After the current is conducted via the positive and negative electrodes on the lead frame, the light generated through the combination of electrons and electron holes on the chip is released, and high brightness will be produced through the refraction of the bowl surface on the lead frame as an indispensable critical component for the LED assembly. LED lead frames are used for traffic signs, TV backlights, mobile phone light sources, lighting, vehicle lights, infrared rays, etc. |
| TV backlight module   | Its application includes TV backlight sources to replace traditional CCFL backlight; the cap lens secondary optical diffusion method is adopted to respond to consumer demand for TV picture uniformity and saturation.<br>Compared with the side-type backlight, the direct-lit backlight is lower in parts cost and assembly labor cost, which helps increase market competitiveness.<br>The modules currently are applicable to small and medium-sized to large-sized TVs, from 32-inch/39-inch to 100-inch ones.                              |
| Thermal component     | Heat dissipation for semiconductor packaging, semiconductor components, etc.  |
| Ceramic circuit board | Consumer products (Flash products), sensing (TOF and structured light products), lighting applications (street lights and projection lights), automotive applications (headlights, daytime running lamps, and fog lights), and UV applications (UV exposure machines, nail machines, and UV sterilizers)  |

2. Production process of main products:

- (1) LED lead frame: Material → stamping → electroplating → cutting → packaging → warehousing
- (2) SMD LED lead frame: Material → stamping → electroplating → plastic injection → cutting → packaging → warehousing
- (3) TV backlight module: L/B components → LED SMT → welding → L/B dispensing → LENS SMT → curing → optical inspection → packaging → warehousing
- (4) Heat dissipation component: Material → stamping → CNC Machining → electroplating → packaging → warehousing
- (5) Ceramic circuit board: Material → laser processing → vacuum sputtering → lamination → exposure → developing → copper electroplating → grinding and brushing → surface treatment → thin-film etching → warehousing

(III) Supply of main raw materials

| Product                | Name of main raw materials               | Major suppliers  | Place of origin      | Supply status |
|------------------------|--|--|----------------------|---------------|
| LED and SMD lead frame | LED iron material                        | RONGFEN, DINGEN  | Taiwan, China        | Great         |
|                        | LED copper material                      | IN-SUN International Co., Ltd. (Minchali Metal Industry Co., Ltd.), First Copper Technology Co., Ltd., Proterial Taiwan, Ltd., Nuochang Trading          | Taiwan, Japan, China | Great         |
|                        | Chemical plating solution and silver bar | Metalor Coatings, Solar Applied Materials Technology Corp., Yantai Zhaojin Kanfort Precious Metals Incorporated Company, Purify Fine Materials Co., Ltd. | Taiwan, China        | Great         |
|                        | SMD plastic material                     | WahLee, TRUMP CHEMICAL   | Taiwan               | Great         |
| TV backlight module    | PCB                                      | Lian Xin, Ho Shi   | China                | Great         |
|                        | LED                                      | KUNHSIN, ZDM   | China                | Great         |
|                        | LENS                                     | Onslens, Dingneng  | China                | Great         |
| Thermal component      | Copper materials                         | IN-SUN International Co., Ltd. (Minchali Metal Industry Co., Ltd.), First Copper Technology Co., Ltd., Proterial Taiwan, Ltd.                            | Taiwan, Japan        | Great         |

(IV) Main suppliers and customers in the last two years:

- Information on individual sales customers who have accounted for at least 10% of total sales in any of the last two years

Unit: NTD thousand

|       | 2024      |           |  |                              | 2023      |           |  |                              |
|-------|-----------|-----------|--|------------------------------|-----------|-----------|--|------------------------------|
| Items | Name      | Amount    | Percentage of total annual net sales (%) | Relationship with the issuer | Name      | Amount    | Percentage of total annual net sales (%) | Relationship with the issuer |
| 1     | A         | 1,087,950 | 19.81                                    | None                         | A         | 906,559   | 17.89                                    | None                         |
| 2     | Others    | 4,404,428 | 81.19                                    | -                            | Others    | 4,162,137 | 82.11                                    | -                            |
|       | Net sales | 5,492,378 | 100.00                                   | -                            | Net sales | 5,068,696 | 100.00                                   | -                            |

Note: By the date of publication of the annual report, the financial statements of Q1, 2025 have not yet been reviewed by CPAs.

In 2023 and 2024, Customer A, whose purchases accounted for 10% or more of the Company's total sales, primarily procured SMD and LED lead frames as well as ceramic circuit board products used for LED packaging.

- Information on individual suppliers who have accounted for at least 10% of total purchase in any of the last two years:

In 2023 and 2024, the Company did not have individual suppliers accounting for at least 10% of its purchases. Except for the increase or decrease in the purchase amount arising from changes in the market supply and demand, there were no major changes in the Company's major suppliers in the last two years.

III. The number of employees, average years of service, average age, and education distribution in the last two years and as of the publication date of the annual report:

| Year                             |                          | 2023  | 2024  | As of March 31, 2025 |
|----------------------------------|--------------------------|-------|-------|----------------------|
| Number of employees              | Number of managers       | 140   | 146   | 157                  |
|                                  | General employees        | 422   | 462   | 428                  |
|                                  | Production staff         | 1,042 | 1,087 | 1,149                |
|                                  | Total                    | 1,604 | 1,695 | 1,734                |
| Average age                      |                          | 37.75 | 37.63 | 38.12                |
| Average years of services        |                          | 6.19  | 6.11  | 6.44                 |
| Academic degree distribution (%) | Doctorate                | 0.19  | 0.12  | 0.11                 |
|                                  | Master's                 | 2.47  | 2.07  | 2.08                 |
|                                  | Bachelor's Degree        | 35.68 | 36.34 | 35.93                |
|                                  | Senior High School       | 27.46 | 30.09 | 28.66                |
|                                  | Below Senior High School | 34.20 | 31.38 | 33.22                |

Note: The data for the current year as of the publication date of the annual report shall be entered (employees as in the consolidated financial report).

IV. Information on Environmental Expenditure

In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the content of the violation of the regulations, the content of the punishment) should be disclosed. Additionally, the current and future estimated amount and corresponding measures should be disclosed. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated: None.

V. Management-union relations

- (I) Lists the various employee welfare measures, advanced studies, training, retirement systems and their implementation status, and the agreement and various measures for preserving the interests of employees between the employers and employees:

1. Employee welfare measures:

- (1) Labor Insurance and National Health Insurance: The Company applies for labor insurance and National Health Insurance on the first day of its employees, as required by law, so the employees are protected by labor insurance and National Health Insurance.
- (2) Group insurance: As soon as employees arrive at the Company on the first day of their employment, they will be insured by group insurance and casualty insurance with an additional layer of protection.
- (3) Overseas travel insurance: When employees are on business trips abroad, the

Company will always purchase travel insurance for them, which covers accidental death, accidental injury, and sudden illness.

- (4) Free parking space, free annual health examination, and health care services, such as a medical room, breastfeeding rooms, and on-site medical staff.
- (5) Establishment of the Recreational Center for Employees: There is a lounge and a number of sports activities.
- (6) Employee Welfare Committee: To enhance employees' welfare, the Company contributes employee welfare funds and organize an Employee Welfare Committee in accordance with the Employee Welfare Fund Act to handle welfare measures, activities, and club operations and management.

## 2. Training and continuing education

- (1) The Company held a total of 385 internal and external courses in 2024. The average employee training hours was 1.29 hours; the total number of trainees was 7,490 with a total of 9,678 man-hours. The total training cost was NT\$466,390.
- (2) Learning and development: With the concept of respecting, motivating, and planning for the future, the Company continues to cultivate competitive, responsible, and hardworking talents through the plans below while allowing more people to develop happily.
  - (A) The Company has a well-defined annual plan, as well as a monthly plan management system. With an employee training and development system, featuring one-on-one leadership and guidance and competency qualification certification, employees can continuously learn professional skills and management capabilities in the workplace.
  - (B) Through a goal management and high-performance management system, and a group-based management model, the Company helps new employees to create outstanding performance growth. Either promotion from the entry-level employee, the section chief to (deputy) manager or from engineer to senior engineer, there is a complete roadmap for short-, mid-, and long-term development.
  - (C) With an individual KPI performance evaluation mechanism adopted every month, together with an anomaly management system, the Company keeps abreast of the work progress and performance gaps at any time every day and every week. Also, with positive two-way quarter performance interviews, the Company manages to solve work problems in a comprehensive and efficient manner while enabling employees to obtain a sense of achievement at work.

- (3) Incentive system for profit sharing:
  - (A) Motivate employees to actively put forth creative and new methods through proposal bonuses and proposal adoption bonuses, and grant generous rewards based on the improvement results.
  - (B) Encourage employees to participate in business operations. The Company has a sound and complete employee dividend and shareholding system, and employees can also be shareholders.
  - (C) Encourage employees to create a win-win situation, conduct employee salary adjustments based on annual performance evaluation to link performance with salary and promotion.
  - (D) The amount is based on individual performance, and the year-end bonus is issued as per the annual profit (loss) and personal performance.

### 3. Retirement policy

The Company has formulated the pension regulations and set up a Supervisory Committee of Labor Retirement Reserve in accordance with the provisions of the Labor Standards Act, responsible for supervising and managing the pension reserve and relevant affairs. Also, the Company contributes pension funds as per the relevant provisions of the Labor Pension Act.

- (1) Old Pension System: The Company contributes 2% to 15% of the total monthly salaries of employees to a pension reserve account at the Bank of Taiwan. At the end of each year, the Company reviews the balance of this dedicated account. If the balance is insufficient to cover pension payments for employees eligible for retirement in the following year, the Company will make the necessary contributions by the end of March of the following year to ensure the protection of employees' rights under the old pension system. In 2024, the Company contributed NT\$4,540,728 to the Bank of Taiwan's dedicated pension account, which is sufficient to cover the retirement payments for employees under the old system.
- (2) New Pension System: The Company contributes 6% of each employee's monthly salary to their individual pension accounts managed by the Bureau of Labor Insurance. In 2024, the Company contributed a total of NT\$21,415,007 under the new pension system.
- (3) Since September 2024, the Company has established an Employee Shareholding Trust Committee. Participating employees contribute a fixed amount from their monthly salaries, while the Company provides a monthly subsidy of NT\$1,000 per participating employee as a matching contribution. All contributions are deposited into a dedicated trust account.

4. Status of agreements between labor and management

Since the Company was established in 1977, it has maintained a harmonious labor–management relationship, and has never suffered losses due to labor disputes, and it is estimated that there should be no such losses in the future.

5. Protection measures for employees’ rights and interests:

In line with the business philosophy of “doing business with integrity, respecting, and consistency of words and action,” the Company hopes that its employees will feel happy as a member of the I-CHIUN family and feel the warm and harmonious working atmosphere. In addition to the profit-sharing and incentive system, it has planned a benefit system in line with the needs of employees and their families so as to create harmonious labor-management relations and to take care of employees.

- (1) Listen to employees’ views: Quarterly labor–management meetings as well as online and offline employee suggestion boxes.
- (2) Legal employee care: A sound labor insurance/health insurance system, and a complete pension system.
- (3) Medical care and consultation: Free annual health examination for all employees, and a medical room and on-site medical staff.
- (4) Sharing the burden on the dual-career family: Childcare subsidies, unpaid parental leave, paternity leave, family care leave, and breastfeeding rooms.

6. Other important agreements: None.

(II) Losses suffered by the Company due to employer/employee conflicts in the recent year up to the date of publication and disclose any estimated expenditures and countermeasures that might occur currently or in the future; reasons why reasonable estimations could not be made should be explained for those that cannot be estimated reasonably:

Date of administrative action: Marth 20, 2024

Reference number: Xinbei-Lao-Jian-Zi No. 1134638134

Violated regulation: Paragraph 2, Article 32, Labor Standards Act

Violation description: Work hours were extended beyond the statutory limit

Penalty: NT\$780,000 administrative fine

Response measures: This violation arose from the Company’s need to complete a special project urgently with the employees’ consent (their salaries were already paid in accordance with Article 39 of the Labor Standards Act) and did not have a significant impact on its financial business.

## VI. Cyber Security Management

- (I) Describe the cyber security risk management framework, cyber security policy, specific management plans and cyber security management resources invested:

The Company has formulated the “Cyber Security Management Rules” to ensure the security of company computer data, systems, equipment and networks. By doing this, the security level of the Company’s information operations guarantees the Company’s business operations are strengthened and enhanced. The primary contents include: Personnel security management and education and training, computer host security management, information security management, security management of system development and maintenance, network security management, network access security control, handling of the system and network intrusion, device security management, security management of the physical environment, and business continuity operation plan management.

- (II) Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated: None.

## VII. Important Contracts

The parties, main content, restrictive clauses, and contract period of supply/sale contracts, technological collaboration contracts, engineering contracts, long-term loan contracts, and other important contracts that will affect shareholders’ rights and interests and expired in the last year and are still valid as of the publication date of the annual report:

| Contract type        | Counterparty                 | Contract beginning and ending date | Major contents  | Restricted Clause |
|----------------------|------------------------------|------------------------------------|---|-------------------|
| Factory lease        | Kuaiyue Industrial Co., Ltd. | 2023.7.1-2025.6.30                 | Lease contract of the plant on the Wuquan 2nd Rd.         | None              |
| Long-term borrowings | Taiwan Cooperative Bank      | 2024.11.25-2044.11.25              | Long-term borrowings for land and building in Xinzhi Road | None              |
| Long-term borrowings | CTBC Bank                    | 2025.2.12-2030.2.12                | Long-term borrowings for land in Guangfu Road             | None              |

## Five. Review and Analysis of Financial Position and Financial Performance and Risk Matters

### I. Financial position

Main reasons for significant changes in assets, liabilities, and shareholders' equity items in the last two years and the impact; where the impact is significant, a future response plan shall be specified.

#### (I) Comparative Analysis of Financial Conditions

Unit: NTD thousand

| Items \ Year                            | 2024       | 2023      | Difference |           |
|---|------------|-----------|------------|-----------|
|   |            |           | Amount     | %         |
| Current assets                          | 5,655,836  | 5,237,415 | 418,421    | 7.99%     |
| Property, plant and equipment           | 4,551,196  | 1,716,801 | 2,834,395  | 165.10%   |
| Intangible assets                       | 100,514    | 403,074   | (302,560)  | (75.06%)  |
| Other assets                            | 707,781    | 439,921   | 267,860    | 60.89%    |
| Total assets                            | 11,015,327 | 7,797,211 | 3,218,116  | 41.27%    |
| Current liabilities                     | 2,005,218  | 2,688,293 | (683,075)  | (25.41%)  |
| Non-current liabilities                 | 3,624,426  | 725,706   | 2,898,720  | 399.43%   |
| Total liabilities                       | 5,629,644  | 3,413,999 | 2,215,645  | 64.90%    |
| Equity attributable to owners of parent | 5,208,361  | 4,191,089 | 1,017,272  | 24.27%    |
| Share capital                           | 2,339,586  | 2,219,586 | 120,000    | 5.41%     |
| Capital surplus                         | 2,776,019  | 1,864,432 | 911,587    | 48.89%    |
| Retained earnings                       | 237,422    | 359,285   | (121,863)  | (33.92%)  |
| Other equity                            | (144,666)  | (212,676) | 68,010     | (31.98%)  |
| Treasury stock                          | 0          | (39,538)  | 39,538     | (100.00%) |
| Non-controlling equity                  | 177,322    | 192,123   | (14,801)   | (7.70%)   |
| Total shareholders' equity              | 5,385,683  | 4,383,212 | 1,002,471  | 22.87%    |

Note: The analysis will be made only if the percentage of variation attains 20% and the amount of such variation exceeds NT\$10 million.

#### (II) Analysis and explanation of the increase and decrease percentages

1. Property, plant and equipment: In 2024, the Company acquired land and buildings located in the Xinzhi Section, New Taipei City.
2. Right-of-use assets: In 2024, the lease for the Dongbei Plant was terminated due to foreclosure through a bank auction. As a result, the related right-of-use assets and lease liabilities were written off.
3. Other assets: The increase in prepayments for land and equipment in 2024 compared to 2023 was the main reason for the rise in other assets.
4. Current liabilities: Current liabilities decreased in 2024 primarily due to the repayment of long-term debt maturing within one year.
5. Non-current liabilities: Non-current liabilities increased in 2024 due to the issuance of

corporate bonds payable and the incurrence of new long-term borrowings.

6. Capital surplus: Capital surplus increased in 2024 as a result of capital raised through a cash issuance of new shares.
7. Retained earnings: Retained earnings decreased in 2024 due to both the distribution of cash dividends and lower net profit compared to 2023.
8. Treasury shares: Treasury shares decreased in 2024 following the transfer of treasury shares to employees under the employee stock ownership program.

## II. Financial performance

The material change in operating revenues, operating income, and income before tax during the most recent two fiscal years, provide a sales volume forecast and the basis therefore, and describe the effect upon the Company's financial operations as well as measures to be taken in response.

### (I) Comparative analysis of business results

Unit: NTD thousand

|  | 2024      | 2023      | Increase<br>(decrease) in<br>Amount | Change in<br>Percentage (%) |
|--|-----------|-----------|-------------------------------------|-----------------------------|
| Net operating revenue                  | 5,492,378 | 5,068,696 | 423,682                             | 8.36%                       |
| Operating costs                        | 4,721,507 | 4,351,582 | 369,925                             | 8.50%                       |
| Gross profit                           | 770,871   | 717,114   | 53,757                              | 7.50%                       |
| Operating expense                      | 793,640   | 540,614   | 253,026                             | 46.80%                      |
| Operating profit                       | (22,769)  | 176,500   | (199,269)                           | (112.90%)                   |
| Non-operating revenues<br>and expenses | 88,957    | 67,935    | 21,022                              | 30.94%                      |
| Net profit before tax                  | 66,188    | 244,435   | (178,247)                           | (72.92%)                    |
| Income tax expense                     | 36,484    | 45,527    | (9,043)                             | (19.86%)                    |
| Current net profit                     | 29,704    | 198,908   | (169,204)                           | (85.07%)                    |
| Non-controlling equity                 | 10,897    | (1,979)   | 12,876                              | (650.63%)                   |
| Current net profit or loss             | 18,807    | 200,887   | (182,080)                           | (90.64%)                    |

### (II) Analysis and explanation of the decrease in percentages

1. Operating revenue: In 2024, operating revenue increased primarily due to higher sales of LED lead frames and ceramic circuit board products.
2. Operating expenses: Operating expenses in 2024 increased compared to 2023, primarily due to an expected credit impairment loss recorded in 2024, whereas a credit impairment gain was recognized in 2023. In addition, share-based payment expenses rose in 2024 as a result of the transfer of treasury shares to employees, the employee stock option plan, and employee subscriptions to shares through a cash capital increase.
3. Non-operating income and expenses: Non-operating income increased in 2024, mainly due to net foreign exchange gains arising from exchange rate fluctuations.

4. Net income before tax and net income for the period: Both pre-tax profit and net income for the period in 2024 declined compared to 2023, mainly due to the increase in operating expenses.
5. Non-controlling equity: Non-controlling interests increased in 2024 due to higher profits generated by subsidiaries not wholly owned by the Company, compared to 2023.

### III. Cash flow

Analysis and description of cash flow changes in the last year, improvement plan for insufficient liquidity, and cash liquidity analysis for the coming year

#### (I) Liquidity analysis for the last two years

| Items \ Year             | 2024  | 2023  | Increase (decrease) % |
|--------------------------|-------|-------|-----------------------|
| Cash flow ratio          | 10.97 | 31.42 | (65.09)               |
| Cash flow adequacy ratio | 28.48 | 58.00 | (50.90)               |
| Cash reinvestment ratio  | 0.67  | 11.13 | (93.98)               |

#### (II) Analysis and explanation of the increase and decrease percentages:

1. Cash flow ratio: Net cash inflow from operating activities decreased in 2024 compared to 2023, resulting in a lower cash flow ratio for 2024.
2. Cash flow adequacy ratio: The decrease in net cash inflow from operating activities, coupled with a substantial increase in capital expenditures (primarily for the acquisition of land and plant facilities), led to a decline in the cash flow adequacy ratio in 2024 compared to 2023.
3. Cash reinvestment ratio: Likewise, the reduction in operating cash inflows and the sharp increase in capital expenditures in 2024 resulted in a lower cash reinvestment ratio compared to 2023.

#### (III) Analysis of liquidity for the coming year (2025):

| Cash balance at the beginning of period (1) | Expected cash flow from operating activities for the whole year (2) | Expected cash outflow for the whole year (3) | Expected cash surplus (deficit) (1)+(2)-(3) | Expected remedies for cash deficit |                      |
|---|---|--|---|------------------------------------|----------------------|
|   |   |  |   | Financing plans                    | Financial activities |
| 1,354,616                                   | 400,000   | 600,000                                      | 1,154,616                                   | -                                  | -                    |

1. Operating activities: It is estimated that the net cash inflow from operating activities for the year will be NT\$400,000 thousand after deducting the related operating expenses.
2. Investment and financing activities: The Company is expected to purchase lands and repay bank loans. The net cash outflow from investment and financing activities is expected to be NT\$600,000 thousand for the whole year.
3. Expected response to shortage of cash: None.

#### IV. Major capital expenditures in the most recent year

##### (I) The utilization of major capital expenditures and sources of funds

| Planned project                               | Actual or Planned Source of Capital  | Total Capital | Actual or Expected Capital Expenditure |         |
|---|--|---------------|--|---------|
|   |  |               | 2024                                   | 2023    |
| Purchase of land, plant, machinery, and molds | Cash flows from operating activities, financing, and cash capital increase | 4,000,000     | 3,443,388                              | 129,013 |

##### (II) Expected potential benefits

To meet the Company's operational needs and support future business development and planning, land, plant facilities, machinery, and mold equipment are being acquired. These acquisitions are primarily intended to support the development of new products and the fulfillment of new customer orders, meet customer demand, replace outdated equipment, and introduce new machinery. The objective is to enhance production efficiency, expand capacity, and reduce production costs. Simultaneously, the Company will continue investing in the research, design, and manufacturing of a diverse range of products to achieve sustained business growth.

#### V. The investment strategy in the most recent year, main causes for profits or losses, improvement plans and investment plans for the coming year:

The Company's reinvestments are primarily focused on meeting strategic long-term development goals and achieving financial returns. In 2024, the Company recognized investment income of NT\$67,945 thousand under the equity method. A detailed breakdown of investment gains and losses by investee is provided in the table below. In the future, the Company will continue to prudently evaluate investment plans from a long-term strategic perspective, in order to respond to the future market capacity expansion needs and continue to strengthen global competitiveness.

| Invested businesses          | Main business activities                               | Recognized investment gains and losses in 2024 | The main reason for profit or loss  | Improvement plans                             | Other future investment plans |
|------------------------------|--|--|---|---|-------------------------------|
| More Fortune Profits Limited | Offshore holding company                               | 21,895   | Revenue from reinvestment   | None  | -                             |
| Ecocera Optronics Co., Ltd.  | Manufacturing and trading of LED ceramic circuit board | 84,805   | Revenue from reinvestment   | None  | -                             |
| Advance Venture Corporation  | Electronics Components Manufacturing and Trading       | (30,539)                                       | Development of customer samples and delivery of small-quantity orders, asset impairment | Suspension of operations and asset disposal   | -                             |
| CMTEK Co., Ltd.              | Other Metal Products Manufacturing                     | (8,216)  | At its initial stage of investment and is not yet operational                           | Develop and send product samples to customers | -                             |

## VI. Risk Analysis Assessment

- (I) The effect upon the company's profits/losses of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Impact of interest rate changes on the Company's profit and loss and future countermeasures:

The Company's interest income for 2023 and 2024 was NT\$35,200 thousand and NT\$27,839 thousand, which accounted for 0.69% and 0.51% of the net revenue, respectively. The interest expenses for 2023 and 2024 were NT\$59,810 thousand and NT\$51,494 thousand, respectively, accounting for 1.18% and 0.94% of the net revenue, respectively. Thus, interest rate changes should not have a significant impact on the Company. In the future, it will keep abreast of interest rate fluctuations to mitigate the impact of interest rate changes on profit or loss.

2. The impact of exchange rate changes on the Company's revenue and profit:

The Company's exchange gains for 2023 and 2024 were NT\$10,993 thousand and NT\$109,684 thousand, respectively, accounting for 0.22% and 2.00% of net revenue. Therefore, exchange rate fluctuations have an impact on the Company's business operations and profitability. Also, the Company's financial department is responsible for monitoring the trend of exchange rate changes so as to keep abreast of said changes, and often inspects the balance of foreign currency accounts and estimates foreign currency cash flows to alleviate the exchange rate risk. Overall, the Company has planned specific hedging measures for risks arising from exchange rate changes.

3. The impact of inflation on the Company's profit or loss and countermeasures in the future:

The past year was filled with uncertainties such as the Russo-Ukrainian War, China's economic slowdown, tariff wars in the US, and global climate change, which all contributed to inflation. At present, the Company's products are mainly sold in China, including consumer electronics, backlights, lighting, and automotive applications, which are still affected. Notwithstanding, for the mid and long term, with the austerity in consumption caused by inflation, the Company will continue to work with customers to develop more cost-competitive products, and proactively explore professional niche markets, such as 5G, IoT, AI, automation, and automotive products, to meet consumers' need for good deals in the face of inflation and to ensure the Company's market share.

- (II) The Company's policy regarding 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:

The Company has established the Operating Procedures for Loaning of Funds to Others, the

Operating Procedures for Making Endorsements/Guarantees, and the Operating Procedures for the Acquisition and Disposal of Assets as the basis for relevant operations. The Company has not engaged in high-risk or high-leverage investments in the most recent year or as of the publication date of the prospectus. The subsidiary, I-Chiun Technology (China) Co., Ltd., engages in silver futures trading within expected production usage to hedge against excessive fluctuations in silver prices required for production. With regard to the loaning of funds to others and derivative transactions, all fund lending and endorsements/guarantees are based on the operational needs of the Company's subsidiaries and have been disclosed and reported in accordance with the regulations of the competent authorities.

(III) Future research plan and expected research and development fee:

1. R&D plan for the coming year

| Items  | Progress  | R&D expenses to be invested (Note 1) | Estimated time for mass production                        |
|--|---|--------------------------------------|---|
| New SMD products<br>New products, such as ceramic substrates<br>Semiconductor (heat spreader)<br>IC lead frame | Continuous development as per the product launch timeline | Approximately NT\$159,421 thousand   | Undertake mass production as per the development schedule |

Note: The estimated further investment in the R&D projects above will be depend on the new application products and customers' needs at an appropriate time.

2. In the future, the Company will continue to stride toward the goal of diversifying product applications while actively developing new products and new technologies for 5G, IoT, AI, automation, and automotive applications so as to expand the customer base in different industries. In the future, it is estimated that the annual R&D expenses will still remain at 2% of the revenue. The main factors influencing the success of R&D in the future will still depend on whether the relevant technologies can satisfy the needs in the market in time.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

As for the important policy and legal changes announced by the government, there is no significant influence on the Company's financial business, and the Company's operations are in compliance with the laws and regulations at home and abroad. The Company's personnel also collect information on changes in relevant policies and laws in real time, and provide it to the management as a reference. Thus, the Company can keep abreast of important domestic and foreign policies and legal changes effectively while taking necessary countermeasures actively to mitigate adverse effects. In the last year and as of the publication date of the annual prospectus, the Company's financial operations had not been affected by

major changes in important domestic and foreign policies and laws.

- (V) Effect on the company's financial operations of developments in science and technology (including cyber security risk) as well as industrial change, and measures to be taken in response:

The Company has an outstanding R&D team and stays up-to-date with innovative technologies in the science and technology industry. It can fully tap into the trend of market development. In the future, the Company will continue to R&D new products with high gross profit and high added value. Thus, the technological changes have a positive impact on the Company's financial business. In terms of cyber security, the "Cyber Security Management Regulations" has been established as the basis for management to ensure proper control and clearly define duties and management responsibilities, and continue to promote information security management to ensure the operation of the information security management mechanism. All information security rules and regulations are formulated based on technical assurance, applications and data security standards, and are incorporated into the management system. Through the establishment of information security monitoring system, software and hardware equipment management and control, the Company prevents external hackers from intrusion and disclosure of internal confidential information, to implement the protection of personal data, internal confidential information, and customer and supplier data.

- (VI) Impact of corporate image changes on corporate crisis management and countermeasures:

The Company adheres to the business philosophy of sincerity, respect, and consistency in actions. It has always operated in accordance with the law and conducted business with integrity, maintaining a good corporate image. In the last year and as of the publication date of the prospectus, there have been no incidents with any impact on the Company's crisis management due to changes in the corporate image.

- (VII) The expected benefits and potential risks of any merger or acquisition, and measures to be adopted in response:

The Company has not acquired other companies in the last year and as of the publication date of the prospectus, and therefore, this provision does not apply.

- (VIII) The expected benefits and potential risks of any plant expansion, and countermeasures:

1. The Company originally leased a plant located at No. 69, Wugong 6th Rd, Wugu District, New Taipei City, from Unity Opto Technology Co., Ltd. The property was auctioned by the court on May 29, 2024, and was acquired by INTERNATIONAL GAMES SYSTEM CO., LTD., which indicated it would use the premises for its own operations. As a result, on July 10, 2024, the Company's Board of Directors resolved to purchase land and buildings in the Xinzhi Section, Xinzhuang District, New Taipei City.
2. On September 10, 2024, the Company's Board of Directors further resolved to purchase

land in the Dingkan Section, Sanchong District, New Taipei City. In response to production needs, the existing factory will be reconfigured and reallocated. The planned new capacity is expected to boost revenue, with an estimated payback period of approximately 10 years.

(IX) The risks associated with any concentration of sales or purchases on certain customers/suppliers, and countermeasures:

1. Purchase

The Company and its subsidiaries have, in each of the past two years, maintained a purchase ratio of less than 15% from any single supplier. There has been no issue of purchase concentration, and the sources of procurement have remained stable. Most raw materials are supplied by two or more vendors, and the Company has maintained long-term cooperative relationships with these suppliers to ensure stable supply. Therefore, there is no significant risk of purchase concentration.

2. Sale

In each of the past two years, the sales revenue generated from any single customer or affiliated group did not exceed 30% of the Company and its subsidiaries net revenue. This is primarily due to the wide range of end-product applications, resulting in a diversified customer base. The Company is also actively developing ceramic heat sink substrates for server and automotive applications, semiconductor heat spreaders, and semiconductor lead frames for packaging, to further expand its customer base. Therefore, the Company does not face a risk of customer concentration.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) For any of the Company's directors, supervisors, president, de facto responsible person, or major shareholder holding more than 10% of the shares involved in any litigation, non-litigious proceeding, or administrative dispute that was finalized or pending, with a significant impact on shareholders' equity or the price of securities, the facts in dispute, the amount of the subject matter, the commencement date of the litigation, the main parties involved in the litigation, and the handling situation as of the publication date of the annual report shall be disclosed:

1. In the last two years and up to the publication date of the prospectus, if there has been any substantial impact upon shareholders' equity or prices for the Company's securities

as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending:

At the beginning of 2022, the Company received Compal Electronics, Inc.'s (referred to as "Compal" hereinafter) request to the court for a payment order of JPY 173,842 thousand and NT\$10,626 thousand, mainly for the Company and its subsidiaries Everlight Electronics., Ltd. (hereinafter referred to as "Everlight") is equipped with the light bar inside the light bar sold to Compal. Procured by Compal, the LED is used in the production of TV sets and sold to TVS. After the TVS was sold by TVS in Japan, Nichia Corporation accused the LED used in the TV and the manufacturing method of infringing the patent rights of Nichia in Japan. On September 21, 2021, the Japanese court ruled that TVS should compensate Nichia Corporation in the amount of JPY 132,000 thousand plus interest. In response to the aforementioned patent litigation, Compal, the Company, and Everlight signed a tripartite agreement (MOA) on June 10, 2020. Pursuant to this agreement, Compal claims to have made a payment as compensation for TVS, which amounted to JPY 173,842 thousand on December 15, 2021, so it was requested to be paid by the Company to the Company. However, the Company had disputed the amount of compensation claimed by Compal. The ruling of the Taiwan Taipei District Court, 2022-Chong-Su-Zi No. 439, delivered on January 12th, 2023, ordered the Company to pay JPY 159,087 thousand to Compal (including compensation of JPY 132,000 thousand and interest of JPY 27,087 thousand), i.e. the Company had won the case and lost the other. Compal intends to file an appeal in this case. After investigation, this case is pending on 2023-Chong-Shang-Zi No. 249, issued by the Taiwan High Court. However, the Company and its subsidiaries settled the maximum payable damage amount of JPY 173,842 thousand and NT\$10,626 thousand by the end of 2021, as estimated in the book. Furthermore, according to the MOA of the three parties referred to above, "On the premise that all parties to the TVS MOA comply with the provisions of the TVS MOA, Everlight shall compensate one party and any party who pays benefits under this contract. Baotou was able to compensate the amount of compensation." Overall, this matter is not expected to have a significant impact on the financial operations of the Company.

The case was ruled by the Supreme Court under Civil Ruling 2024-Tai-Shang-Zi No. 1666. The Company filed an appeal against the second-instance judgment of the Taiwan High Court (2023-Chong-Shang-Zi No. 249) on March 26, 2024, but the Supreme Court ruled to dismiss the appeal. On March 31, 2025, the Company paid compensation in the amount of JPY 199,971,068 and NT\$13,020,676 to Compal. As for the compensation claim by Everlight, discussions between the two parties are still ongoing.

2. For the Company's director, supervisor, president, de facto responsible person, or major

shareholder with a stake of more than 10%, are they involved with any litigation, non-litigious proceeding, or administrative dispute involving matter that was finalized or remained pending during the most recent two fiscal years and up to the publication date of the prospectus that may have substantial impact upon shareholders' equity or prices for the Company's securities: None.

3. The Company's directors, supervisors, managers, or major shareholders whose shareholding ratio exceeds 10% were involved in the circumstances as stipulated in Article 157 of the Securities and Exchange Act in the last two years and up to the publication date of the prospectus and the Company's current response:

- (1) Manager Li ○○ traded 5,000 shares of the Company's stock between August 7, 2023, and September 5, 2023. A gain of NT\$9,168 was calculated in accordance with applicable laws and, including interest, was returned to the Company on May 28, 2024.
- (2) Manager Lu ○○ traded 10,000 shares of the Company's stock between March 14, 2024, and March 21, 2024. A gain of NT\$52,524 was calculated in accordance with applicable laws and, including interest, was returned to the Company on December 12, 2024.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

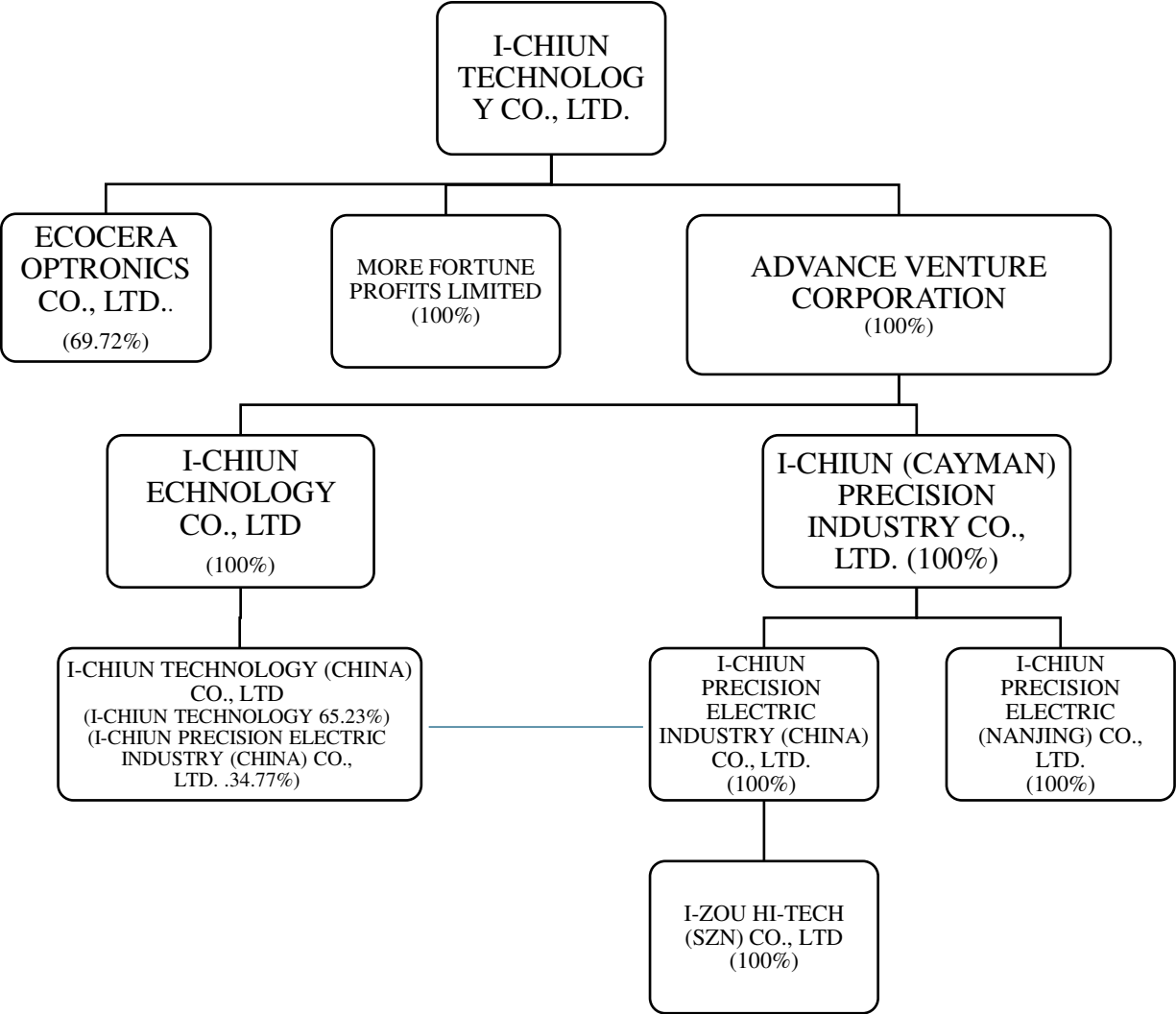
VII. Other important matters: None.

Six. Special Disclosure

I. Information on Affiliates:

(I) Consolidated Business Report of Affiliates

1. Organizational chart of affiliates (2024.12.31)



## 2. Details of the relationship between the controlling company and the affiliates

| Name of affiliate                                     | Controlling (affiliated) relationship | Controlling (affiliated) relationship | The business of the affiliate and its division of labor                                      |
|---|---------------------------------------|---------------------------------------|--|
| I-CHIUN PRECISION INDUSTRY CO., LTD.                  | Controlling company                   | -                                     | Manufacturing and sales of LED lead frames, semiconductor heat spreaders, and LCD components |
| MORE FORTUNE PROFITS LIMITED                          | Affiliate                             | Control through shareholding          | offshore holding company of I-CHIUN PRECISION INDUSTRY CO., LTD.                             |
| I-CHIUN (CAYMAN) PRECISION INDUSTRY CO.,LTD           | Affiliate                             | Control through shareholding          | MORE FORTUNE PROFITS LIMITED Offshore holding company  |
| I-CHIUN TECHNOLOGY CO., LTD.                          | Affiliate                             | Control through shareholding          | MORE FORTUNE PROFITS LIMITED Offshore holding company  |
| I-Zou Hi-Tech (SZN) Co., Ltd.                         | Affiliate                             | Control through shareholding          | No longer in operation   |
| I-Chiun Precision Electric Industry (China) Co., Ltd. | Affiliate                             | Control through shareholding          | Manufacturing and sales of TV backlight modules<br>Investment property leases                |
| I-Chiun Precision Electric (Nanjing) Co., Ltd.        | Affiliate                             | Control through shareholding          | No longer in operation   |
| I-Chiun Technology (China) Co., Ltd.                  | Affiliate                             | Control through shareholding          | Manufacturing and sales of LED lead frames and IC lead frames<br>Investment property leases  |
| Ecocera Optronics Co., Ltd.                           | Affiliate                             | Control through shareholding          | Manufacturing and sales of ceramic circuit boards  |
| Advance Venture Corporation                           | Affiliate                             | Control through shareholding          | Electronics Components Manufacturing and Trading   |

## 3. Basic information on affiliates

Unit: NTD thousand

| Company name  | Date of Incorporation | Address  | Paid-in capital | Shareholding ratio | Principle Business or Products  |
|---|-----------------------|--|-----------------|--------------------|---|
| I-Zou Hi-Tech (SZN) Co., Ltd.                         | 2000.4.11             | Jiangbian Industrial Zone, Jiangbian Village, Songgang Town, Baoan District, Shenzhen City, Guangdong Province | RMB 7,500       | 100%               | No longer in operation  |
| I-Chiun Precision Electric Industry (China) Co., Ltd. | 2001.5.29             | No. 2, Songnan East Road, Qiandeng Township, Kunshan City, China   | USD 24,000      | 100%               | Manufacturing and sales of TV direct back-lit modules, as well as investment property leasing |
| I-Chiun Precision Electric (Nanjing) Co., Ltd.        | 2004.11.15            | No. 68-6, Suyuan Avenue, Nanjing City Export Manufacture Zone (South), Nanjing City, China                     | USD 7,000       | 100%               | No longer in operation  |
| I-Chiun Technology (China) Co., Ltd.                  | 2010.11.29            | No. 9, Jin Hui Road, Jiangmen City, Guangdong Province, China  | RMB 287,624     | 100%               | Manufacturing and sales of LED lead frames and IC lead frames and investment property leasing |
| Ecocera Optronics Co., Ltd.                           | 2011.1.14             | No. 303 Sec. 2 Nan Shan Road, Neicuo Vil., Luchu Township, Taoyuan County 338, Taiwan R.O.C.                   | NTD263,423      | 69.720 %           | Manufacturing and sales of ceramic circuit boards   |
| Advance Venture Corporation                           | 2001.1.2              | No. 28, Xinzhi 8th Rd., Xinzhuang Dist., New Taipei City, Taiwan R.O.C.  | NTD 225,000     | 55.556%            | Electronics Components Manufacturing and Trading  |

## 4. For parties that are presumed to have control and subordinate relationship, the information of the same Shareholders: N/A.

## 5. Information on directors, supervisors, and presidents of affiliates

| Company name  | Position             | Name of individual or representative(s) | Shares held                        |                    |
|---|----------------------|---|------------------------------------|--------------------|
|   |                      |   | Number of shares (thousand shares) | Shareholding ratio |
| I-Zou Hi-Tech (SZN) Co., Ltd.                         | Chairman             | CHOU, WAN-SHUN                          | 0<br>Note 1                        | 100%               |
|   | Director             | LEE, CHUNG-YI                           |                                    |                    |
|   | Director             | TENG, YU-WEN                            |                                    |                    |
|   | Supervisor           | LIAO, WEI-HSIU                          |                                    |                    |
| I-Chiun Precision Electric industry (China) Co., Ltd. | Chairman             | CHOU, WAN-SHUN                          | 0<br>Note 2                        | 100%               |
|   | Director             | CHOU, MENG-HSIEN                        |                                    |                    |
|   | Director             | HUANG, SHU-CHEN                         |                                    |                    |
|   | Supervisor           | YANG, PAI-JUNG                          |                                    |                    |
| I-Chiun Precision Electric (Nanjing) Co., Ltd.        | Chairman             | CHOU, WAN-SHUN                          | 0<br>Note 3                        | 100%               |
|   | Director             | LEE, CHUNG-YI                           |                                    |                    |
|   | Director             | CHOU, MENG-HSIEN                        |                                    |                    |
|   | Supervisor           | HUANG, SHU-CHEN                         |                                    |                    |
| I-Chiun Technology (China) Co., Ltd.                  | Chairman             | CHOU, WAN-SHUN                          | 0<br>Note 4                        | 100%               |
|   | Director             | LEE, CHUNG-YI                           |                                    |                    |
|   | Director             | CHOU, MENG-HSIEN                        |                                    |                    |
|   | Supervisor           | TENG, YU-WEN                            |                                    |                    |
| Ecocera Optronics Co., Ltd.                           | Chairman             | CHOU, WAN-SHUN                          | 18,366<br>Note 5                   | 69.720%            |
|   | Vice Chairman        | LEE, CHUNG-YI                           |                                    |                    |
|   | Director             | CHOU, MENG-HSIEN                        |                                    |                    |
|   | Director             | HUNG, HSIU-TSUI                         |                                    |                    |
|   | Independent Director | WANG, CHANG-RUI                         |                                    |                    |
|   | Independent Director | LI, CHIA-WEI                            |                                    |                    |
| Advance Venture Corporation                           | Independent Director | YANG, TAI-NING                          |                                    |                    |
|   | Chairman             | CHOU, WAN-SHUN                          | 125,000<br>Note 6                  | 55.556%            |
|   | Director             | LEE, CHUNG-YI                           |                                    |                    |
|   | Director             | YANG, PAI-JUNG                          |                                    |                    |
|   | Supervisor           | LIAO, WEI-HSIU                          |                                    |                    |

Note 1: Legal Representative of I-Chiun Precision Electric industry (China) Co., Ltd.: CHOU, WAN-SHUN; LEE, CHUNG-YI; TENG, YU-WEN and LIAO, WEI-HSIU.

Note 2: Legal Representative of I-CHIUN (CAYMAN) PRECISION INDUSTRY CO., LTD.: CHOU, WAN-SHUN; CHOU, MENG-HSIEN; HUANG, SHU-CHEN and YANG, PAI-JUNG.

Note 3: Legal Representative of I-CHIUN (CAYMAN) PRECISION INDUSTRY CO., LTD.: CHOU, WAN-SHUN; LEE, CHUNG-YI; CHOU, MENG-HSIEN and HUANG, SHU-CHEN.

Note 4: Legal Representative of I-Chiun Technology Co., Ltd.: CHOU, WAN-SHUN; LEE, CHUNG-YI; CHOU, MENG-HSIEN and TENG, YU-WEN.

Note 5: Legal Representative of I-CHIUN PRECISION INDUSTRY CO., LTD.: CHOU, WAN-SHUN; LEE, CHUNG-YI; CHOU, MENG-HSIEN and Legal Representative of LEATEC Fine Ceramics Co., Ltd.: HUNG, HSIU-TSUI.

Note 6: Legal Representative of I-CHIUN PRECISION INDUSTRY CO., LTD.: CHOU, WAN-SHUN; LEE, CHUNG-YI and YANG, PAI-JUNG.

## 6. Operating summary of affiliated company

Unit: NTD thousand

| Company name  | Capital   | Total assets | Total liabilities | Net Value | Operating revenue | Operating profit | Current profit or loss (after tax) | Earnings per share (EPS) |
|---|-----------|--------------|-------------------|-----------|-------------------|------------------|------------------------------------|--------------------------|
| I-Zou Hi-Tech (SZN) Co., Ltd.                         | 33,585    | 4,599        | 19                | 4,580     | 0                 | (887)            | (307)                              | -                        |
| I-Chiun Precision Electric Industry (China) Co., Ltd. | 771,155   | 1,837,605    | 377,966           | 1,459,639 | 875,217           | (22,511)         | 870                                | -                        |
| I-Chiun Precision Electric (Nanjing) Co., Ltd.        | 251,725   | 26,768       | 10                | 26,758    | 0                 | (3,557)          | (3,428)                            | -                        |
| I-Chiun Technology (China) Co., Ltd.                  | 1,287,980 | 1,897,809    | 531,131           | 1,366,378 | 1,690,816         | 592              | 30,905                             | -                        |
| Ecocera Optronics Co., Ltd.                           | 263,423   | 985,439      | 421,671           | 563,768   | 867,433           | 134,524          | 121,637                            | 4.62                     |
| Advance Venture Corporation                           | 225,000   | 39,652       | 32,166            | 7,486     | 8,256             | (38,898)         | (54,970)                           | (2.44)                   |

### (II) Consolidated Financial Statements of Affiliated Enterprises:

The Company's 2024 parent company only and consolidated financial statements have been announced on the MOPS (<http://mops.twse.com.tw>).

### I-CHIUN PRECISION INDUSTRY CO., LTD.

#### Representation Letter of Consolidated Financial Statements of Affiliated Enterprises

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2024 (January 1 to December 31, 2024) pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises are the same as those to be included into the consolidated financial report of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the said consolidated financial statement of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statement of affiliated enterprises separately.

Hereby declared by

Company name: I-CHIUN PRECISION INDUSTRY CO., LTD.

Responsible person: CHOU, WAN-SHUN

March 4, 2025

### (III) Affiliation report: N/A

II. Any private placement of securities in the most recent year up to the publication of this annual report: None

III. Other Necessary Supplements: None

**Seven. Any event that occurred in the last year and up to the publication of this annual report, which significantly affected shareholders' equity or price of securities pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Act: None.**

I-CHIUN PRECISION INDUSTRY CO., LTD.

Chairman: CHOU, WAN-SHUN