



KINPO ELECTRONICS, INC.

ANNUAL
REPORT **2024**



- <http://www.kinpo.com.tw>
- <http://mops.twse.com.tw>

Date of publication : April 5, 2025

Kinpo Electronics, Inc

Annual Report 2024

I. Spokesperson

Spokesperson: Yu Chien-Hui / Senior Director, Financial Accounting Management Center

Deputy Spokesperson: Lin, Cheng-Hsien / Director, General Affairs Office

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II. Company contact information

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IV. Auditors for the recent financial report

Name: Chen, Chih-Chung and Fuh, Wen-Fun

Company: EY Taiwan

Address: 9F, 333, Sec. 1, Keelung Rd., Taipei City 110, Taiwan R.O.C.

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V. Stock Exchange where depositary receipts or common shares are listed and related information

none

VI. Company website

www.kinpo.com.tw

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I. Letter to Shareholders

Dear Shareholders,

The year 2024 was one of significant change and challenge. The global economy was shaped by numerous factors, including shifts in the U.S. Federal Reserve's policies, inflation trends, fluctuations in unemployment rates, changes in leadership across various nations, and persistent international policy uncertainties. Markets were caught in a delicate balance between expectations of interest rate cuts and the risks posed by resurgent inflation. According to the International Monetary Fund (IMF)'s World Economic Outlook, global economic growth in 2024 stood at 3.2%. While this figure remained relatively stable compared to 2023, it still indicated a slower pace of expansion relative to pre-pandemic levels. At the same time, ongoing tensions between the United States and China continued to influence global supply chains, as well as competition over technological standards and economic interests. As a result, countries were compelled to re-evaluate and adjust their strategic approaches to mitigate the risks associated with geopolitical shifts.

For 2024, Kinpo Group reported consolidated net revenue of NT\$164,405,392 thousand, representing a modest increase of 2.91% compared to NT\$159,757,214 thousand in 2023. With continued efforts to optimize the product portfolio and implement lean organizational management, operating expenses decreased by 13.02% year-on-year. In terms of non-operating income and expenses, the uncertain macroeconomic environment, particularly the sharp fluctuations in the U.S. Dollar Index during the second half of the year, had a notable impact on corporate profitability. Nevertheless, through effective financial management, foreign exchange hedging, and global tax planning, Kinpo Group achieved a non-operating gain of NT\$578,731 thousand compared to the previous year. Despite the challenges, with the concerted efforts of our entire team, Kinpo Group achieved a net income after tax of NT\$2,394,634 thousand in 2024, reflecting a year-on-year increase of 188.99%. Net income attributable to the parent company amounted to NT\$1,646,423 thousand, a 119.22% increase over the previous year. Earnings per share (EPS) also rose significantly, from NT\$0.51 in 2023 to NT\$1.11 in 2024, marking a 117.65% increase.

In terms of operations, in response to ongoing global uncertainties, Kinpo Group, in addition to the previously established third manufacturing base in Thailand, launched a new plant construction project in São Paulo, Brazil last year, which officially commenced production in the second quarter of this year. On the product development front, Kinpo Group has seen tangible results from its prior investments in high-tech product R&D. These include EV charging stations, motherboards for semiconductor manufacturing equipment, multi-function millimeter-wave radar systems, electronic rearview mirror systems, and smart cockpit systems—all of which are expected to contribute steadily to the Company's revenue and profit going forward.

Regarding manufacturing and process automation, beyond the large-scale deployment of robotic arms to replace manual labor, Kinpo Group has widely implemented AI technologies in production processes and equipment management, aiming to realize the vision of a "lights-out factory." The Company has also introduced Robotic Process Automation (RPA) to enhance office operations and smart manufacturing workflows, improving overall efficiency.

On the environmental sustainability front, Kinpo Group has been committed to carbon reduction since 2008. As of now, all 12 global manufacturing sites of Kinpo Group are certified under the ISO 50001 Energy Management System. In addition, one of the Group's flagship manufactured products received the ISO 14067 Product Carbon Footprint Certification last year. Recognizing the vital role of the supply chain in carbon reduction efforts, Kinpo Group established the Kinpo ESG Partnership Alliance in collaboration with supply chain partners. The alliance actively hosted workshops to help suppliers understand global decarbonization trends and customer expectations. Furthermore, the Company initiated an internal carbon pricing mechanism to simulate the impact of carbon fees on operational costs, thereby reviewing production stages to identify potential areas for carbon reduction. These efforts aim to achieve the goal of "generating higher revenue with lower carbon emissions." The Group also obtained the "1.5°C Paris Agreement" certification from CommonWealth Magazine, passed the Science Based Targets initiative (SBTi) review, and was honored with second place in the electronics industry category of Business Weekly's "Top 100 Carbon Competitiveness" ranking.

In terms of social inclusion, Kinpo Group continues to leverage corporate resources to drive positive social change. The Group partnered with The Mustard Seed Mission to promote a sustainable agri-food education program, helping Indigenous youth acquire agricultural skills and encouraging them to return to their hometowns for local economic revitalization. Additionally, Kinpo Group supported the FormosArt 2.0 initiative led by the National Theater & Concert Hall to bring performing arts to rural communities, helping bridge the urban-rural cultural divide and advance cultural equity. The Group was also recognized for the fourth consecutive year with the I I I I Job Bank Happy Enterprise Gold Award.

In the area of corporate governance, Kinpo Group established a Risk Management Committee at the board level last year to enhance risk assessment and strengthen managerial capabilities. This committee is responsible for guiding resource allocation and ensuring the effective operation of the Group's risk management mechanisms. To evaluate whether its ESG initiatives align with international trends and the Group's own goals, Kinpo Group actively participates in a variety of external assessments. In terms of governance, the Group was honored with the Top 100 Sustainability Exemplary Awards at the Taiwan Corporate Sustainability Awards (TCSA) and received the Platinum Award for Sustainability Reporting for two consecutive years.

Looking ahead to 2025, although the global economic landscape remains filled with uncertainty and volatility—especially with the potential return of Donald Trump and a resurgence of "America First" executive orders and policy shifts—these changes are expected to bring significant divergence across industries, societies, and political-economic systems worldwide, posing substantial challenges for businesses. Nevertheless, for Kinpo Group, these challenges also represent abundant opportunities. With manufacturing bases in seven countries, Kinpo Group is well-positioned globally. In the Americas, the Group operates plants not only in Brazil and Mexico, but also in San Diego in the United States, complemented by partners on the East Coast. This widespread presence provides the Group with localized advantages, enabling it to respond swiftly, flexibly, and strategically to clients' varying

preferences for production sites in different regions. Looking forward, Kinpo Group will continue to focus on its core business, optimize its product mix, increase the share of high-margin products, improve output per capita, expand revenue, and enhance profitability. At the same time, the Group is committed to advancing smart manufacturing and developing global talent, allowing it to maintain its competitive edge and navigate the complexities of a rapidly evolving global landscape.

“Innovation, Harmony, and Excellence” remains Kinpo Group’s enduring business philosophy, guiding the Company to move forward steadily amid a rapidly changing market environment. In this era of both challenges and opportunities, Kinpo Group will continue to rely on its solid operational foundation and forward-looking strategic deployments. Through close coordination across all units, a well-structured division of responsibilities, and a commitment to process reengineering driven by innovation, the Group will further strengthen its competitive edge and risk management capabilities. These efforts will fuel the Group’s growth, enhance its economic value, and fulfill the expectations of shareholders, customers, partners, and all other stakeholders.

Kinpo Electronics, Inc.

Chairman: Hsu, Sheng-Hsiung

President: Chen, Wei-Chang

II. Corporate Governance Report



2.1. Information on Board Directors, President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches

2.1.1. Directors Information

April 5, 2025

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other key positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Ho Bao Investment Co., Ltd.	-	2022.6.27	3 years	2022.6.27	43,923,442	2.94%	30,000,000	1.99%	-	-	0	0.00%	B.S., Chinese National Taiwan Normal University Honorable Ph.D. in philosophy National Taiwan Normal University Senior Advisor to the President	Note 2	-	-	-	-
	R.O.C.	Representative: Hsu, Sheng- Hsiung	M 81-90			1984.2.20	13,683,942	0.93%	13,683,942	0.91%	21,678,723	1.44%	0	0.00%			-	-	-	-
Director	R.O.C.	Ko, Charng- Chyi	M 81-90	2022.6.27	3 years	1984.2.20	4,707,915	0.32%	4,482,915	0.30%	2,594,010	0.17%	0	0.00%	M.S., Management, National Taiwan University MBA, National Chengchi University PhD, Lincoln University, USA Chairman of Taiwan Biotech Co., Ltd.	Note 2	-	-	-	-
Director	R.O.C.	Ho, Mei-Yueh	F 71-80	2022.6.27	3 years	2013.6.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%	B.S., Agricultural Chemistry, National Taiwan University Technology Management Program, Institute of Business Administration, National Chengchi University Minister, Ministry of Economic Affairs, R.O.C.	Note 2	-	-	-	-
Director	R.O.C.	Panpal Technology Corp.	-	2022.6.27	3 years	2001.4.10	69,369,644	4.65%	69,369,644	4.61%	-	-	0	0.00%	BS, Electrical Engineering, National Taiwan Ocean University Senior Vice President of Compal Electronics, Inc.	Note 2	-	-	-	-
	R.O.C.	Representative: Chen, Wei- Chang	M 61-70			2021.3.29	4,000,000	0.27%	7,335,000	0.49%	0	0.00%	0	0.00%			-	-	-	-

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other key positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director (Note 1)	R.O.C.	Tai-Yen Industrial Co., Ltd.	-	2022.6.27	3 years	2022.6.27	1,410,000	0.09%	0	0.00%	-	-	0	0.00%	Ph.D. in Information Engineering, National Taiwan University Professor of Information Management, Soochow University	Note 2	-	-	-	-
	R.O.C.	Representative: Hung, Yung- Chen	M 61-70			2022.6.27	150,000	0.01%	0	0.00%	0	0.00%	0	0.00%			-	-	-	-
Director	R.O.C.	Chiu, Ping-Ho	M 71-80	2022.6.27	3 years	1998.4.15	4,903,304	0.33%	4,903,304	0.33%	6,052	0.00%	0	0.00%	M.S., International Business Studies, National Taiwan University Director of AcBel Polytech Inc.	Note 2	-	-	-	-
Director	R.O.C.	Ruey Shinn Co., Ltd.	-	2022.6.27	3 years	2022.6.27	28,029,000	1.88%	28,029,000	1.86%	-	-	0	0.00%	Lehigh University /Industrial and Systems Engineering Vice Director of Compal Electronics, Inc.	Note 2	-	-	-	-
	R.O.C.	Representative: Chen, Hsin-Tso	M 41-50		3 years	2022.6.27	62,025	0.00%	62,025	0.00%	0	0.00%	0	0.00%			-	-	-	-
Director	R.O.C.	Hsu, Chieh- Cheng	M 41-50	2022.6.27	3 years	2022.6.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Boston University School of Management International MBA Manager of PwC Financial Advisory Firm	Note 2	-	-	-	-
Independent Director	R.O.C.	Hsieh, Fa-Dah	M 71-80	2022.6.27	3 years	2019.6.24	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. and B.S. Department of Economics, National Chengchi University Ambassador to the Singaporean Mission	Note 2	-	-	-	-
Independent Director	R.O.C.	Huang, Chih- Peng	M 71-80	2022.6.27	3 years	2016.6.22	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, Georgetown University, USA B.S., Public Finance, National Chengchi University Ambassador to the Vietnamese Mission	Note 2	-	-	-	-

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other key positions	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Wu, Chung- Fern	F 61-70	2022.6.27	3 years	2022.6.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	BBA (Accounting) and MBA (Finance), National Taiwan University Management Ph.D., Anderson Graduate School, University of California, Los Angeles (UCLA) Commissioner of the Financial Supervisory Commission (Government official) Professor of the Department of Accounting, College of Management, National Taiwan University	Note 2	-	-	-	-

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Note 1: The Company's corporate director, Tai-Yen Industrial Co., Ltd., was automatically dismissed on August 19, 2024, due to transferring more than half of the shares it held at the time of its election. It currently holds no shares.

Note 2: All directors currently hold other key positions in the Company and other companies.

Title	Name	Holding Key Positions in Other Companies	
Chairman / Group CEO	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	Chairman	Teleport Access Services, Inc., NTNU Innovation Investment Holding Company, Compal Management (Chengdu) Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (Chongqing) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Kinpo Electronics (China) Co., Ltd., Cal-Comp Semiconductor, Ltd.
		Chairman /President	Kinpo Group Management Service Company, Cal-Comp Precision Holding Co., Ltd.
		Managing Director	Taiwan Biotech Co., Ltd.
		Director	Cal-Comp Electronics(Thailand) Public Company Limited, Zigong Smart Sporting Co., Ltd., Zigong Art Sharing Co., Ltd., Crownpo Technology Inc., Compal System Trading (Kunshan) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Ascendant Private Equity Investment Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Cal-Comp Precision (Thailand) Limited, Cal-Comp USA (San Diego), Co., Inc., Compal Mexico Electromex, S.A de C.V., Confiar Land Corp., Kinpo Electronics (Philippines), Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Lipo Holding CO., LTD., Ranashe International Ltd.
		Director /President	Cal-Comp Electronics & Communication Co., Ltd.
		Other	Honorary Chairman of The Third Wednesday Club, Honorary Chairman of the Importers and Exporters Association of Taipei, Honorary Chairman of the Chinese National Federation of Industries, Consultant of the Taiwan Electrical and Electronic Manufacturers' Association, Chairman of the China Productivity Center, Vice Chairman of the Straits Exchange Foundation, Vice Chairman of the Sinocon Industrial Standards Foundation

Title	Name	Holding Key Positions in Other Companies	
Director	Ko, Charng-Chyi	Chairman	Taiwan Biotech Co., Ltd., Taiwan Venture Capital Co., Ltd., Global BioParma Inc., Aseptic Innovative Medicine Co., Ltd., Taiwan Veterans Pharmaceutical Co., Ltd., Weck Tech Biotech Co., Ltd., Evergene Biotech Industrial Co., Ltd., Young & Health Care Resorts Inc., Yinfeng International, Inc., Long Yee Investment Co. Ltd., All For Health Biotech Co., Ltd., Twin Luck Global Company Ltd., Taiwan Chariston AMC Co., Ltd., T.B.C. Development and Construction Co., Ltd., Creative Vision Investment Co., Ltd.
		Director	OmniHealth Group, Inc., Genhealth Pharma Co., Ltd., Compal Electronics, Inc., OmniHealth Foundation, Optics Lab Inc., Syn Pharm Inc., KKXC Integrated Management Holding (CYPRUS) Ltd., Gold Precision Ltd., SMARTINT, INC., All Information Inc., Taiwan Carefor Home Pharmacy Co., Ltd.
		Supervisor	Teleport Access Services, Inc., Sunny Special Dyeing & Finishing Co., Ltd.
		Managing Supervisor	Cross-Strait Health Care and Leisure Activities Association
	Ho, Mei-Yueh	Independent Director	ASE Technology Holding Co., Ltd., Center Laboratories Inc., Acer Inc., Onward Therapeutics SA
	Panpal Technology Corp. Representative: Chen, Wei-Chang	Chairman	Cal-Comp Asset Management, Inc., Cal-Comp Technology (Philippines), Inc., Kinpo Electronics (Philippines), Inc., Cal Comp (Malaysia) SDN. BHD., ICKP (Beijing) Technology Development Co., Ltd., Cal-Comp Big Data, Inc. (KunShan), Cal-Comp Precision (Yueyang) Co., Ltd., NKG Advanced Intelligence & Technology Development (YueYang) Co., Ltd., Cal-Comp Precision (Dongguan) Limited, Cal-Comp Electronics de Mexico Co., S.A. de C.V. \ Cal-Comp Precision (Philippines), Inc.
		Chairman /President	Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Optical Electronics (Yueyang) Co., Ltd.
		Vice Chairman	Cal-Comp Electronics (Thailand) Public Company Limited \ PChome (Thailand) Co., Ltd
		Director	Compal Electronics, Inc., AcBel Polytech Inc., Kinpo Group Management Service Company, iHelper Inc., Cal-Comp Precision Holding Co., Ltd., Castlenet Technology (BVI) Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd., Cal-comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Logistar International Holding Company Limited, Ascendant Private Equity Investment Ltd.
		Director /President	Cal-Comp Electronics & Communication Co., Ltd., Kinpo Electronics (China) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp USA (San Diego), Co., Inc., Cal-Comp Semiconductor, Ltd.
	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen	Independent Director	President Chain Store Corporation
	Chiu, Ping-Ho	Director	AcBel Polytech Inc., Power Station Holdings Ltd., Hsu Chauing Social Welfare Charity Foundation, The Pure Fragrance Charitable Foundation
		Supervisor	Crownpo Technology Inc., Cal-Comp Electronics & Communication Co., Ltd., Zigong Art Sharing Co., Ltd., Zigong Smart Sporting Co., Ltd., AcBel Electronic (Dongguan) Co., Ltd., AcBel Electronic (Wuhan) Co., Ltd.
	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	Chairman	Precisely Printed Medical Ltd.
		Director	ARCE Therapeutics, Inc., Ruey Shinn Co., Ltd., HippoScreen Neurotech Corp., General Life Biotechnology Co., Ltd.
		Director /President	River Regeneration and Rejuvenation Biotechnology Co., Ltd.
		Director / Executive Vice President	Raypal Biomedical Co., Ltd.
		Senior Director	Compal Electronics, Inc.
	Hsu, Chieh-Cheng	Director	Anthroposophy Education Foundation
		Director / Manager	Integrate Investment Corp.
Independent Director	Hsieh, Fa-Dah	Chairman	Abico Asia Capital Co., Ltd.
		Director	Excelsior Capital Management Co., Ltd.
	Huang, Chih-Peng	Independent Director	AMPACS Corporation, Mai-Liao Power Corporation
	Wu, Chung-Fern	Independent Director	Chunghwa Precision Test Tech. Co., Ltd., GlobalWafers Co., Ltd.

Major Shareholders of legal person

April 5, 2025

Name of Legal entity	Major Shareholders	%
Panpal Technology Corp.	Compal Electronics, Inc.	100.00 %
Ho Bao Investment Co., Ltd.	Hsu, Chieh-Li	45.76 %
	Tsai, Li-Chu	20.06 %
	Hsu, Chun-Chi	17.09 %
	Hsu, Yung-Hsu	17.09 %
Ruey Shinn Co., Ltd.	Chen, Hsin-Chung	33.34 %
	Chen, Hsin-Tso	33.33 %
	Chen, Hsin-Yu	33.33 %

Major shareholders of the Company's major institutional shareholders

March 31, 2025

Name of Institutional Shareholders	Major Shareholders	%
Compal Electronics, Inc.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	9.21 %
	Yuanta/P-shares Taiwan Dividend Plus ETF	5.25 %
	Kinpo Electronics, Inc.	3.44 %
	New Labor Pension Fund	2.27 %
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.29 %
	Chunghwa Post Co., Ltd.	1.20 %
	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1.19 %
	JP Morgan Chase Bank Custody ABP Retirement Fund Investment Account	0.93 %
	Taiwan Business Bank Co., Ltd.	0.91 %
	Labor Insurance Fund	0.85 %

2.1.2. Disclosure of Directors' Qualifications and Independence

Name Criteria	Professional Qualifications with experiences (Note 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Hsu, Sheng- Hsiung	Chairman of the Company and Group Chief Executive Officer. Mr. Hsu, Sheng-Hsiung has over 40 years of management experience in the electronics industry. He previously served as a Senior Advisor to the President of Taiwan and possesses extensive industry knowledge and international market insights, coupled with practical experience, strategic management skills, and leadership capabilities. In addition to serving as chairman or director of companies within the Kinpo Group, he also holds positions such as Chairman of the China Productivity Center, Vice Chairman of the Straits Exchange Foundation, and Vice Chairman of the SINOCON Industrial Standards Foundation, contributing to cross-sector industrial services to enhance Taiwan's industrial competitiveness.	-	-
Director Ko, Charng- Chyi	Mr. Ko, Charng-Chyi founded Taiwan CPA Firm in 1970. He has taught at National Taiwan University and National Cheng Kung University, and also served at the National Audit Office. He is one of the co-founders of Compal Electronics, Inc. and has served as Chairman of Taiwan Biotech Co., Ltd. since 1996. Mr. Ko holds professional certification as a Certified Public Accountant (CPA) and has over 40 years of management experience across the technology, biotechnology, and healthcare industries. He possesses broad industry knowledge, financial and investment acumen, strategic management skills, and leadership capabilities.	-	-
Director Ho, Mei-Yueh	Ms. Ho, Mei-Yueh currently serves as a National Policy Advisors to the President of Taiwan and has been deeply engaged in the field of economic development for over 40 years. She served extensively in government agencies, was appointed as Minister of the Ministry of Economic Affairs, R.O.C. in 2004, and as Chairperson of the Council for Economic Planning and Development (currently the National Development Council) in 2007. After retiring from public service, she has continued to promote international industrial cooperation, serving as Chairperson of the Technology Exchange Committee of the Taiwan-Japan Relations Association, strengthening collaborations between Japan and Taiwan in fields such as AI, robotics, healthcare, and biotechnology. She possesses broad industry knowledge, international market insights, strategic management skills, and leadership capabilities.	-	3

Criteria Name	Professional Qualifications with experiences (Note 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Chen, Wei- Chang	Mr. Chen, Wei-Chang graduated from the Department of Electronic Engineering, National Taiwan Ocean University. He previously served as Senior Vice President within the Kinpo & Compal Group and has over 20 years of experience in the computer and electronics industries, with extensive expertise across product development, design, and international business. He currently serves as Director and President of Kinpo Electronics, Inc., overseeing global operations for Kinpo Group, and possesses strong competencies in business, marketing, and industrial technology.	-	-
Director Chiu, Ping-Ho	Mr. Chiu, Ping-Ho holds an M.S. in International Business Studies from National Taiwan University. He is also a Director at AcBel Polytech Inc. and is well-versed in technological developments across the electronics industry supply chain. He specializes in business management and has keen insights into industry development and technological applications. In addition to serving as a director of the Company, he also serves as a director of charitable foundations and a supervisor in the arts and cultural industry, contributing to talent development and cultural advancement.	-	-
Director Chen, Hsin- Tso	Mr. Chen, Hsin-Tso graduated from the Department of Industrial and Systems Engineering at Lehigh University and has professional expertise in engineering science. He currently serves as Senior Director of Compal Electronics, Inc., and concurrently as Chairman of Precisely Printed Medical Ltd., and director of several biotechnology companies including Raypal Biomedical Co., Ltd. He possesses interdisciplinary knowledge across computers, biotechnology, and healthcare industries, along with business and industrial technology capabilities.	-	-
Director Hsu, Chieh- Cheng	Mr. Hsu, Chieh-Cheng holds an International MBA from the Boston University School of Management and previously served as Manager of PwC Financial Advisory Firm. He has extensive experience in business investment strategy management. He currently serves as Director and Professional Investment Manager of Integrate Investment Corp., with strong capabilities in international market insights, financial and investment management, and strategic management.	-	-
Independent Director Hsieh, Fa-Dah	Mr. Hsieh, Fa-Dah has extensive experience in government and industrial policy, along with rich diplomatic expertise. He previously served as the Administrative Deputy Minister of the Ministry of Economic Affairs and as Ambassador at the Representative Office in Singapore. He is currently the Chairman of Abico Asia Capital Co., Ltd., where he is responsible for investment strategy management. His investment portfolio spans high technology, aerospace, new energy vehicles, biotechnology and medical devices, consumer goods, traditional industries, and AI applications. He brings broad industry knowledge, deep insights into international markets, strong financial and investment acumen, strategic management expertise, and leadership capabilities.	Note 3	-

Criteria Name	Professional Qualifications with experiences (Note 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Huang, Chih- Peng	Mr. Huang, Chih-Peng has extensive experience in government and international trade, along with rich diplomatic expertise. He formerly served as Director General of the Bureau of Foreign Trade, Ministry of Economic Affairs, and as Ambassador to the Vietnamese Mission. After retiring from public service, he served as a consultant for multinational corporations and is currently an Independent Director of AMPACS Corporation and Mai-Liao Power Corporation. He possesses broad industry knowledge, international market insights, strategic management skills, and leadership capabilities.	Note 3	2
Independent Director Wu, Chung- Fern	Ms. Wu, Chung-Fern holds a Bachelor's degree in Business Administration (Accounting) and a Master's degree in Business Administration (Finance) from National Taiwan University, as well as a Ph.D. in Accounting Information and Management from the University of California, Los Angeles (UCLA). She holds certifications as a Certified Public Accountant and Securities Analyst in Taiwan, along with professional CPA and Certified Information Systems Auditor (CISA) credentials in the United States. She served as Professor in the Department of Accounting, College of Management, National Taiwan University until her retirement in 2024. Her research areas cover financial technology, information technology and auditing, risk management, valuation and accounting analysis, creative business, and capital markets. She is also currently an Independent Director of Chunghwa Precision Test Tech. Co., Ltd. and GlobalWafers Co., Ltd., possessing expertise in accounting, finance, risk management, and corporate governance.	Note 3	2

Note 1: All the directors of the Company are not against Article 30 of the Company Act.

Note 2: The disclosure in this table reflects the directors still in office at the time of the publication of the annual report.

Note 3: The independence situation of the Independent Director:

Independence Criteria	Hsieh, Fa-Dah	Huang, Chih-Peng	Wu, Chung-Fern
1. Neither I, my spouse, nor my relatives within two degrees of kinship have taken up the role of Director, Supervisor, or employee in the Company or its related enterprises.	✓	✓	✓
2. Not served as a director, supervisor, or employee of a company with a specific relationship with The Company (refer to the provisions of Article 3, Paragraph 1, Items 5 to 8 of the regulations on the establishment of independent directors and things to be followed by publicly issued companies).	✓	✓	✓
3. The number and proportion of shares held by myself, Spouse, and relatives within two degrees of kinship (or Holding shares in the name of others).	None		
4. The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its Relation in the last two years.	None		

2.1.3. The Diversity & Independence of the Board of Directors

I. The Diversity of the Board of Directors:

- (1) In accordance with the Company's Corporate Governance Practice Code and the Corporate Governance Practice Code for TWSE/TPEX Listed Company, the composition of the Board of Directors should be diversified. In addition to the Directors who also serve as the Company's Management should not exceed one-third of the total seats of the Directors, it should be appropriate to formulate a diversification policy for its own operations, operational style, and development needs. The policy should include, but is not limited to, the following two types of standards:

- Basic conditions and values: Gender, age, nationality, and culture, etc.
- Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

Members of the Board of Directors should generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the abilities that the board should possess are as follows:

- Operating Judgment Ability.
- Accounting and Financial Analysis Ability.
- Operating Management Ability.
- Crisis Management Ability.
- Industry Knowledge.
- International Market View.
- Leadership Ability.
- Decision-making ability.

- (2) The specific management objectives and the status of achievement of the Company's board diversity policy are as follows:

Management Objectives	Achievement Status
Increase the number of directors of different genders to three.	There are currently two directors of different genders, and the Company expects to achieve its gender diversity objective by increasing this number to three by 2025.
At least two independent directors should have expertise in law or accounting.	Currently, one director has an accounting background. To meet its goal of at least two directors with legal or financial expertise, the Company plans to appoint one more independent director with a legal background by 2025.
The directors who also serve as Managerial officer do not exceed one-third of the total board seats.	In 2024, the target of not exceeding one-third of the board seats has been achieved.

(3) The implementation status of the board members' diversity policy is as follows:

Title		Chairman	Director							Independent Director		
Name		Hsu, Sheng-Hsiung	Ko, Charng-Chyi	Ho, Mei-Yueh	Chen, Wei-Chang	Hung, Yung-Chen	Chiu, Ping-Ho	Chen, Hsin-Tso	Hsu, Chieh-Cheng	Hsieh, Fa-Dah	Huang, Chih-Peng	Wu, Chung-Fern
Gender		M	M	F	M	M	M	M	M	M	M	F
Gender Distribution		M: 82%, F: 18%										
Age Distribution	41-50							✓	✓			
	51-60											
	61-70				✓	✓						✓
	71-80			✓			✓			✓	✓	
	81-90	✓	✓									
Nationality		Republic of China										
Employee Status	Company	Concurrent Positions	✓			✓						
		Ratio	Directors with Employee Status: 25%							Independent Directors with Employee Status: 0%		
	Subsidiary	Concurrent Positions	✓			✓						
		Ratio	Directors with Employee Status: 25%							Independent Directors with Employee Status: 0%		
Independent Director Tenure	Less than 3 years	-								1 person (33%)		
	Less than 9 years	-								2 persons (67%)		
Major Areas of Diversity Policy												
Business Decision-Making		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Leadership and Command		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Industry Expertise		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Macroeconomics and Global Perspective		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Law and Financial Accounting		✓	✓	✓					✓			✓

(4) Reasons for Not Meeting the One-Third Gender Ratio and Planned Measures:

■ Reasons:

The Board consists of 11 seats, with 9 male and 2 female directors. After the 2025 re-election, the number of female directors is expected to increase to 3, but this remains below one-third due to industry characteristics and the limited availability of qualified female candidates.

■ Planned Measures:

The Company aims to increase female board representation to over one-third and will actively identify qualified female candidates through professional networks, industry associations, and external recommendations to strengthen corporate governance and promote board diversity.

2. Independence of the Board of Directors:

The procedures for the election of all directors of the Company are public and fair, in compliance with the company's "Articles of Incorporation", "Director Election Regulations", "Corporate Governance Best Practice Principles", "Regulations on the Establishment of Independent Directors and Matters to be Obeyed by Public Offering Companies", and "Article 14-2 of the Securities and Exchange Act" and other regulations. The current Board of Directors is composed of 3 Independent Directors (27.2%), 8 non-independent Directors (72.8%, One of the directors resigned on August 19, 2024.), including 2 Directors with a Management status (18.2%, not exceeding one-third of all Director positions). All Directors do not have a Spousal or close Relative Relationship, in compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

The Board of Directors of the Company guides the company's strategy, supervises the management level, and is responsible for the company and its shareholders. In all aspects of corporate governance systems and arrangements, the Board of Directors exercises its powers in accordance with laws, company articles, or shareholders' meeting resolutions. The Company's board emphasizes the functionality of independent operation and transparency. Both directors and independent directors are independent entities exercising their powers independently. The three Independent Directors also comply with relevant legal regulations, coupled with the powers of the Audit Committee, to review the control and management of the Company's existing or potential risks, in order to effectively supervise the implementation of the Company's internal control, the independence of certified public accountants, and the proper preparation of financial statements.

2.1.4. President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches Information

April 5, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Group CEO	R.O.C.	Hsu, Sheng-Hsiung	M	2022.8.11	13,683,942	0.91%	21,678,723	1.44%	0	0.00%	B.S., Chinese National Taiwan Normal University Honorable Ph.D. in philosophy National Taiwan Normal University	Please refer to page 8 for director information.	-	-	-	-
President	R.O.C.	Chen, Wei-Chang	M	2020.5.13	7,335,000	0.49%	0	0.00%	0	0.00%	BS, Electrical Engineering, National Taiwan Ocean University	Please refer to page 9 for director information.	-	-	-	-
Senior Vice President	R.O.C.	Huang, Yu-Hui	M	2007.1.1	4,523,382	0.30%	0	0.00%	0	0.00%	MBA, Pacific Western University	Note 3	-	-	-	-
Vice President	R.O.C.	Wong, Yee Lok Kirby	M	2019.4.1	240,000	0.02%	104	0.00%	0	0.00%	Department of Mechanical Engineering, University of New South Wales, Australia	Note 3	-	-	-	-
Vice President	R.O.C.	Lo, Guo-Lun	M	2008.10.1	363,700	0.02%	840	0.00%	0	0.00%	Master of Science in Manufacturing Engineering, Carroll University	Note 3	-	-	-	-
Vice President	R.O.C.	Yu, Shih-Tung	M	2020.8.13	429,000	0.03%	156,000	0.01%	0	0.00%	MBA, Pacific Western University	Note 3	-	-	-	-
Special Assistant to the Chairman (Vice President)	R.O.C.	Chen, Pei-Yuan	M	2020.8.13	2,498,372	0.17%	416,293	0.03%	0	0.00%	International trade, Hsing Wu University	Note 3	-	-	-	-
Vice President	R.O.C.	Lin, Dah-Jiun	M	2021.11.12	270,000	0.02%	0	0.00%	0	0.00%	Master of Engineering Management, George Washington University	-	-	-	-	-
Vice President	R.O.C.	Yu, Nai-Pu (Note 1)	M	2024.8.14	142,276	0.01%	0	0.00%	0	0.00%	MS, Media, Culture, and Communication, New York University	-	-	-	-	-
Vice President	R.O.C.	Chien, Chih-Chi (Note 2)	F	2025.3.12	0	0.00%	0	0.00%	0	0.00%	MS, International Hotel Management, University of Surrey	-	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Head of Corporate Governance	R.O.C.	Lin, Cheng-Hsien	M	2023.11.14	165,000	0.01%	0	0.00%	0	0.00%	Master of Finance and Taxation, National Cheng Chi University	Note 3	-	-	-	-
Chief of Accounting & Financial	R.O.C.	Yu, Chien-Hui	F	2015.11.11 2016.03.18	849,000	0.06%	3,000	0.00%	0	0.00%	MS Accounting, National Taiwan University	Note 3	-	-	-	-

Note 1: Vice President Yu, Nai-Pu was approved by the Board of Directors on August 14, 2024, as a newly appointed managerial officer.

Note 2: Vice President Chien, Chih-Chi was approved by the Board of Directors on March 12, 2025, as a newly appointed managerial officer.

Note 3: All members of the management team currently hold other key positions in the Company and other companies.

Title	Name	Holding Key Positions in Other Companies	
Senior Vice President	Huang, Yu-Hui	Director	CastleNet Technology Inc., ICKP (Beijing) Technology Development Co., Ltd., Cal-Comp Optical Electronics (Yueyang) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Precision (Dongguan) Limited
		Director / President	Kunshan Peifeng Internet Co., Ltd., NKG Advanced Intelligence & Technology Development (YueYang) Co., Ltd.
		Vice President	Kinpo Electronics (China) Co., Ltd.
Vice President	Wong, Yee Lok Kirby	Director	Cal-Comp Precision (Singapore) Limited, Cal-Comp Semiconductor, Ltd.
		President	Cal-Comp Technology (Philippines), Inc.
Vice President	Lo, Guo-Lun	Director	Cal-Comp Technology (Philippines), Inc.
Vice President	Yu, Shih-Tung	Director	ICKP (Beijing) Technology Development Co., Ltd.
Special Assistant to the Chairman (Vice President)	Chen, Pei-Yuan	Director	CastleNet Technology Inc., Fu Bao Investment Co., Ltd.
Head of Corporate Governance	Lin, Cheng-Hsien	Director	CastleNet Technology Inc., Hongyi Optical Co., Ltd., Crownpo Technology Inc., Norm Pacific Automation Corp., Teleport Access Services, Inc., iHelper Inc., McTec Taiwan Ltd.
		Supervisor	Kinpo Electronics (China) Co., Ltd., Cal-Comp Optical Electronics (Yueyang) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Precision (Yueyang) Co., Ltd., ICKP (Beijing) Technology Development Co., Ltd.
Chief of Accounting & Financial	Yu, Chien-Hui	Director	Kinpo International (Singapore) Pte. Ltd., Castlenet Technology (BVI) Inc.
		Director / CFO	Cal-Comp Electronics (USA) Co., Ltd.
		Supervisor	Cal-Comp Precision (Dongguan) Limited, NKG Advanced Intelligence & Technology Development (YueYang) Co., Ltd.
		CFO	Cal-Comp USA (San Diego), Co., Inc.

2.2. Remuneration Paid to Directors, Independent Directors, President, and Vice Presidents in the Most Recent Year

2.2.1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								The sum of A, B, C and D as a percentage of after-tax profits		Remuneration as an employee								The sum of A, B, D, E, F and G as a percentage of after-tax profits		Remuneration from ventures other than subsidiaries or from the parent company	
		Remuneration (A)		Retirement Benefits (B)		Directors Compensation (C)		Business Execution Expenses (D)				Salaries, bonuses, special allowances, etc (E)		Retirement Benefits (F)		Share of profits as an employee (G)							
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements		
Chairman	Ho Bao Investment Co., Ltd.	0	6,833	0	0	22,610	22,610	1,637	2,478	1.47%	1.94%	37,486	82,633	108	216	21,285	0	21,285	0	5.05%	8.26%	18,262	
	Representative: Hsu, Sheng-Hsiung																						
Director	Ko, Chang-Chyi																						
Director	Ho, Mei-Yueh																						
Director	Panpal Technology Corporation																						
	Representative: Chen, Wei-Chang																						
Director (Note)	Tai-Yen Industrial Co., Ltd.																						
	Representative: Hung, Yung-Chen																						
Director	Chiu, Ping-Ho																						
Director	Ruey Shinn Co., Ltd.																						
	Representative: Chen, Hsin-Tso																						
Director	Hsu, Chieh-Cheng																						
Independent Director	Hsieh, Fa-Dah	4,817	4,817	0	0	0	0	1,195	1,195	0.37%	0.37%	0	0	0	0	0	0	0	0	0.37%	0.37%	0	
	Huang, Chih-Peng																						
	Wu, Chung-Fern																						
1. Please state the remuneration payment policy, system, standard and structure of Independent Directors, and the relationship between factors such as the responsibilities, risks and time devoted, and the amount of remuneration: The remuneration of Independent Directors shall be submitted by the Compensation Committee to the Board of Directors and decided by the Board of Directors, which depended on personal participation in and contribution to the Company's business and benchmarks within the same industry according to the "Articles of Association".																							
2. Remuneration collected by Directors for their services (i.e. acting as advisor for non employees) as disclosed in the Financial Report in the most recent year not shown in the table: None.																							

■ Relevant information should be separately listed for directors (non-independent directors) and independent directors.

Note: The Company's corporate director, Tai-Yen Industrial Co., Ltd., was automatically dismissed on August 19, 2024, due to transferring more than half of the shares it held at the time of its election.

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Items of Remuneration (A+B+C+D)		Aggregate of First Seven Items of Remuneration (A+B+C+D+E+F+G)	
	The Company	All consolidated entities (H)	The Company	Parent company and all investee enterprises (I)
Below NT\$1,000,000	<u>Hsu, Sheng-Hsiung, Chen, Wei-Chang, Hung, Yung-Chen, Chen, Hsin-Tso</u>	<u>Hung, Yung-Chen, Chen, Hsin-Tso</u>	<u>Hung, Yung-Chen, Chen, Hsin-Tso</u>	<u>Hung, Yung-Chen</u>
NT\$1,000,000(incl.)~ NT\$2,000,000(excl.)	Tai-Yen Industrial Co., Ltd.	<u>Chen, Wei-Chang, Tai-Yen Industrial Co., Ltd.</u>	Tai-Yen Industrial Co., Ltd.	Tai-Yen Industrial Co., Ltd.
NT\$2,000,000(incl.)~ NT\$3,500,000(excl.)	<u>Ko, Charng-Chyi, Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern,</u> Panpal Technology Corp., Ruey Shinn Co., Ltd.	<u>Ko, Charng-Chyi, Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern,</u> Panpal Technology Corp., Ruey Shinn Co., Ltd.	<u>Ko, Charng-Chyi, Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern</u> Panpal Technology Corp., Ruey Shinn Co., Ltd.	<u>Ho, Mei-Yueh, Chiu, Ping-Ho, Hsu, Chieh-Cheng, Hsieh, Fa-Dah, Huang, Chih-Peng, Wu, Chung-Fern,</u> Panpal Technology Corp., Ruey Shinn Co., Ltd.
NT\$3,500,000(incl.)~ NT\$5,000,000(excl.)				<u>Chen, Hsin-Tso</u>
NT\$5,000,000(incl.)~ NT\$10,000,000(excl.)	Ho Bao Investment Co., Ltd.	<u>Hsu, Sheng-Hsiung, Ho Bao Investment Co., Ltd.</u>	Ho Bao Investment Co., Ltd.	<u>Ko, Charng-Chyi, Ho Bao Investment Co., Ltd.</u>
NT\$10,000,000(incl.)~ NT\$15,000,000(excl.)				
NT\$15,000,000(incl.)~ NT\$30,000,000(excl.)			<u>Hsu, Sheng-Hsiung</u>	
NT\$30,000,000(incl.)~ NT\$50,000,000(excl.)			<u>Chen, Wei-Chang</u>	<u>Hsu, Sheng-Hsiung</u>
NT\$50,000,000(incl.)~ NT\$100,000,000(excl.)				<u>Chen, Wei-Chang</u>
Above NT\$100,000,000				
Total (the names of the corporate shareholder and its representative shall be stated separately)	15	15	15	15

2.2.2. Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Remuneration (A)		Pension (B)		Rewards and special disbursements (C)		Employee Bonus (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from Invested Companies other than Subsidiaries (E)
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements		The Company	All Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
Group CEO	Hsu, Sheng-Hsiung	34,564	49,922	2,176	2,329	48,245	81,830	31,310	0	31,310	0	7.06%	10.05%	1,151
President	Chen, Wei-Chang													
Senior Vice President	Huang, Yu-Hui													
Vice President	Wong, Yee Lok Kirby													
Vice President	Lo, Guo-Lun													
Vice President	Yu, Shih-Tung													
Special Assistant to the Chairman (Vice President)	Chen, Pei-Yuan													
Vice President	Lin , Dah-Jiun													
Vice President	Yu, Nai-Pu													

■ Disclosures must be made for all persons in positions equivalent to general manager or assistant general manager, regardless of job title (e.g., president, chief executive officer, chief administrative officer... etc.)

Note: Vice President Yu, Nai-Pu of the Company was approved by the Board of Directors on August 14, 2024, as a newly appointed managerial officer.

Table of Remuneration Ranges

Range of Remuneration Paid to President and Vice Presidents	Names of President and Vice Presidents	
	The Company	Parent company and all investee enterprises
Below NT\$1,000,000		
NT\$1,000,000(incl.)~ NT\$2,000,000(excl.)		
NT\$2,000,000(incl.)~ NT\$3,500,000(excl.)		
NT\$3,500,000(incl.)~ NT\$5,000,000(excl.)	Yu, Nai-Pu	
NT\$5,000,000(incl.)~ NT\$10,000,000(excl.)	Wong, Yee Lok Kirby, Yu, Shih-Tung, Chen, Pei-Yuan, Lin, Dah-Jiun	Wong, Yee Lok Kirby, Yu, Shih-Tung, Chen, Pei-Yuan, Lin, Dah-Jiun, Yu, Nai-Pu
NT\$10,000,000(incl.)~ NT\$15,000,000(excl.)	Huang, Yu-Hui, Lo, Guo-Lun	Huang, Yu-Hui, Lo, Guo-Lun
NT\$15,000,000(incl.)~ NT\$30,000,000(excl.)	Hsu, Sheng-Hsiung	
NT\$30,000,000(incl.)~ NT\$50,000,000(excl.)	Chen, Wei-Chang	Hsu, Sheng-Hsiung
NT\$50,000,000(incl.)~ NT\$100,000,000(excl.)		Chen, Wei-Chang
Above NT\$100,000,000		
Total	9	9

2.2.3. Allocation of Employee Compensation to Managers and Related Details

Unit: NT\$ thousands

	Title	Name	Stock	Cash	Total	Total as a percentage of after-tax profits (%)
Management	Group CEO	Hsu, Sheng-Hsiung	0	33,915	33,915	2.06%
	President	Chen, Wei-Chang				
	Senior Vice President	Huang, Yu-Hui				
	Vice President	Wong, Yee Lok Kirby				
	Vice President	Lo, Guo-Lun				
	Vice President	Yu, Shih-Tung				
	Special Assistant to the Chairman (Vice President)	Chen, Pei-Yuan				
	Vice President	Lin, Dah-Jiun				
	Vice President (Note 1)	Yu, Nai-Pu				
	Head of Corporate Governance	Lin, Cheng-Hsien				
	Chief of Accounting & Financial	Yu, Chien-Hui				

Note 1: Vice President Yu, Nai-Pu of the Company was approved by the Board of Directors on August 14, 2024, as a newly appointed managerial officer.

Note 2: The remuneration of the employees for the year of 2024 was approved by the Company's Board of Directors on March 12, 2025, and the above amount is an estimate of the proposed distribution.

Note 3: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 4: The applicable scope of "managerial officers" is defined under the March 27, 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

- (1) General Manager and equivalent
- (2) Vice general manager and equivalent
- (3) Associate general manager and equivalent
- (4) Head of finance department
- (5) Head of accounting department
- (6) Other person who have the rights to manage affairs and sign for the Company

2.2.4. Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents, and Vice Presidents

- I. The percentage of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, supervisors, presidents, and vice presidents of the Company, relative to net income.

Unit: NT\$ thousands

Item	2023		2024	
	Amount	%	Amount	%
Director	155,213	20.67%	203,325	12.35%
President/Vice President				
Profit after Income Tax	751,037		1,646,423	

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and correlation with business performance.

- (1) Director remuneration: In accordance with Article 26 of the Company's Articles of Association, the Company, if profitable in the year, shall set aside no less than 2% of the profit as remuneration for the employees and no higher than 2% as remuneration for the directors.
- (2) Directors and Independent Directors all receive travel expenses (i.e. business operation expenses). Independent Directors receive a fixed salary and do not participate in the distribution of Director remuneration; General Directors do not receive a fixed salary, but participate in the Director remuneration distribution.
- (3) The Compensation Committee, based on the results of the board of directors' performance evaluation, reports to the board and provides specific recommendations as a reference for determining directors' remuneration.

The remuneration of the President, Vice Presidents, and other managerial officers is determined with reference to industry standards and based on factors such as position, grade, academic and professional background, expertise, responsibilities, and individual contributions to the Company. Reasonable compensation is provided within the scope of authority and responsibilities of each position, taking into account the performance indicators of managerial officers.

Performance indicators include both financial metrics (e.g., return on equity, return on assets, revenue, gross profit, and net income after tax) and non-financial metrics (e.g., promotion of corporate sustainability, risk management, and leadership in driving internal process transformation).

- (4) The procedure for determining the remuneration of Directors, President/ Vice President: Set annual performance indicators → annual performance (including board of Directors performance) evaluation → remuneration amount verification → Compensation Committee review → board of Directors approval → release.

In addition to considering the Company's overall operational performance, reasonable remuneration is also provided based on the performance of managerial officers, with financial performance indicators accounting for approximately 75% and non-financial performance indicators accounting for approximately 25%.

The Company continuously monitors changes in the global economy, international financial environment, and industry conditions, and evaluates its future business development, profitability outlook, operational risks, and relevant regulatory changes. The compensation system is reviewed and adjusted in a timely manner to maintain a balance between sustainable business operations and effective risk management.

- (5) The linkage to operating performance and future risk exposure:

In order to enhance long-term competitiveness and sustainable operation, the Company's principles of remuneration are fully linked to performance. Comprehensive evaluation items such as the Company's operating performance (revenue, net income after tax, etc.), overall salaries and individual performance are taken into account. Differentiated grants are made according to individual contributions to implement a performance-oriented incentive system. The Company's management level's crucial decisions all take into account various risk factors. The performance of these decisions is reflected in the Company's profitability and review the remuneration system accordingly, to balance the Company's sustainable operation and risk control.

The remuneration for the company's directors is determined according to the company's articles of incorporation and is based on the company's annual profitability, thus closely linked to operational performance. The company's Compensation Committee reviews the remuneration system based on the directors' contributions to the Board of Directors and the company's operations, including considerations of future business risks, environmental protection, and sustainable development.

2.3. Implementation of Corporate Governance

2.3.1. Board of Directors

In the year 2024, the Board of Directors held 5 meetings (A). The attendance of the directors is as follows:

Title	Name	Actual Attendance (B)	Attendance By Proxy	Actual Attendance Rate (%) [B/A]	Remark
Chairman	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	5	0	100%	-
Director	Ko, Charng-Chyi	5	0	100%	-
Director	Ho, Mei-Yueh	5	0	100%	-
Director	Panpal Technology Corp. Representative: Chen, Wei-Chang	5	0	100%	-
Director	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen	3	0	100%	Dismissed on August 19, 2024; should have attended 3 meetings.
Director	Chiu, Ping-Ho	4	1	80%	-
Director	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	4	1	80%	-
Director	Hsu, Chieh-Cheng	5	0	100%	-
Independent Director	Hsieh, Fa-Dah	4	1	80%	-
Independent Director	Huang, Chih-Peng	5	0	100%	-
Independent Director	Wu, Chung-Fern	5	0	100%	-

Other Mentionable Items:

- I. If the operation of the board of directors meets any of the following situations, the board meeting date, session, agenda items, opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act:

Board meeting date, Session	Agenda items	Opinions of independent directors	Handling the opinions of independent directors
2024/03/11 The 11th Meeting of the 19th Session	Evaluation of the accountant independence and suitability of the Company.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for Endorsement and guarantee for its subsidiaries.	Approved as proposed	
	Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business.	Approved as proposed	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	
	Amendment to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings."	Approved as proposed	
	Amendment to certain provisions of the Company's "Audit Committee Charter."	Approved as proposed	

Board meeting date, Session	Agenda items	Opinions of independent directors	Handling the opinions of independent directors
2024/05/14 The 12th Meeting of the 19th Session	Establishment of the Company's "Board Diversity Policy."	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	
	Proposal for Kinpo Electronics (China) to invest in Lizhi Electronics (Nantong).	Approved as proposed	
	Proposal for Endorsement and guarantee for its subsidiaries.	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	Approved as proposed	
2024/08/14 The 13th Meeting of the 19th Session	Second transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	Approved as proposed	Implemented in accordance with the resolution
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	
	Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business.	Approved as proposed	
	Proposal for Endorsement and guarantee for its subsidiaries.	Approved as proposed	
2024/11/13 The 14th Meeting of the 19th Session	Amendment to the Company's "Internal Control System and Internal Audit Implementation Guidelines."	Approved as proposed	Implemented in accordance with the resolution
	Establishment of the Company's "Sustainability Report Preparation and Review Procedures."	Approved as proposed	
	Establishment of the Company's "Sustainability Information Management Guidelines."	Approved as proposed	
	Third transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	Approved as proposed	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	Approved as proposed	
	Proposal to establish the "Risk Management Committee" under the Board of Directors.	Approved as proposed	
	Establishment of the Company's "Risk Management Policy and Procedures."	Approved as proposed	
	Proposal for Endorsement and guarantee for its subsidiaries.	Approved as proposed	
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	Approved as proposed	

- (2) Other agenda items that involve the objection or reservation of independent directors of which the opinion is recorded or stated in writing: None.

2. In the case of a director's avoidance of motions in conflict of interest, the director's name, agenda item, reason for the avoidance and voting shall be stated:

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
2024/03/11 The 11th Meeting of the 19th Session	■ 2023 Remuneration of employees and directors of the Company Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ The Company's 2024 annual salary adjustment. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ 2023 annual Dragon Boat Festival and Mid-Autumn Festival bonuses of the Employees Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, who also serve as the Group CEO and President of the Company respectively, recused themselves from the review of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Donation proposal to a related party. Chairperson Tsai, Li-Chu of Hsu Chaung Social Welfare Charity Foundation is the spouse of Chairman Hsu, Sheng-Hsiung; Director Chiu, Ping-Ho also serves as a director of Hsu Chaung Social Welfare Charity Foundation. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction company in this case; Director Hsu, Chieh-Cheng and Director of the said company in this proposal, Hsu, Sheng-Chieh are immediate relatives, so they recused themselves from discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Issued the letter of support to financial institutions for its subsidiaries. Chairman Hsu, Sheng-Hsiung and the Director of the transaction company, Hsu, Chieh-Li, are immediate relatives. Therefore, they recused themselves from the discussion of this case in accordance with the law. The resolution was adopted by all Directors present upon solicitation by the acting Chairman. ■ Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business. Chairman Hsu, Sheng-Hsiung, Director Chen, Wei-Chang, Director Ko, Charng-Chyi, Director Ho, Mei-Yueh, and Director Hsu, Chieh-Cheng were the subjects of this discussion and therefore recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors.
2024/05/14 The 12th Meeting of the 19th Session	■ Proposal for Kinpo Electronics (China) to invest in Lizhi Electronics (Nantong). Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of Kinpo Electronics (China); Director Hsu, Chieh-Cheng is a first-degree relative of Director Hsu, Sheng-Chieh of Kinpo Electronics (China). Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for Endorsement and guarantee for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Chairman Hsu, Sheng-Hsiung and Director Hsu, Chieh-Li are first-degree relatives; Director Hsu, Chieh-Cheng is a first-degree relative of

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
	Director Hsu, Sheng-Chieh. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for the Company's loan of funds to subsidiaries and between subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Director Hsu, Chieh-Cheng is a first-degree relative of Director Hsu, Sheng-Chieh. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Issued the letter of support to financial institutions for its subsidiaries. Chairman Hsu, Sheng-Hsiung and Director Hsu, Chieh-Li are first-degree relatives. Therefore, Chairman Hsu, Sheng-Hsiung recused himself from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors.
2024/08/14 The 13th Meeting of the 19th Session	■ Proposal on 2024 remuneration for the Company's directors and managerial officers concurrently holding positions in subsidiaries Chairman Hsu, Sheng-Hsiung, Director Chen, Wei-Chang, and Director Chiu, Ping-Ho were the subjects of this discussion and therefore recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Second transfer of treasury shares repurchased in the Company's ninth share buyback program to employees. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, serving concurrently as the Group Chief Executive Officer and President of the Company, respectively, recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business. Director Chen, Wei-Chang was the subject of this discussion and therefore recused himself from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for Endorsement and guarantee for its subsidiaries. ° Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Director Hsu, Chieh-Cheng is a first-degree relative of Director Hsu, Sheng-Chieh. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Issued the letter of support to financial institutions for its subsidiaries. ° Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Chairman Hsu, Sheng-Hsiung and Director Hsu, Chieh-Li are first-degree relatives. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors.
2024/11/13 The 14th Meeting of the 19th Session	■ Proposal for the 2024 year-end bonuses for the Company's managerial officers (including concurrent positions in subsidiaries) Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, serving concurrently as the Group Chief Executive Officer and President of the Company, respectively, recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Third transfer of treasury shares repurchased in the Company's ninth share

Board meeting date, Session	Agenda item, reasons for the director's avoidance of conflicts of interest and voting participation.
	buyback program to employees. Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang, serving concurrently as the Group Chief Executive Officer and President of the Company, respectively, recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal to establish the "Risk Management Committee" under the Board of Directors. Chairman Hsu, Sheng-Hsiung, Director Chen, Wei-Chang, Independent Director Hsieh, Fa-Dah, Independent Director Huang, Chih-Peng, and Independent Director Wu, Chung-Fern were the subjects of this discussion and therefore recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for Endorsement and guarantee for its subsidiaries. ° Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Director Hsu, Chieh-Cheng is a first-degree relative of Director Hsu, Sheng-Chieh. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Proposal for the Company's loan of funds to subsidiaries and between subsidiaries. ° Chairman Hsu, Sheng-Hsiung and Director Chen, Wei-Chang are directors of the transaction party; Chairman Hsu, Sheng-Hsiung and Director Hsu, Chieh-Li are first-degree relatives; Director Hsu, Chieh-Cheng is a first-degree relative of Director Hsu, Sheng-Chieh. Therefore, they recused themselves from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors. ■ Issued the letter of support to financial institutions for its subsidiaries. ° Chairman Hsu, Sheng-Hsiung and Director Hsu, Chieh-Li are first-degree relatives. Therefore, Chairman Hsu, Sheng-Hsiung recused himself from deliberation in accordance with the law. Upon inquiry by the acting chairperson, the proposal was unanimously approved by the attending directors.

3. Implementation of Evaluations of the Board of Directors:

According to the regulations of the performance evaluation method of the Company's Board of Directors and functional committees, an internal performance evaluation should be carried out every year, and from 2023 onwards, there should be at least one evaluation carried out by an external professional independent organization or team of external experts and scholars every three years.

(I) External Performance Evaluation:

Evaluation Cycle	Conducted once every three years
Evaluation Period	From January 1, 2022 to October 31, 2023
Scope of Evaluation	Performance evaluation of the Board of Directors and functional committees (including the Audit Committee and Compensation Committee)
Evaluation Method	■ Evaluation Institution: Taipei Foundation of Finance. ■ The evaluation institution provides self-assessment and explanation for the Board of Directors of the Company based on seven performance evaluation indicators, and also provides necessary documents and online data related to the various performance indicators.

	■ The evaluation committee reviews the self-assessment data provided by the Company. ■ The evaluation agency arranged for assessment members and evaluation task force members to conduct on-site interviews at the Company.
Evaluation Content	The performance assessment this time mainly focuses on the seven aspects of the development of the assessment agency, and appropriately incorporates additional evaluation considerations. 1) Protecting the rights and interests of shareholders; 2) Strengthening the structure and operation of the Board of Directors; 3) Participation in the company's operations; 4) Improvement of the quality of the board of directors' decision making; 5) Enhancing transparency; 6) Internal control; 7) Promoting sustainable development; 8) Other additional evaluation considerations.

The external performance evaluation results of the Board of Directors in 2023 have been submitted to the Board of Directors meeting on December 2, 2023. The Abstract Illustration is as follows:

A. Various performance evaluation dimensions and analysis results:

Evaluation Dimension	Evaluation Outcome
Protecting the rights and interests of shareholders	Comply with regulations
Strengthen the structure and operation of the board of directors	Board members possess professional and female diversity.
Participation in the company operation	The Board of Directors implements tracking.
Improvement of the quality of the board of directors' decision making;	Communicate and coordinate in advance before the meeting, have complete information, and increase the speed and quality of decision making.
Enhance Information Transparency	The meeting information, fully comprehensive shareholder meeting information, and the sustainability report disclose important topics concerning the rights of stakeholders.
Internal control.	The system is quite comprehensive.
Promote sustainable development	The Company has a dedicated Sustainable Development Office, and the structure of sustainable governance is complete.
Other additional evaluation considerations	-

B. Improvement Suggestions and the Company's Responses:

Item	Improvement Suggestions	The Company's Responses
1	In order to deepen the ESG corporate culture of the evaluated companies and enhance the roles of managerial officers in sustainable governance and Change of Climate, it is suggested to integrate their responsibilities with annual Key Performance Indicators (KPIs).	The ESG responsibilities of the managerial officers need to be integrated with the annual KPI evaluations.
2	Considering the multifaceted and comprehensiveness of the performance assessment of the audited company's chief internal audit officer, it is suggested that the performance assessment of the chief internal audit officer can appropriately invite the Independent Director or Audit Committee for opinions or participation in the assessment.	The Audit Committee members will be asked to express their opinions on the evaluation results of the chief internal audit officer.
3	In the face of the international trend of forward-looking ESG sustainability, it is suggested that the Sustainable Development Office could be responsible for interpreting external ESG sustainability governance knowledge, regulations, and trends, to help integrate into the company's ESG sustainability governance.	The Sustainable Development Department will follow through.

(2) Internal Performance Evaluation:

Evaluation Cycle	Conducted once every three years
Evaluation Period	From January 1, 2024 to December 31, 2024
Scope of Evaluation	Performance evaluation of the Board of Directors, individual directors, and functional committees (including the Audit Committee and Compensation Committee)
Evaluation Method	Self-assessment by questionnaire
Evaluation Content	■ Evaluation items of the Board of Directors performance: 1) Participation in the company operation; 2) Improvement of the quality of the board of directors' decision making; 3) Composition and structure of the board of directors; 4) Election and continuing education of the directors; 5) Internal control. ■ Evaluation items of the Performance of the Board members: 1) Alignment of the goals and missions of the company; 2) Awareness of the duties of a director; 3) Participation in the company operation; 4) Internal relationship and communication; 5) The director's professionalism and continuing education; and 6) Internal control. ■ Evaluation items of the Audit Committee performance: 1) Participation in the company operation; 2) Understanding of the Audit Committee's responsibilities; 3) Improvement of the Audit Committee's decision-making quality; 4) Composition of the Audit Committee and selection of its members; 5) Internal control. ■ Evaluation items of the Compensation Committee: 1) Participation in the company operation; 2) Understanding of the responsibilities of the Compensation Committee; 3) Improving the decision-making quality of the Compensation Committee; 4) The composition and selection of members of the Compensation Committee.

The results of the internal performance evaluation of the Board of Directors in 2024 have been submitted to the Board of Directors on March 12, 2025, and the summary is as follows:

Scope of Evaluation	Avg.	Level
The Board	4.82	Good
Performance of the Board Members	4.81	Good
Audit Committee	4.92	Good
Compensation Committee	4.91	Good

Note: The evaluation outcome is divided into 5 levels: Number 1: Extremely poor (strongly disagree); Number 2: Poor (disagree); Number 3: Average (neutral); Number 4: Good (agree); Number 5: Excellent (strongly agree).

4. Goals for enhancing the functionality of the board of directors (e.g. establish an audit committee, enhance information transparency, etc.) and the evaluation on the implementation status in the current and most recent fiscal year:
 - (1) The Company's Board of Directors approved the adoption of the "Board Diversity Policy" on May 14, 2024.
 - (2) The Company's Board of Directors approved the establishment of the Risk Management Committee on November 13, 2024.
 - (3) The Company's Board of Directors approved on March 12, 2025, that the 20th term board re-election would consist of 11 directors, of which 4 are independent directors, thereby ensuring that independent directors account for one-third of all board members.

- (4) In 2024, the Company either hosted or was invited to participate in a total of four investor conferences, enhancing information transparency.
- (5) To cultivate director talent and strengthen the functions of the Board of Directors, the Company has adopted the following measures:
 - A. Director Improvement: To continually enhance the professional knowledge and legal literacy of the directors, and to assist the effective operation of the Board of Directors, The Company conducted two director improvement courses in 2024. Additionally, the Kinpo Group Management Service Company, a related corporation of the Company, will also occasionally offer refresher courses for directors, and encourages all directors of the Kinpo Group to participate in the courses.
 - B. Succession Plan: This includes cultivating professional managers through rotation across related companies and various key positions, and appointing them as directors of the Company to familiarize themselves with the operation of the board of directors. High-level management personnel participate in biannual training programs and quarterly decision-making meetings held by the Group. In addition, they are trained and developed through job rotation, expatriation, and other methods to identify and nurture high-potential and all-round talents. These efforts aim to strengthen the future management team in a planned and targeted manner. The current president and group CEO were both promoted from high-level management within the Group, and the succession plan is continuously underway.

Please also refer to the sections "Implementation of Corporate Governance" under "Actions taken by the Audit Committee," "Actions taken by the Compensation Committee," "Actions taken by the Sustainable Development Committee," and "Actions taken by the Risk Management Committee" in this annual report. The Company will continue to uphold the mission of "Innovation, Harmony, and Excellence," facing an ever-changing future, while pursuing excellence and maintaining a consistent attitude of information transparency. Important resolutions of the Board of Directors are disclosed in a timely manner on the Market Observation Post System in accordance with regulations after each meeting, and investor conferences are regularly held to build trust, protect shareholder rights, and pursue sustainability together.

2.3.2. The Audit Committee

I. The function of the Audit Committee:

(1) Strengthen the internal control mechanism.

The operation of the Audit Committee is mainly for the purpose of supervising the following matters:

- Appropriate elaboration of financial statements of the Company.
- Election, dismissal, independence and performance of CPA.
- Effectively implementation of internal control of the Company.
- To ensure the Company comply with laws and regulations.
- Control and management of the Company existing or potential risks.

(2) Assisting the Board of Directors in making decisions for the functional committee.

The Audit Committee is a functional committee established under the board of Directors. For the sake of strengthening the supervisory function and enhancing the management function, the Board of Directors leverages independent individuals with professional backgrounds to serve as members of the Audit Committee. By way of professional division and purely independent position, it aids the Board of Directors in decision making and can more effectively supervise the managerial operations. However, matters resolved by the Audit Committee should still be decided by the Board of Directors to clearly implement the responsibility of the Board of Directors.

2. Annual Working Priorities of the Audit Committee:

- (1) Amend the Internal Control System.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Tracking of deficiencies, abnormalities and improvements in the Internal Control System.
- (4) Revise the handling procedures for significant financial business activities such as acquisition or disposal of assets, conducting derivative transactions, loaning funds to others, and endorsing or guaranteeing for others.
- (5) Year and mid-term financial reports, business reports, and profit distribution.
- (6) Evaluate the independence and competency of the certified public accountant.
- (7) Appointment, Dismissal, or Remuneration of CPA.
- (8) Matters involving directors' own interest.
- (9) Significant asset or derivative transactions.
- (10) Significant fund lending, endorsement or provision of guarantees.

3. Audit Committee Members:

Name	Professional Qualifications with experiences
Hsieh, Fa-Dah	M.S. and B.S. Department of Economics, National Chengchi University Mr. Hsieh, Fa-Dah has extensive experience in government and industrial policy, along with rich diplomatic expertise. He previously served as the Administrative Deputy Minister of the Ministry of Economic Affairs and as Ambassador at the Representative Office in Singapore. He is currently the Chairman of Abico Asia Capital Co., Ltd., where he is responsible for investment strategy management. His investment portfolio spans high technology, aerospace, new energy vehicles, biotechnology and medical devices, consumer goods, traditional industries, and AI applications. He brings broad industry knowledge, deep insights into international markets, strong financial and investment acumen, strategic management expertise, and leadership capabilities.
Huang, Chih-Peng	MBA, Georgetown University, USA Mr. Hsu, Chieh-Cheng holds an International MBA from the Boston University School of Management and previously served as Manager of PwC Financial Advisory Firm. He has extensive experience in business investment strategy management. He currently serves as Director and Professional Investment Manager of Integrate Investment Corp., with strong capabilities in international market insights, financial and investment management, and strategic management.
Wu, Chung-Fern	Ms. Wu, Chung-Fern holds a Bachelor's degree in Business Administration (Accounting) and a Master's degree in Business Administration (Finance) from National Taiwan University, as well as a Ph.D. in Accounting Information and Management from the University of California, Los Angeles (UCLA). She holds certifications as a Certified Public Accountant and Securities Analyst in Taiwan, along with professional CPA and Certified Information Systems Auditor (CISA) credentials in the United States. She served as Professor in the Department of Accounting, College of Management, National Taiwan University until her retirement in 2024. Her research areas cover financial technology, information technology and auditing, risk management, valuation and accounting analysis, creative business, and capital markets. She is also currently an Independent Director of Chunghwa Precision Test Tech. Co., Ltd. and GlobalWafers Co., Ltd., possessing expertise in accounting, finance, risk management, and corporate governance.

4. The Audit Committee held 5 (A) meetings in 2024. The attendance of independent directors was as follows:

Title	Name	Actual Attendance (B)	Attendance By Proxy	Actual Attendance Rate (%) [B/A]	Remark
Independent Director	Hsieh, Fa-Dah	5	0	100%	-
Independent Director	Huang, Chih-Peng	5	0	100%	-
Independent Director	Wu, Chung-Fern	5	0	100%	-

Other mentionable items:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

Committee meeting date, Session	Agenda items	Opinions of independent directors	Resolution of the Audit Committee
2024/03/07 The 11th Meeting of the 3rd Session	Proposal for the Company's Statement of Internal Control System for 2023.	-	The proposal was approved by all the attending members.
	Donation Proposal to a Related Party.	-	
	Evaluation of the accountant independence and suitability of the Company.	-	
	Proposal for the 2023 financial statements of the Company.	-	
	Proposal for Endorsement and guarantee for its subsidiaries.	-	
	Issued the letter of support to financial institutions for its subsidiaries.	-	
	Approval of the New, Reduced, or Extended Bank Credit Facilities for the Company and Its Subsidiaries.	-	
	Proposal for the Company's 2023 profit distribution.	-	
	Proposal for the 2023 business report of the Company.	-	
	Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business.	-	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Amendment to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings."	-	
	Amendment to certain provisions of the Company's "Audit Committee Charter."	-	
2024/05/10 The 12th Meeting of the 3rd Session	Establishment of the Company's "Board Diversity Policy."	-	The proposal was approved by all the attending members.
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Proposal for Kinpo Electronics (China) to invest in Lizhi Electronics (Nantong).	-	
	The company's consolidated financial statements for the first quarter of 2024.	-	
	Proposal for Endorsement and guarantee for its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	-	
	Issued the letter of support to financial institutions for its subsidiaries.	-	
	Approval of the New, Reduced, or Extended Bank Credit Facilities for the Company and Its Subsidiaries.	-	

Committee meeting date, Session	Agenda items	Opinions of independent directors	Resolution of the Audit Committee
2024/08/12 The 13th Meeting of the 3rd Session	Second transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	-	The proposal was approved by all the attending members.
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Proposal to lift the restriction on the Company's directors and managerial officers from engaging in competing business.	-	
	The company's consolidated financial statements for the second quarter of 2024.	-	
	Proposal for Endorsement and guarantee for its subsidiaries.	-	
	Issued the letter of support to financial institutions for its subsidiaries.	-	
	Approval of the New, Reduced, or Extended Bank Credit Facilities for the Company and Its Subsidiaries.	-	
2024/11/12 The 14th Meeting of the 3rd Session	Amendment to the Company's "Internal Control System and Internal Audit Implementation Guidelines."	-	The proposal was approved by all the attending members.
	The Company's 2025 Annual audit plan.	-	
	The company's consolidated financial statements for the third quarter of 2024.	-	
	Establishment of the Company's "Sustainability Report Preparation and Review Procedures."	-	
	Establishment of the Company's "Sustainability Information Management Guidelines."	-	
	Third transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	-	
	Proposal for the Company's employee stock option conversion and issuance of new shares and the establishment of a base date.	-	
	Proposal to Establish the "Risk Management Committee Charter" for the Company	-	
	Establishment of the Company's "Risk Management Policy and Procedures."	-	
	Proposal for Endorsement and guarantee for its subsidiaries.	-	
	Proposal for the Company's loan of funds to subsidiaries and between subsidiaries.	-	
	Issued the letter of support to financial institutions for its subsidiaries.	-	
	Approval of the New, Reduced, or Extended Bank Credit Facilities for the Company and Its Subsidiaries.	-	
The company's handling of the opinions of the Audit Committee: All of the above proposals were approved as proposed by all attending members and submitted to the Board of Directors for discussion.			

- (2) Other matters adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee: None.
2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

3. The communication between Independent Directors, Chief Internal Auditor and accountants (This shall include the communication on important matters with respect to the company's financial status and operational status, the communication method, result, etc.)

- (1) After audit reports and follow-up reports are approved by the Chairman, the reports are submitted to each Independent Director for review. If Independent Directors need further information or have instructions, they can contact Chief Internal Auditor anytime.
- (2) The Company periodically (quarterly) convenes the Audit Committee meeting and Board meeting, Chief Internal Auditor attend and report quarterly audit summary in the meeting.
- (3) The Company periodically convenes alone meeting for independent directors and chief internal auditor and public accountants separately. Chief Internal Auditor report audit plan and audit result in the meeting. Public accounts report audit result and other matters prescribed in pertinent laws and regulations in the meeting.
- (4) Summary of the communication between Independent Directors and Chief internal audit officer:

Communication Date	Communication Summary	Actions Taken
2024/03/07	1. Report the follow-up status of audit findings between Aug. 2023 and Nov. 2023. 2. Report the implementation status of audit project between Dec. 2023 and Feb. 2024 3. Submit the 2023 Statement of Internal Control System for discussion and approval.	1. Report to the audit committee and get their approval to submit and report to the board meeting. 2. The 2023 Statement of Internal Control System was delivered to the Audit Committee for approval, and once approved, was submitted to the Board of Directors for discussion and approval.
2024/05/10	1. Report the follow-up status of audit findings between Aug. 2023 and Feb. 2024. 2. Report the implementation status of audit project between Mar. 2024 and Apr. 2024. 3. Report the status of disclosure based on the regulation.	Report to the audit committee and get their approval to submit and report to the board meeting.
2024/08/12	1. Report the follow-up status of audit findings between May. 2024 and Jul. 2024. 2. Report the implementation status of audit project between May. 2024 and Jul. 2024.	Report to the audit committee and get their approval to submit and report to the board meeting.
2024/11/12	1. Report the follow-up status of audit findings between Aug. 2024 and Oct. 2024. 2. Report the implementation status of audit project between Aug. 2024 and Oct. 2024. 3. Report and discuss the 2025 audit plan.	1. Report to the audit committee and get their approval to submit and report to the board meeting. 2. Deliver 2025 annual audit plan to the Audit Committee for approval, once approved, submits to the Board of Directors for discussion and approval.

(5) Summary of the communication between independent directors and accountants:

Communication Date	Communication Summary	Actions Taken
2024/03/07	1. Communication Matters with the Corporate Governance Unit and Management: 1) Audit Scope of the Group 2) Execution and Results of Internal Control Testing 3) Major Accounting Judgments and Estimates by Management 4) Key Audit Matters 5) Other Communication Matters 6) Auditor Independence 7) Content of the Management Representation Letter 8) Audit Results and the Auditor's Expected Opinion for the 2023 Fiscal Year 2. Updates on Securities Regulatory Laws and Regulations 3. Updates on Tax Laws and Regulations	Consultation and exchange of opinions.
2024/05/10	1. Communication Matters with the Corporate Governance Unit and Management: 1) Review Subjects and Review Procedures 2) Group Review Scope 3) Major Accounting Judgments and Estimates by Management 4) Other Communication Matters 5) Auditor's Intended Review Report 2. Updates on Securities Regulatory Laws and Regulations	Consultation and exchange of opinions.
2024/08/12	1. Communication of Financial Statement Review Results: 1) Review Subjects and Review Procedures 2) Group Review Scope 3) Major Accounting Judgments and Estimates by Management 4) Other Communication Matters 5) Auditor's Intended Review Report 2. Updates on Securities Regulatory and Tax Laws and Regulations 3. Latest Trends and Developments in ESG	Consultation and exchange of opinions.
2024/11/12	1. Communication Matters with the Corporate Governance Unit and Management: 1) Review Subjects and Review Procedures 2) Group Review Scope 3) Major Accounting Judgments and Estimates by Management 4) Other Communication Matters 5) Auditor's Intended Review Report 2. Updates on Securities Regulatory and Tax Laws and Regulations 3. Annual Audit Planning	Consultation and exchange of opinions.

2.3.3. Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Has the Company established and disclosed the Corporate Governance Best-Practice Principles based on Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	v		The Company's "Corporate Governance Best-Practice Principles" was approved by the Board of Directors and is disclosed on the company website (www.kinpo.com.tw, in both English and Chinese versions) and on MOPS.	-
2. Shareholding Structure and Shareholder's Rights				
2.1 Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	v		The Company's "Corporate Governance Best-Practice Principles" has been approved by the Board of Directors. The Company has also established a spokesperson, an acting spokesperson, and Investor Relation. Also, the "Investor Section" is set up on the company website disclosing our "Investor Contact Window" to facilitate the management of shareholder suggestions, doubts, disputes, and litigations, and to implement according to the procedure.	-
2.2 Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	v		The Company has established a Shareholder Services Department and appointed a professional shareholder services agent to oversee the shareholding status of directors, managerial officers, and shareholders holding more than 10% of the Company's shares. The relevant information is disclosed monthly on the Market Observation Post System.	-
2.3 Does the company establish and execute the risk management and firewall system within its conglomerate structure?	v		To strengthen the management of transactions with related parties, the Company obtained Board approval on December 25, 2014, for the "Regulations Governing Financial and Business Transactions Between Affiliated Enterprises," which govern all types of transactions with related parties and establish firewall and risk control mechanisms. In accordance with shareholder meeting resolutions, the Company has also adopted the "Regulations Governing the Acquisition and Disposal of Assets," "Regulations Governing Loaning of Funds," and "Regulations Governing Making of Endorsements/Guarantees," and incorporated these into the internal control system to ensure compliance and effective risk management regarding related transactions.	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2.4 Does the company establish internal rules against insiders trading with undisclosed information?	v		The Company has established "Prevention of Insider Trading Regulations", "Principles and Guidelines for Integrity Business Ethics and Behavior of the Company", and "Group Code of Conduct" to govern all the employees, managers and directors of the Company, as well as anyone who knows the company's news based on their profession or control relationships. Any behavior that might involve insider trading is strictly forbidden. Each year, in the course promoting the prevention of insider trading and short-swing trading, the Company reminds directors that they are prohibited from trading the Company's shares during the 30 days prior to the announcement of the annual financial report and the 15 days prior to the announcement of each quarterly financial report. In 2024 and up to the date of the publication of this annual report, directors were reminded via email prior to each blackout period a total of five times not to trade the Company's shares. The Company has posted the insider trading and short-swing trading prevention course on its internal training website and has made it a mandatory annual training course for all employees (including managerial officers and employees). Additionally, prior to each Board meeting, managerial officers are reminded via email of the share trading blackout period and the relevant regulations.	-
3. Composition and Responsibilities of the Board of Directors 3.1 Does the Board develop and implement a diversified policy for the composition of its members?	v		The Company's Board of Directors approved the establishment of the "Board Diversity Policy" on May 14, 2024. For details regarding the Company's Board Diversity Policy, specific management objectives, and implementation status, please refer to the sections "Directors Information" and "The Diversity & Independence of the Board of Directors" in this annual report.	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.2 Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	v		1. In addition to the legally required Compensation Committee and Audit Committee, the Company has also established: Sustainable Development Committee: Approved by the Board of Directors on September 7, 2023. For details on its composition, please refer to the section "Composition, Responsibilities, and Operation of the Sustainable Development Committee" in this annual report. For its functional duties, please refer to the section "Implementation Status of Sustainable Development and Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies." 2. Risk Management Committee: Approved by the Board of Directors on November 13, 2024. For details on its composition, please refer to the section "Composition, Responsibilities, and Operation of the Risk Management Committee" in this annual report.	-
3.3 Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	v		The Company's Board of Directors approved the adoption of the "Performance Evaluation Method for the Board of Directors and Functional Committees," under which annual performance evaluations are conducted for the entire Board, individual Board members, the Audit Committee, and the Compensation Committee. Evaluations are conducted through self-assessment questionnaires, and at least once every three years, an external professional independent institution or a team of external experts and scholars will be engaged to perform an evaluation of the Board's performance. The Company completed its external Board performance evaluation for 2023, and the evaluation results were reported to the Board of Directors on December 29, 2023. Please refer to page 28 of this annual report for details. The Company has completed the Board's 2024 self-evaluation. The detailed results are provided on page 30 of this annual report. All internal self-evaluation results were rated as excellent, with no major areas identified for improvement, and the results were reported to the Board of Directors on March 12, 2025.	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.4 Does the Company regularly evaluate the independence of CPAs?	v		The evaluation results will serve as a reference for determining individual director compensation and nomination for reappointment. 1. The Audit Committee of the Company annually assesses the independence of the certified public accountants and reports the evaluation results to the Board of Directors. 2. The Audit Committee of the Company evaluates the independence and competency of its appointed CPAs. In addition to reviewing the Assessment of Accountant's Audit Independence and Eligibility and the Letter of Uncompromising Independence, the evaluation is based on the "Public Announcement No. 10 of Professional Ethics Norms" and the Audit Quality Indicator (AQIs) regulations, serving as objective reference markers for the company and Audit Committee when selecting CPAs. 3. The results of the assessment for the most recent year, according to the auditing quality indices (AQIs) referred by our accounting department in 2025, evaluating the competency and independence of the appointed accountants, all meet the competency and independence assessment standards of the Company. They are qualified to serve as the certifying accountants of the Company and have obtained the independence declaration issued by the certifying accountants. The assessment results were deliberated and approved by the Audit Committee and Board of Directors in the first quarter of 2025. Please refer to the "Assessment of Accountant's Audit Independence and Competency " in this annual report (Note I, page 47).	-
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their	v		The Company, upon the resolution of the Board of Directors on November 14, 2023, appointed Lin, Cheng-Hsien, head of the General Affairs Office as the Head of Corporate Governance. He is responsible for corporate governance matters, including handling legal matters related to the Board of Directors, Audit Committee, Risk Management	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			Committee, and shareholders' meetings; assisting the Director with his appointment and continuous education; providing the Director with necessary materials for executing his duties; and assisting the Director in complying with laws and regulations. The Company's Head of Corporate Governance convened five Board meetings, five Audit Committee meetings, one Risk Management Committee meeting, and one Shareholders' Meeting during 2024. From the start of their tenure until 2024, the Head of Corporate Governance completed 27 hours of continuing education. For details of the continuing education, please refer to Note 2 (page 50) of this annual report.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	v		The Company places great importance on communication with stakeholders and regards it as the foundation of sustainable operations and business resilience. Stakeholders include shareholders, employees, customers, suppliers, financial institutions, creditors, and the general public. Through daily interactions, surveys, and issue feedback mechanisms, the Company identifies stakeholders' concerns to inform business decision-making. The Company has established a "Stakeholders Section" on its official website to disclose various communication channels and response mechanisms. A dedicated contact email is provided, and the responsible units handle and respond to inquiries promptly based on the nature of each issue, ensuring that significant concerns are properly addressed and corporate social responsibility is implemented.	-
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	v		The Company has appointed the agency of CTBC Bank Co., Ltd. to handle shareholder affairs.	-
7. Information Disclosure 7.1 Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	v		The Company has set up a bilingual (Chinese and English) website (URL: www.kinpo.com.tw), where it regularly discloses information on financial affairs, corporate governance and other relevant matters.	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
7.2 Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	v		The Company's website (www.kinpo.com.tw) contains information in both Chinese and English. The responsible units are in charge of collecting and disclosing relevant information. The Company has designated a spokesperson and an acting spokesperson, and has implemented a spokesperson system. In 2024, the Company held investor conferences each quarter and uploaded the presentation materials and video recordings of the conferences to the Market Observation Post System (MOPS) and the Company's website in accordance with regulations.	-
7.3 Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		v	The Company has not announced and filed the annual financial report within two months after the end of the accounting year. However, the annual financial report, as well as the financial reports for the first, second, and third quarters and the monthly operating conditions, have all been announced and filed within the statutory deadlines.	It is necessary to consider and coordinate with the financial report disclosure schedule of the overseas listed subsidiaries.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	v		The Company discloses the Implementation of Corporate Governance on the Company website (URL: www.kinpo.com.tw, both in Chinese and English), annual report, and sustainability report. Starting from 2024, the Company also plans to host Corporate Briefings every quarter, with important company information being disclosed in accordance with the regulations. Employee Rights The Company cares about employees' rights and interests and strives for good relations between Labors and Employers, providing multiple and accessible channels for reporting and complaints to prevent illegal, unethical, and other violations of government laws and company regulations. The Company has established an employee mailbox (both physical and online) as a channel for employees to report problems and provide suggestions. In addition, employees can also submit complaints and reports to their supervisors, local audit supervisors, HR supervisors, legal affairs supervisors, the local mailbox, or suggestion	-

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			boxes. The relevant recipient staff will respond and handle them properly. The Company has also established various policies, taking into account Employee Rights, to ensure that the rights and interests of employees are fully protected. <u>Employee Care</u> To care for the physical and mental health of employees, the Company sets an annual budget and selects qualified hospitals to conduct health examinations for employees. In addition to the examination items stipulated by laws, the Company proactively adds hepatitis B, hepatitis C, and cancer screening items for employee examinations. At the same time, professional doctors are hired for on-site consultation to help employees understand their own health conditions. The Company also has a dedicated department to set up a health check database for tracking employee health status. In terms of food and beverage, the Company adheres to relevant hygiene and health standards for food and beverage sources, inspection and storage, water safety, cafeteria staff and kitchen hygiene, food and tableware sanitation and inspection in order to ensure food safety for employees. In addition to the measures already in place, to further enhance employee benefits, promote health, and alleviate stress, the Company's Welfare Committee has established a variety of health clubs, such as yoga, badminton, and fitness clubs. A leisure lounge has also been set up, providing massage chairs and recreational facilities for employees, and professional massage therapists are invited to the Company to offer massage services. The Company also regularly organizes various welfare activities with the hope of helping employees achieve a balance between work and life through diverse programs. <u>Investor Relations</u> The Company has designated personnel to announce relevant information such as finance, business, and changes in internal shareholding on MOPS in accordance with the law. The investor relations unit also explains related topics to investors through email, phone calls,	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			or face-to-face meetings; At the same time, relevant information is disclosed on the company's website to achieve information disclosure, transparency, and properly handle issues of concern to investors, establish long-term mutual trust relationships, operate effective two-way communication, and protect investor rights. <u>Rights of Interested Parties</u> During daily operations, the Company continuously listens to the opinions and expectations of various stakeholders and conducts material topic identification with reference to the GRI Standards. Combining Enterprise Risk Management (ERM) principles, the Company assesses potential risks and impacts. Through management processes such as topic identification, prioritization, and verification, the Company systematically understands stakeholders' concerns on key issues, using these insights as important references for strategic planning and decision-making. <u>Continuing Education of Directors</u> The Company's 11 directors completed a total of 113 hours of continuing education during 2024. For details, please refer to Note 3 (page 50) of this annual report. <u>Director and Officer Liability Insurance</u> The Company obtained Board approval on November 14, 2024, to purchase liability insurance for directors and managerial officers. <u>Implementation of Risk Management Policies and Risk Measurement Standards</u> Starting from 2024, the Company introduced the ISO 31000 risk management framework to establish a systematic enterprise risk management mechanism. By developing standardized risk rating scales, enhancing risk assessment and reporting mechanisms, and building the "Kinpo Risk Database," the Company has improved risk information transparency and response efficiency. For medium and high residual risk items, the Company has clearly set risk appetite values, added control measures, and introduced Key	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Risk Indicators (KRIs) to continuously monitor risk changes. To strengthen risk governance and organizational resilience, the Board of Directors approved the establishment of the Board-level Risk Management Committee in 2024 and formulated the "Risk Management Policy and Procedures" and the "Risk Management Committee Charter," ensuring that risk control operations are continuously implemented and maintained within the Company's defined risk appetite and tolerance ranges, thereby effectively supporting decision-making quality, corporate governance, and sustainable management goals. <u>Implementation of Information Security Policy / Customer Policy</u> The Company has established an Information Security Management System (ISMS) in compliance with international standards to ensure that its operational information systems meet global information security management standards, and to protect the confidentiality, integrity, availability, and continuity of its information assets, thereby reasonably mitigating operational risks. In 2024, the Company passed the external surveillance audit conducted by the British Standards Institution (BSI) and successfully upgraded its certification to the ISO 27001:2022 international standard. The Company conducts timely risk assessments and improvements for information security management and has consistently passed the annual information security audits conducted by major international customers, achieving the goal of continuous operation of the Company's information systems. Implementation Status: 1. Conducted information security awareness campaigns and employee training; executed social engineering drills via email across the group, with the Information Security Promotion Team tracking and strengthening departmental information security practices. 2. Arranged information asset inventory and conducted risk assessments, compiling a Business Impact Analysis report, and continued business risk planning and drills for high-risk items.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			3. Strengthened cybersecurity detection by implementing plant network monitoring systems to effectively detect potential cybersecurity threats and reduce cybersecurity risks. 4. Promoted the deployment of application firewalls and DDoS protection to enhance the security of external websites. 5. Conducted third-party network penetration tests and regularly performed vulnerability scans on hosts and websites to identify potential vulnerabilities and promptly implement corrective measures, reducing cybersecurity risks. 6. Strengthened information security incident reporting and response by actively participating in the "Taiwan Computer Emergency Response Team/Coordination Center" (TWCERT/CC) and collaborating with external cybersecurity institutions to enhance threat early-warning capabilities and ensure the timeliness and effectiveness of the Company's information security protection. 7. Completed operational continuity risk assessment, business continuity drills for core information systems, and internal audit operations in September 2024; completed ISO 27001 external audit certification in October 2024. 8. Reported the 2024 information security execution status to the Board of Directors on April 2, 2025.	
9. Explanation of the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: In the 2024 (11th) Corporate Governance Evaluation conducted by the Taiwan Stock Exchange, the Company ranked in the 21%–35% tier among listed issuers. Improved Item – 11th Corporate Governance Evaluation				
Item	Indicator			Improvement
2.14	Has the Company established voluntary functional committees such as Nomination, Risk Management or Sustainability, with at least three members, a majority being independent directors and at least one possessing relevant expertise, and disclosed their composition, duties and operations?			The Company has established Risk Management and Sustainability Committees, with full disclosure of composition, mandates and operations.
2.17	Does the Board annually assess the external auditor's independence and suitability using Audit Quality Indicators (AQIs), and disclose the process in the annual report?			The Company has completed the assessment and disclosed it in the annual report.
Following an internal review of the evaluation results, the Company has identified key areas for enhancement and is implementing the following measures: ■ Formal Approval of the Sustainability Report: Going forward, the Sustainability Report will be tabled for discussion and formal approval by the Board of Directors prior to publication, ensuring compliance with				

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
governance protocols and reinforcing transparency.				
■ Targeted Improvement of Unsourced Items: The Company is undertaking a structured assessment of indicators that did not receive scores, with a view to prioritising remediation measures and aligning practices with evolving governance standards.				

Note I: Assessment of Accountant's Audit Independence and Eligibility

Assessment of Accountant's Audit Independence and Eligibility

On the basis of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies: Article 29, the Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. The Company shall submit its conclusion to the board of directors.

Date of assessment: 2025.02.27

Reason for assessment: ☐ Initial appointment ■ Regular

I. Basic Information:

CPA	Chen, Chih-Chung	Accounting Firm	Ernst & Young
Background:	Education: ● Master Degree in Accounting, National Chengchi University ● Bachelor Degree in Finance and Taxation, National Taipei University Professional experiences: ● Accountant of the Republic of China ● Internal Auditor of the Republic of China and International Internal Auditor Professional experiences: ● Possesses extensive experience in audit services, with major clients covering industries such as IC design, wafer foundry, packaging and testing, solar photovoltaics, automated machinery, financial technology, and cultural and creative industries. ● Key service areas include financial statement attestation and tax attestation for Taiwan listed companies, SOX internal control audits and attestations, PCAOB audits, IFRS transition and consulting, IFRS/US GAAP financial statement preparation and reconciliation, improvement and consulting of consolidated system and financial reporting processes, as well as analysis and implementation of newly issued financial reporting standards. ● Has many years of experience in SOX 404 internal control audits and is well-versed in best practices for internal controls and operational processes. ● Possesses extensive experience assisting clients with domestic and overseas fundraising activities, including ADR, GDR, and ECB issuances; has significant experience in planning, designing, establishing, and diagnosing internal controls and processes for Taiwan listed companies; and has participated multiple times in accounting process performance improvement projects for branches of foreign enterprises in Taiwan.		

2. Assessment Contents

Contents formulated on the basis of certified Public Accountant Act: clause 47 and Code of the Professional Ethics: clause 10.

Items		Evaluation content		Independence
(1)	Up to the latest certification practice, there's no such circumstance with working for the Company for seven years in a row.	☒ Yes	☐ No	☒ Yes
(2)	No major financial interested relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(3)	Avoiding any improper relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(4)	The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	☒ Yes	☐ No	☒ Yes
(5)	The accountant is prohibited from auditing certification for the company's financial report where he/she has served in within the previous two years.	☒ Yes	☐ No	☒ Yes
(6)	The accountant's identification is forbidden to be infringed by another individual.	☒ Yes	☐ No	☒ Yes
(7)	The accountant does not hold any shares in the company or in its subsidiaries.	☒ Yes	☐ No	☒ Yes
(8)	The accountant does not owe any debt to the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(9)	The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(10)	The accountant is not employed and paid regularly by the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(11)	The accountant does not interfere with any management function towards decision-making in the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(12)	The accountant does not run any business which will probably deprive him/her of audit independence.	☒ Yes	☐ No	☒ Yes
(13)	The accountant is not related to any of the company's management personnel in the following relations: Spouse, blood-related relatives, direct relatives by affinity, second-degree of blood-related relatives, collateral blood-related relatives.	☒ Yes	☐ No	☒ Yes
(14)	The accountant does not receive any commission which is occupational-related.	☒ Yes	☐ No	☒ Yes
(15)	Up to now, the accountant hasn't been punished for violating any audit independence principle.	☒ Yes	☐ No	☒ Yes

Assessment of Accountant's Audit Independence and Eligibility

On the basis of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies: Article 29, the Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. The Company shall submit its conclusion to the board of directors.

Date of assessment: 2025.02.27

Reason for assessment: ☐ Initial appointment ☒ Regular

I. Basic Information:

CPA	Fuh, Wen-Fun	Accounting Firm	Ernst & Young
Background:	Education: ● Master Degree in Accounting, National Taiwan University ● Bachelor Degree in Accounting, Fu Jen Catholic University Professional experiences: ● Accountant of the Republic of China ● Chairman of Taipei Accountants Association ● Municipal Advisor of Taipei City Government ● Director of Chinese Accounting Education Society		

	● Executive Director of Accounting Research and Development Foundation ● Director of China Independent Directors Association Professional experiences: ● Managing Partner at Ernst & Young ● Possesses extensive experience in audit services across industries including manufacturing, biotechnology, electronics, green energy, construction, hospitality, and retail. ● Primarily serves renowned Taiwan listed (and OTC-listed) companies and small-to-medium-sized enterprises (SMEs), and is also one of the accountants responsible for multinational client services under Ernst & Young Global's Taiwan office, with clients including well-known multinational companies in biotechnology, technology, and retail sectors. ● Specializes in audit and consulting services related to the financial and insurance industries. ● Participated in and led multiple merger and acquisition transactions involving Taiwan's insurance industry.
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2. Assessment Contents

Contents formulated on the basis of certified Public Accountant Act: clause 47 and Code of the Professional Ethics: clause 10.

Items	Evaluation content		Independence
(1) Up to the latest certification practice, there's no such circumstance with working for the Company for seven years in a row.	☒ Yes	☐ No	☒ Yes
(2) No major financial interested relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(3) Avoiding any improper relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(4) The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	☒ Yes	☐ No	☒ Yes
(5) The accountant is prohibited from auditing certification for the company's financial report where he/she has served in within the previous two years.	☒ Yes	☐ No	☒ Yes
(6) The accountant's identification is forbidden to be infringed by another individual.	☒ Yes	☐ No	☒ Yes
(7) The accountant does not hold any shares in the company or in its subsidiaries.	☒ Yes	☐ No	☒ Yes
(8) The accountant does not owe any debt to the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(9) The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(10) The accountant is not employed and paid regularly by the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(11) The accountant does not interfere with any management function towards decision-making in the company or its subsidiaries.	☒ Yes	☐ No	☒ Yes
(12) The accountant does not run any business which will probably deprive him/her of audit independence.	☒ Yes	☐ No	☒ Yes
(13) The accountant is not related to any of the company's management personnel in the following relations: Spouse, blood-related relatives, direct relatives by affinity, second-degree of blood-related relatives, collateral blood-related relatives.	☒ Yes	☐ No	☒ Yes
(14) The accountant does not receive any commission which is occupational-related.	☒ Yes	☐ No	☒ Yes
(15) Up to now, the accountant hasn't been punished for violating any audit independence principle.	☒ Yes	☐ No	☒ Yes

Note 2: Further Education of the Head of Corporate Governance

Title	Name	Date	Course Title	Organizer	Training Hours
Head of Corporate Governance	Lin, Cheng-Hsien	2023/11/14	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Corporate Governance Association	3.0
		2023/11/22	Advanced Seminar on the Practices of Directors and Supervisors (including Independent) and Head of Corporate Governance - Analysis of Common Violations of the Securities Exchange Act	Securities and Futures Institute	3.0
		2023/12/08	Advanced seminar on the practices of Directors and Supervisors (including independent) and Head of Corporate Governance - Challenges and responsibilities of the board of directors under the governance evaluation indicators and sustainable action plan.	Securities and Futures Institute	3.0
		2024/01/30 ~ 2024/01/31	Directors and Supervisors (including independent) and Head of Corporate Governance Practical Workshop - Taipei Class - Legal Issues that Directors and Supervisors of Publicly Listed Companies Should Pay Attention to - Skills of Directors and Supervisors in Interpreting Financial Information - How do the directors and supervisors of TWSE/TPEX listed companies perform their duties - Implementation of Corporate Governance and the Operation of Board of Directors	Securities and Futures Institute	12.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0

Note 3: The Company's directors' pursuit of further education in 2024

Title	Name	Date	Course Title	Organizer	Training Hours
Chairman	Hsu, Sheng-Hsiung	2024/03/16	Outlook on Global Political, Economic, and Financial Trends for 2024 and Strategies for Taiwanese Enterprises	Importers and Exporters Association of Taipei	3.0
		2024/04/16	Two Major Risks in the High-Tech Manufacturing Industry: Export Controls Amid Geopolitical Conflicts and Supply Chain Procurement Fraud	Taiwan Independent Director Association	3.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0

Title	Name	Date	Course Title	Organizer	Training Hours
		2024/08/13	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Institute of Directors	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Director	Ko, Charng-Chyi	2024/04/16	Two Major Risks in the High-Tech Manufacturing Industry: Export Controls Amid Geopolitical Conflicts and Supply Chain Procurement Fraud	Taiwan Independent Director Association	3.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/13	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Institute of Directors	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Director	Ho, Mei-Yueh	2024/04/11	Climate Change, Industrial Policies, and Risk Management	Taiwan Corporate Governance Association	3.0
		2024/05/09	Information Security and Risk Management	Taiwan Corporate Governance Association	1.5
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/08	Tax Governance in the New Tax Environment and Updates on Securities Regulations	Taiwan Corporate Governance Association	1.5
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
		2024/10/08	Analysis of the Impact of the U.S. Post-Election Results on the Global Economic and Trade Landscape	Taiwan Corporate Governance Association	3.0
Director	Chen, Wei-Chang	2024/02/22	Global Economic and Financial Market Outlook	Kinpo Group Management Service Company	2.0
		2024/03/16	Outlook on Global Political, Economic, and Financial Trends for 2024 and Strategies for Taiwanese Enterprises	Importers and Exporters Association of Taipei	3.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/13	Trends and Risk Management of Digital Technology and Artificial Intelligence	Taiwan Institute of Directors	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular	Taiwan Institute of	3.0

Title	Name	Date	Course Title	Organizer	Training Hours
			Economy and Governance	Directors	
Director	Hung, Yung-Chen (Note)	2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Director	Chiu, Ping-Ho	2024/02/22	Global Economic and Financial Market Outlook	Kinpo Group Management Service Company	2.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Director	Chen, Hsin-Tso	2024/04/16	Two Major Risks in the High-Tech Manufacturing Industry: Export Controls Amid Geopolitical Conflicts and Supply Chain Procurement Fraud	Taiwan Independent Director Association	3.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
Director	Hsu, Chieh-Cheng	2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Independent Director	Hsieh, Fa-Dah	2024/02/22	Global Economic and Financial Market Outlook	Kinpo Group Management Service Company	2.0
		2024/08/06	Corporate Governance and Securities Regulations	Taiwan Corporate Governance Association	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
Independent Director	Huang, Chih-Peng	2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/08/14	The Real Value Created by Circular and Low-Carbon Innovation: Understanding Circular Economy and Governance	Taiwan Institute of Directors	3.0
		2024/10/31	ESG-Related Legal Issues That Boards Should Consider	Taiwan Corporate Governance Association	3.0
Independent Director	Wu, Chung-Fern	2024/02/22	Global Economic and Financial Market Outlook	Kinpo Group Management Service Company	2.0
		2024/04/10	Steering Corporate Wisdom: How Corporate Governance Leads the Way	Taiwan Institute of Directors	3.0

Title	Name	Date	Course Title	Organizer	Training Hours
		2024/04/29	Digital Transformation in the New Normal	Securities and Futures Institute	3.0
		2024/05/14	Latest Developments in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	Taiwan Independent Director Association	3.0
		2024/05/28	The New Era of Artificial Intelligence: How ChatGPT is Transforming Industry Trends	Taiwan Corporate Governance Association	3.0
		2024/07/30	Advanced Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers: Practical Analysis of the Trade Secrets Act and Corporate Anti-Corruption Investigations	Securities and Futures Institute	3.0

Note: Automatically dismissed on August 19, 2024, due to transferring more than half of the Company's shares held at the time of election.

2.3.4. Composition, Duties and Implementation Status of the Compensation Committee

1. Duties of Compensation Committee:

The committee shall, with the attention of good managers, faithfully perform the following functions and powers, and submit the recommendations to the Board of Directors for discussion. However, the proposal on the remuneration of independent directors shall be submitted to the Board of Directors for discussion, and the remuneration of independent directors shall be limited to those specified in the Company's articles of association or authorized by the Board of Directors through resolutions of the shareholders' meeting.

- (1) Periodically review the Group's procedures and recommend amendments.
- (2) Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors (including Independent Directors) and management of the Company.
- (3) Regularly evaluate the salaries of the Company's directors (including independent directors) and managers.

2. Information of Compensation Committee members

Criteria Name		Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as Compensation Committee member
Convener Independent Director	Hsieh, Fa-Dah	Mr. Hsieh, Fa-Dah holds a Master's degree in Economics from National Chengchi University. He has extensive experience in government and industrial policy. He is currently the Chairman of Abico Asia Capital Co., Ltd., responsible for investment strategy management. His investment portfolio covers high technology, aerospace, new energy vehicles, biotechnology and medical devices, consumer goods, traditional industries, and AI applications. He possesses broad industry knowledge and expertise.	Note	0

Criteria Name		Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as Compensation Committee member
Independent Director	Huang, Chih-Peng	Mr. Huang, Chih-Peng holds a Master's degree in Business Administration from Georgetown University, USA. He has extensive experience in government affairs and international trade, and previously served as the Director General of the Bureau of Foreign Trade under the Ministry of Economic Affairs. After retiring from public service, he worked as a consultant for multinational corporations. He is currently an Independent Director of Ampower New Energy Corporation and Mailiao Power Corporation, bringing diverse industry experience.	Note	1
Independent Director	Wu, Chung-Fern	Ms. Wu, Chung-Fern holds a Bachelor's degree in Business Administration (Accounting) and a Master's degree in Business Administration (Finance) from National Taiwan University, as well as a Ph.D. in Accounting Information and Management from the University of California, Los Angeles (UCLA). She holds certifications as a Certified Public Accountant and Securities Analyst in Taiwan, along with professional CPA and Certified Information Systems Auditor (CISA) credentials in the United States. She served as Professor in the Department of Accounting, College of Management, National Taiwan University until her retirement in 2024. Her research areas cover financial technology, information technology and auditing, risk management, valuation and accounting analysis, creative business, and capital markets. She is also currently an Independent Director of Chunghwa Precision Test Tech. Co., Ltd. and GlobalWafers Co., Ltd.	Note	2

Note: The independence situation of the Independent Director:

Independence Criteria	Hsieh, Fa-Dah	Huang, Chih-Peng	Wu, Chung-Fern
1. Neither I, my spouse, nor my relatives within two degrees of kinship have taken up the role of Director, Supervisor, or employee in the Company or its related enterprises.	✓	✓	✓
2. Not served as a director, supervisor, or employee of a company with a specific relationship with The Company (refer to the provisions of Article 3, Paragraph 1, Items 5 to 8 of the regulations on the establishment of independent directors and things to be followed by publicly issued companies).	✓	✓	✓
3. The number and proportion of shares held by myself, Spouse, and relatives within two degrees of kinship (or Holding shares in the name of others).	None		
4. The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its Relation in the last two years.	None		

3. Operation of the Compensation Committee

- (1) The Company's Compensation Committee had 3 members.
- (2) The term of this committee member is from June 27, 2022 to June 26, 2025. A total of 3 (A) times meeting of the Compensation Committee was held in 2024. The attendance by the members was as follows:

Title	Name	Actual Attendance (B)	Attendance By Proxy	Actual Attendance Rate (%) [B/A]	Remark
Convener	Hsieh, Fa-Dah	3	0	100%	
Member	Huang, Chih-Peng	3	0	100%	
Member	Wu, Chung-Fern	3	0	100%	

Other matters required to be recorded:

- A. If the board of directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, the session, the nature of motion, the resolution made by the board of directors, and the Company's response to the Compensation Committee's opinion (eg., if the amount of remuneration passed by the Board of Directors exceeds the Compensation Committee's recommended amount, the circumstances and cause for the difference shall be specified): None.
- B. If resolutions of the Compensation Committee are objected by members or become subject to a qualified opinion, which have been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions and the response to members' opinion should be specified: None.

- (3) The meeting date, session, resolution content, resolution result and the company's handling of the salary and compensation committee's opinion in the most recent year:

Meeting Date, Session	Agenda items	Resolution	The Company's Response
2024/03/07 The 6th Meeting of the 5th Session	2023 Remuneration of employees and directors of the Company. 2024 Proposal for annual salary adjustment for managerial officers. 2024 Dragon Boat Festival and Mid-Autumn Festival bonu.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2024/08/12 The 7th Meeting of the 5th Session	- Remuneration plan for newly hired managers - The 2024 remuneration case for the Company's directors, managerial officers, who are also serving as directors, managerial officers and hold other titles in the subsidiary companies. - Second transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2024/11/12 The 8th Meeting of the 5th Session	- Proposal for the 2024 year-end bonuses for managerial officers (including those serving subsidiary positions) of the Company. - Third transfer of treasury shares repurchased in the Company's ninth share buyback program to employees.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.

2.3.5. The Composition, Responsibilities, and Implementation Status of the Sustainable Development Committee

1. Establishment Information:

To promote the related work of sustainable development, the Company's board of directors passed the resolution on September 7, 2022 to establish the Sustainable Development Committee, and according to the Sustainable Development Committee Charter, 4 members were set up.

2. Responsibilities of the Sustainable Development Committee:

- (1) Formulation of sustainable development policy.
- (2) Formulation of annual sustainable development plans and strategic direction.
- (3) The tracking and review of the implementation status and results of sustainable development are reported to the Board of Directors at least once a year.
- (4) Decisions on Other Important Matters for Sustainable Development.

3. Sustainable Development Committee Members:

Title	Name	Professional Qualifications with experiences
Convener Director	Chen, Wei- Chang	Mr. Chen, Wei-Chang graduated from the Department of Electronic Engineering at National Taiwan Ocean University. He previously served as Senior Vice President within the Kinpo Group and has over 20 years of experience in the computer and electronics industries, with extensive expertise in product development, design, and international business. He is currently the Director and President of Kinpo Electronics, Inc., overseeing the global operations of the Kinpo Group. Mr. Chen possesses strong competencies in business management, marketing, and sustainable industrial development.
Independent Director	Hsieh, Fa- Dah	Mr. Hsieh, Fa-Dah holds a Master's degree in Economics from National Chengchi University. He has extensive experience in government affairs and industrial policy. He is currently the Chairman of Abico Asia Capital Co., Ltd., responsible for investment strategy management. His investment portfolio spans high technology, aerospace, new energy vehicles, biotechnology and medical devices, consumer goods, traditional industries, and AI applications. He also possesses deep knowledge of sustainable industrial development.
Independent Director	Huang, Chih- Peng	Mr. Huang, Chih-Peng holds a Master's degree in Business Administration from Georgetown University, USA. He has extensive experience in government affairs, international trade, and diplomacy. He previously served as Director General of the Bureau of Foreign Trade under the Ministry of Economic Affairs and as the Representative at the Taipei Economic and Cultural Office in Vietnam. After retiring from public service, he worked as a consultant for multinational corporations. He is currently an Independent Director of AMPACS Corporation and Mailiao Power Corporation. Mr. Huang possesses broad industry knowledge and expertise in sustainable industrial development.
Independent Director	Wu, Chung- Fern	Ms. Wu, Tsung-Fan holds a Master's degree in Business Administration (Finance) from National Taiwan University and a Ph.D. in Accounting Information and Management from the University of California, Los Angeles (UCLA). She previously served as a Professor in the Department of Accounting at the College of Management, National Taiwan University, and retired in 2024. Her research areas cover financial technology, information technology and the auditing profession, risk management, valuation and accounting analysis, creative business models, and capital markets, with numerous publications to her credit. She also has significant research and expertise in corporate sustainability. Ms. Wu currently serves as an Independent Director of Chunghwa Precision Test Tech Co., Ltd. and GlobalWafers Co., Ltd.

4. Implementation Status of the Sustainable Development Committee:

- (1) The term of this committee member is from September 7, 2023 to June 26, 2025.
- (2) A total of 2 (A) meetings of Sustainable Development Committee was held in 2024. The attendance of members was as follows:

Title	Name	Actual Attendance (B)	Attendance By Proxy	Actual Attendance Rate (%) [B/A]	Remark
Convener	Chen, Wei-Chang	2	0	100%	
Member	Hsieh, Fa-Dah	2	0	100%	-
Member	Huang, Chih-Peng	2	0	100%	-
Member	Wu, Chung-Fern	2	0	100%	-

5. The Meeting Date, Session, Resolution content, Resolution result and the company's handling of the Sustainable Development Committee's opinion in the Year 2024:

Meeting Date, Session	Agenda items	Resolution	The Company's Response
2024/05/10 The 3rd Meeting of the 1st Session	■ Proposal for the Establishment of the Company's "Biodiversity" Policy.	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.
2024/11/12 The 4th Meeting of the 1st Session	■ Proposal for the "2024 Sustainability Development Execution Performance Tracking and the 2025 Sustainability Development Work Plan." ■ Proposal for the Establishment of the Company's "Sustainability Report Preparation and Review Procedures." ■ Proposal for the Establishment of the Company's "Sustainability Information Management Guidelines."	Approved as proposed	Submitted to Board of Directors for deliberation upon the resolution, and will be implemented after approved.

2.3.6. The Composition, Responsibilities, and Implementation Status of the Risk Management Committee

1. Establishment Information:

To enhance risk assessment capabilities and strengthen risk management, the Company's Board of Directors resolved on November 12, 2024, to establish the "Risk Management Committee" and to adopt the "Risk Management Policy and Procedures," with a total of five committee members.

2. Responsibilities of the Risk Management Committee:

- (1) Review the Company's risk management policies, procedures, and framework, and periodically assess their applicability and execution effectiveness.
- (2) Approve the Company's risk appetite (risk tolerance) and guide resource allocation accordingly.
- (3) Ensure that the risk management mechanism adequately addresses risks faced by the Company and is integrated into daily operations and processes.

- (4) Approve risk control priorities and risk classifications.
- (5) Review the implementation status of risk management, provide necessary improvement recommendations, and report to the Board of Directors at least once a year.
- (6) Execute the risk management decisions of the Board of Directors.

3. Risk Management Committee Members:

Title	Name	Professional Qualifications with experiences
Convener Independent Director	Hsieh, Fa-Dah	Mr. Hsieh, Fa-Dah holds a Master's degree in Economics from National Chengchi University. He has extensive experience in government affairs and industrial policy. He is currently the Chairman of Abico Asia Capital Co., Ltd., responsible for investment strategy management. His investment portfolio spans high technology, aerospace, new energy vehicles, biotechnology and medical devices, consumer goods, traditional industries, and AI applications. Mr. Hsieh also possesses strong capabilities in identifying and managing corporate operational and sustainability-related risks.
Director	Hsu, Sheng-Hsiung	Chairman of the Company and Group Chief Executive Officer. Mr. Hsu, Sheng-Hsiung has over 40 years of management experience in the electronics industry. He previously served as a Senior Advisor to the President of Taiwan and possesses extensive industry knowledge and international market insights, along with practical experience, strategic management skills, and leadership capabilities. He has keen business acumen and extensive experience in corporate operations, and excels at identifying potential risks and implementing preventive control measures.
Director	Chen, Wei-Chang	Mr. Chen, Wei-Chang graduated from the Department of Electronic Engineering at National Taiwan Ocean University. He previously served as Senior Vice President within the Kinpo Group and has over 20 years of experience in the computer and electronics industries, with extensive expertise in product development, design, and international business. He is currently the Director and President of Kinpo Electronics, Inc., overseeing the global operations of the Kinpo Group. Mr. Chen possesses strong capabilities in promptly identifying potential business risks and implementing responsive countermeasures.
Independent Director	Huang, Chih-Peng	Mr. Huang, Chih-Peng holds a Master's degree in Business Administration from Georgetown University, USA. He previously served as Director General of the Bureau of Foreign Trade under the Ministry of Economic Affairs and as the Representative at the Taipei Economic and Cultural Office in Vietnam. After retiring from public service, he worked as a consultant for multinational corporations. He is currently an Independent Director of AMPACS Corporation and Mailiao Power Corporation. Mr. Huang has extensive experience in identifying and managing corporate operational risks.
Independent Director	Wu, Chung-Fern	Ms. Wu, Chung-Fern holds a Bachelor's degree in Business Administration (Accounting) and a Master's degree in Business Administration (Finance) from National Taiwan University, as well as a Ph.D. in Accounting Information and Management from the University of California, Los Angeles (UCLA). She previously served as a Professor in the Department of Accounting at the College of Management, National Taiwan University, and retired in 2024. Her research areas include financial technology, information technology and the auditing profession, and risk management, with numerous publications to her credit. She currently serves as an Independent Director of Chunghwa Precision Test Tech Co., Ltd. and GlobalWafers Co., Ltd., and possesses expertise in accounting, finance, risk management, and corporate governance.

4. Implementation Status of the Risk Management Committee:

- (1) The term of this committee member is from November 13, 2024 to June 26, 2025.
- (2) A total of 1 (A) meeting of Risk Management Committee was held in 2024. The attendance of members was as follows:

Title	Name	Actual Attendance (B)	Attendance By Proxy	Actual Attendance Rate (%) [B/A]	Remark
Convener	Hsieh, Fa-Dah	1	0	100%	-
Member	Hsu, Sheng-Hsiung	1	0	100%	-
Member	Chen, Wei-Chang	1	0	100%	-
Member	Huang, Chih-Peng	1	0	100%	-
Member	Wu, Chung-Fern	1	0	100%	-

5. The Meeting Date, Session, Resolution content, Resolution result and the company's handling of the Risk Management Committee's opinion in the Year 2024:

Meeting Date, Session	Agenda items	Resolution	The Company's Response
2024/12/26 The 1st Meeting of the 1st Session	1. Election of the Convener. 2. Report on the introduction and implementation status of the Company's ISO 31000 Risk Management System.	■ All attending committee members unanimously elected Committee Member Hsieh, Fa-Dah as the meeting chairperson and convener.	Acknowledged by all committee members and submitted to the Board on March 12, 2025.

2.3.7. Implementation Status of Sustainable Development and Explanation of Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
1. Has the Company established a governance structure for promoting sustainable development, designated full-time or part-time units responsible for sustainability, authorized senior management to handle related matters, and ensured oversight by the Board of Directors?	v		- To address ESG issues relevant to its operations and implement sound corporate governance, the Company established the “Sustainable Development Best Practice Principles” and, in August 2021, formed an interdepartmental, operational-level Sustainable Development Committee. The committee comprises senior executives and is divided into three functional groups responsible for driving ESG policies. - The Company promoted the operational level Sustainable Development Committee to the Board level in 2023 to enhance sustainable development governance. At least one meeting shall be held annually, with additional meetings convened as needed. The Sustainable Development Committee at the operational level has been renamed the Sustainability Development Executive Committee, which reports the status of greenhouse gas inventory to the Board of Directors quarterly. - Board oversight of the Sustainability Executive Committee in 2024 included seven reports to the Board, covering: (1) Disclosure of greenhouse gas inventory and verification information; (2) Progress and planning report for the 2023 Sustainability Report; (3) Establishment of a biodiversity policy; (4) Plan for adopting the IFRS Sustainability Disclosure Standards; (5) 2024 sustainability implementation tracking and 2025 work plan; (6) Establishment of preparation and review procedures for the Sustainability Report; (7) Establishment of the Sustainability Information Management Guidelines. - The results of the Company's 2024 sustainability implementation were reported to the Board of Directors on November 13, 2024.	-
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	v		- The scope of the Company's ESG risk assessments includes the Company itself and all significant subsidiaries within the scope of consolidated financial statements, aligning with the boundaries used in the environmental and social topics discussed in this annual report. Any differences will be explained in the respective sections. - Based on ISO 31000 and the Enterprise Risk Management (ERM) framework, the Company combines materiality analysis, stakeholder feedback, and cross-departmental interviews to regularly identify and assess ESG risks, covering probability of occurrence, impact level, regulatory and reputational risks, among other aspects. In 2024, the Company completed the establishment of risk	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			policies, processes, and risk inventories. From 2025 onward, it will continue to optimize risk scenarios and key risk indicators (KRIs), integrating assessment results into the risk management mechanism to ensure alignment between control measures and sustainability goals.	
3. Environmental issues				
3.1 Does the company establish proper environmental management systems based on the characteristics of its industries?	v		- To implement green product policies and environmental protection, the Company has established a hazardous substance process management system and obtained IECQ QC-080000 certification to ensure its products comply with legal and customer environmental requirements. Additionally, the Company's manufacturing sites have established environmental management systems and obtained ISO 14001 certification to continuously improve environmental performance and achieve sustainability goals. The verification status and certification validity period have been disclosed on the official website. Please refer to the link: https://www.kinpo.com.tw/kpo_file/Related_Certification_Information.pdf - Through the Green Product Management (GPM) system, the Company enforces upstream supply chain raw material management, recording and tracking compliance with international regulations throughout the product life cycle. This ensures compliance with global laws and customer requirements, and enables green supply chain risk control.	-
3.2 Is the company committed to improving energy efficiency and using renewable materials that have a lower impact on the environment?	v		- The Company continues to promote energy management and renewable energy adoption across all its sites. Starting from 2023, the ISO 50001 energy management system has been implemented at the headquarters and global sites. By 2024, all global sites have adopted energy management systems and achieved 100% certification. The verification status and certification validity period have been disclosed on the official website. Please refer to the link: https://www.kinpo.com.tw/kpo_file/Related_Certification_Information.pdf - For example, at the headquarters, initiatives include upgrading proportional valves in air handling units and installing natural ventilation valves in the front building. The headquarters set a goal to reduce electricity consumption by 1% annually. In 2024, electricity consumption decreased by 3.89% compared to 2023, surpassing the target. - The Company has adopted green product design strategies, with a mid-to-long-term goal of "introducing low-carbon products and moving towards a circular economy." In 2024, green design	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
3.3 Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?			achievements were reflected in the use of sustainable materials, green packaging and transportation, and reusable packaging. Some components used recycled resins in place of virgin materials, resulting in a reduction of 27,794 metric tons of virgin materials in 2024. Energy Policy Our company is committed to managing and improving energy efficiency to achieve the goal of sustainable development. To this end, we pledge to provide the necessary resources to implement this energy policy. 1. Regulatory Compliance: Comply with government energy regulations and other relevant requirements, and honor voluntary commitments related to energy. 2. Reduce Energy Consumption: We are committed to energy conservation and improving energy efficiency, supporting the procurement of energy-saving products and services, and using renewable energy. 3. Continuous Improvement: Regularly review and improve energy efficiency, ensuring the achievement of goals through the setting and tracking of metrics. 4. Strengthen Communication: Promote energy-saving education and training to enhance employees' awareness of energy conservation, establish effective communication channels, and continuously convey the Group's energy policy to stakeholders. Kinpo Group should regularly review and update the energy policy to ensure its continued effectiveness and alignment with the Group's sustainability goals.	
	v		1. The Company's Board of Directors is the highest decision-making body for managing climate-related risks and opportunities. The Sustainable Development Committee is responsible for overseeing and approving risk management policies and major risk management systems, tracking the implementation of climate-related risks and opportunities, and monitoring performance target achievements. 2. The Company follows the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board to assess climate risks and opportunities. This assessment is reviewed and updated annually. 3. The Company became a TCFD Supporter in 2022 and began applying the TCFD framework in the same year to identify climate risks and opportunities. It consolidated insights from various business and management units to analyze major	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																																																																		
	Yes	No	Explanation																																																																			
3.4 Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	v		climate risks, map out potential impact pathways, and evaluate the severity and likelihood of these impacts. 4. To mitigate the effects of climate risk factors, the Company has proposed corresponding strategies and management approaches. Please refer to Section (VII) "Climate-Related Information for TWSE/TPEX Listed Companies" in this Annual Report. For detailed explanations of risks, opportunities, and corresponding strategies, refer to (7) "Climate Risk and Management" in the 2024 Kinpo Electronics Sustainability Report. 1. The Company's statistics on greenhouse gas (GHG) emissions, per capita water consumption, and total waste generated from 2023 to 2024 are as follows: (1) Greenhouse Gas Emissions <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><th>Item</th><th></th><th></th><th></th></tr><tr><td rowspan="3">Emissions (metric tons CO₂e)</td><td>Scope 1</td><td>4,871.1354</td><td>4,804.2242</td></tr><tr><td>Scope 2</td><td>170,247.1656</td><td>179,762.3075</td></tr><tr><td>Scope 3</td><td>264,271.7790</td><td>3,804,743.6826</td></tr><tr><td colspan="2">Scope 1 and 2 Emission intensity (metric tons CO₂e / NT\$ million revenue)</td><td>1.10</td><td>1.12</td></tr></table> Note 1: The 2024 figures in this table are inventory data; the third-party verification results will be disclosed in the 2024 Sustainability Report. (2) Water Consumption <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><th>Item</th><th></th><th></th><th></th></tr><tr><td colspan="2">Per capita water consumption (megaliters/person/day) (Note 2)</td><td>0.09</td><td>0.10</td></tr><tr><td colspan="2">Water intensity (megaliters / NT\$ million revenue)</td><td>8.69</td><td>9.92</td></tr></table> Note 2: Per capita water consumption (megaliters/person/day) = (Total annual water consumption) ÷ (Total annual headcount) ÷ (Number of calendar days) × 1,000. (3) Waste Generation <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><th>Item</th><th></th><th></th><th></th></tr><tr><td colspan="2">Domestic waste (metric tons)</td><td>973.58</td><td>1,027.82</td></tr><tr><td colspan="2">General industrial waste (metric tons)</td><td>8,579.36</td><td>16,710.78</td></tr><tr><td colspan="2">Hazardous waste (metric tons)</td><td>2,247.88</td><td>632.30</td></tr><tr><td colspan="2">Total weight (metric tons)</td><td>11,800.81</td><td>18,370.90</td></tr><tr><td colspan="2">Waste intensity (metric tons / NT\$ million revenue)</td><td>0.07</td><td>0.11</td></tr></table>	Year		2023	2024	Item				Emissions (metric tons CO ₂ e)	Scope 1	4,871.1354	4,804.2242	Scope 2	170,247.1656	179,762.3075	Scope 3	264,271.7790	3,804,743.6826	Scope 1 and 2 Emission intensity (metric tons CO ₂ e / NT\$ million revenue)		1.10	1.12	Year		2023	2024	Item				Per capita water consumption (megaliters/person/day) (Note 2)		0.09	0.10	Water intensity (megaliters / NT\$ million revenue)		8.69	9.92	Year		2023	2024	Item				Domestic waste (metric tons)		973.58	1,027.82	General industrial waste (metric tons)		8,579.36	16,710.78	Hazardous waste (metric tons)		2,247.88	632.30	Total weight (metric tons)		11,800.81	18,370.90	Waste intensity (metric tons / NT\$ million revenue)		0.07	0.11	-
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Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			2. To fulfill its decarbonization commitment, the Company has formulated four carbon reduction strategies: establishing reliable data baselines, adopting science-based target management, ensuring transparent carbon reduction actions, and promoting a sustainable supply chain. By participating annually in the Carbon Disclosure Project (CDP), the Company continuously reviews its carbon reduction strategies and action plans. (1) In 2022, the Company pledged to join the Science Based Targets initiative (SBTi). According to the Greenhouse Gas Protocol, Scope 3 emissions account for more than 40% of total emissions, necessitating a Scope 3 reduction target. In September 2024, the Company's reduction targets passed SBTi review, with the goal of achieving an absolute 55% reduction in Scope 1 and Scope 2 GHG emissions by 2033 from the 2022 baseline, and a 62% reduction in Scope 3 emissions per NT\$ million gross profit. (2) As an assembly manufacturer, the Company's production processes are not water-intensive relative to industry peers. To strengthen water-resource management, the Group has designated 2024 as the baseline year and set a target that per-capita water consumption in subsequent years will not exceed the baseline value of 0.10 (ML/person/day). Through various water-saving measures—such as enhanced metering and management of water use, replacing cooling towers and tower fins, and retiring old, leak-prone water dispensers—and by aligning water-saving advocacy with the SDGs, we aim to drive behavior change and improve water-use efficiency. (3) The Group has designated 2024 as the baseline year and set a target that waste intensity in subsequent years shall not exceed the baseline value of 0.11 tons per million. This metric will serve as a key indicator of resource efficiency and management performance, and the Group will refine its management approach annually. 3. Verification results have been disclosed on the official website. Please refer to the following link: https://www.kinpo.com.tw/kpo_file/Related_Certification_Information.pdf	

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
4. Social issues				
4.1 Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	v		The Company strictly adheres to the labor-related laws and regulations of the locations where it operates globally, supports the human rights protection spirit and basic principles disclosed by international human rights conventions such as the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "United Nations Global Compact" and the "International Labour Convention", and implements the "Responsible Business Alliance Code of Conduct" (RBA Code of Conduct), formulates employee policies and related management measures, conducts educational trainings, and implements equal employment systems to protect the human rights of all personnel, including full-time employees, contract and temporary personnel, and interns. It also promises to protect labor rights and not force labor; regardless of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation or marital status, etc. Everyone is treated without discrimination, and no child labor is employed.	-
4.2 Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	v		1. The Company places great emphasis on talent cultivation and development. To strengthen the competitiveness of Taiwanese talent, Kinpo Electronics announced its join in the "2024 TALENT in Taiwan: Taiwan Talent Sustainability Action Alliance". 2. The Company conducts annual salary competitiveness analysis with reference to market compensation surveys of benchmark companies and the overall industry, aiming to retain talent through a competitive salary structure. The Company particularly values the correlation and rationality between business performance and employee compensation, and appropriately reflects operating results in employee remuneration. In the event of profit for the year, pursuant to Article 26 of the Articles of Incorporation, no less than 2% of profit shall be allocated as employee compensation. In 2024, the Company remained a constituent of the Taiwan High Compensation 100 Index. 3. The Company values diversity and equality in the workplace, implements equal pay for men and female, provides equal promotion opportunities, and successfully maintains exceed 30% of management positions held by female, in order to promote sustainable and inclusive economic growth. The overall proportion of female employees in 2024 was 45.1%, and the proportion of female executives was 31.6%.	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			4. In response to the issues of low birth rate and aging population that society in Taiwan is facing, the Company has implemented a childbirth subsidy policy since 2011 to alleviate the pressure on working parents. A childbirth award of NTD 66,000 is provided for each newborn of the Employees and their children. By the end of 2024, a total of 856 golden babies have benefited from it. 5. To help employees balance their physical and mental health, our company provides thoughtful benefits. (1) Lactation Room: Available for employees who need to breastfeed, express milk, or care for their infants. (2) Comprehensive Health Management Services: Establish a medical clinic that provides services from specialist doctors, health check-up tracking, and timely medical consultation services. (3) Convenient Service Facilities: Dining and lifestyle services such as an employee cafeteria and a coffee bar. (4) Employee Recreation Center: In addition to amenities like air hockey tables, foosball, and dart machines, it also offers trendy massage chairs with unique palm massage services to relieve the stress from prolonged sitting or standing, providing a place for employees to relax and socialize. (5) Employee Health Massage Room: Provides on-site massage services by visually impaired massage therapists, helping employees relieve muscle tension, alleviate pain, and reduce stress through their skilled hands. (6) Brainwave stress detection: Using advanced brainwave technology, the system objectively evaluates psychological stress levels, helping employees identify potential health issues early on. (7) Diverse Employee Benefits: Regularly hold health seminars, green lectures, and soft skill courses (such as aromatherapy classes) to help alleviate employee stress. 6. The Company regularly holds labor-management meetings to coordinate labor relations and provides favorable working conditions, a quality work environment, communication channels, and employee assistance programs to protect and promote employee rights. Labor relations remain harmonious, and as employees have not proposed forming a labor union, no collective agreement has been signed.	

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
4.3 Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	v		The Company attaches great importance to employee health and safety and is committed to creating a healthy and safe working environment. In addition to providing medical and health-related consultation and assistance through professional staff, the Company regularly carries out the following each year: 1. Commissioning hospitals qualified by the Ministry of Labor to conduct annual mobile health checkups. In addition, specialists are hired monthly to provide on-site medical consultations. 2. To strengthen employee fire prevention knowledge, the Company invites fire departments to conduct fire drills annually. No fire incidents occurred in the current year. 3. Contracting qualified suppliers to provide employee meals. 4. Drinking water is maintained four times a year and tested through certified companies. 5. Fire safety training: Two sessions were held on June 13 and December 12, with each session lasting four hours. The training targeted fire response team members and new employees, with a total of 54 participants throughout the year. 6. Occupational safety and health education for new employees: A total of 47 sessions were held, each lasting three hours, with 105 participants for the year. 7. Emergency evacuation drill for company shuttle buses: Targeted employees commuting via shuttle buses. Each drill lasted 30 minutes, with 268 participants in total. 8. In 2024, the Taiwan headquarters reported five occupational injury cases—four traffic accidents and one general incident—representing 0.42% of the total number of employees. To prevent occupational accidents, the Company implemented the following improvements: (1) Traffic accidents during commuting: Enhanced traffic safety awareness campaigns, reminding employees to pay attention to road conditions, avoid speeding, and slow down at intersections. (2) General incidents: Company-wide reminders urging employees to be cautious of slippery surfaces when walking or using stairs to prevent falls.	-
4.4 Does the company provide its employees with career development and training sessions?	v		We believe that employees are the company's greatest assets and as such, we've established a comprehensive training system to help our employees continue furthering themselves. To improve our employee training programs and make them more relevant to job requirements, we design annual training needs	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			questionnaires, which are used as a reference for the training direction in the following year. We also invest in multifaceted, concurrent internal training programs that cover a range of areas (including but not limited to: new employee orientation, group quality training, fire drills, legal and information security training, etc.), onsite training for different functions (such as core competencies, management skills, tool training, language training, etc.), overseas training, on-the-job training (OJT) and more. Moreover, we include compulsory courses and credit requirements in the promotion criteria for each job level, which helps to strengthen the employee's professional knowledge, skills, and motivation for learning, ultimately boosting their job performance and facilitating their continuous growth. Please refer to the Company's website for details of the Company's education and training features, training types, and training methods: https://www.kinpo.com.tw/zh-TW/careers/career-development	
4.5 Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	v		As an ODM and EMS manufacturer, the Company shall, in accordance with relevant laws and regulations and international standards, label the product or its designated logo and name for the customer, but shall not label the product or name of the Company.	-
4.6 Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results?	v		I. To ensure that employees within the supply chain are treated with respect and dignity, the work environment of suppliers is safe, business operations promote environmental protection, and observe ethical conduct, the Company has established the "Supplier Code of Conduct". The content includes labor, health and safety, environment, ethical standards, and management system. It is approved by the President and serves as the basic requirements for suppliers to comply with sustainability standards. We incorporate the "Supplier Code of Conduct" into the purchase contract. If suppliers wish to become qualified suppliers of the Company, one of the requirements	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			is that they must sign the purchase contract. 2. In order to manage suppliers effectively and allocate resources appropriately, The Company selects those who account for the top 80% of their annual procurement amount as key suppliers. These suppliers are then evaluated for potential risk through a supply chain Sustainability Assessment Questionnaire (SAQ). The questionnaire covers labor rights, health and safety, environmental protection, ethics, management systems, and corporate sustainability performance. 3. Based on analysis of the questionnaire survey results, the main sustainability risks for suppliers in 2024 fell under environmental protection, including lack of certification for greenhouse gas inventories and absence of GHG reduction plans or methods. The Company defines suppliers scoring below 60 points as high-risk suppliers. In 2024, two high-risk suppliers were identified. Audit results showed a total of two non-conformities by key high-risk suppliers. All non-conformities were issued with corrective action requests and are being followed up for improvement. 4. The Company implements various training initiatives to gradually enhance supplier capabilities. Since 2023, the Group Quality Center has hosted a monthly technical forum inviting suppliers to engage in technical exchanges on components with internal group departments. In July 2024, the Company established the "Kinpo ESG Sustainability Partner Alliance" to enhance corporate resilience through joint collaboration with suppliers. Additionally, the Company commissioned professional instructors to host greenhouse gas inventory workshops to assist suppliers with early preparation and encourage them to expedite their carbon inventory efforts in anticipation of increasingly stringent carbon reduction requirements.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a	v		1. The Company website has a Sustainable Development Section to disclose relevant information. In addition, the Company complies with international compilation standards and guidelines such as GRI, SASB, UN Sustainable Development Goals, TCFD, and UN Global Compact to formulate the Sustainability Report. The report comprehensively discloses the Company's ESG performance and is disclosed on the Company website and in the Market Observation Post System. 2. The Company's sustainability reports include content	-

Items	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
third party verification unit?			indexes aligned with the GRI Standards and SASB industry-specific indicators. A third-party verification unit, Ernst & Young CPAs, is commissioned to perform limited assurance in accordance with ISAE 3000 and issue an independent assurance report. Past sustainability reports are publicly available on the Company's website: https://esg.kinpo.com.tw/zh-TW/sustainability-reports-download	

6. Through the collection of sustainability-related topics and benchmarking analysis, the Company consolidates sustainability issues related to its operations. Based on stakeholder concerns and the degree of environmental, economic, and social impact, relevant risk assessments of key issues are conducted in accordance with the principle of materiality:

Major Issue	Items of Risks Evaluation	Response Method/Opportunity
Environmental Aspect	Impact to the Environment	The Company aims at environmental sustainability and has introduced the ISO 14001 environmental management system to ensure that the production process of the product does not cause environmental pollution and meets regulatory requirements. At the same time, the ISO 50001 energy management system has been established to improve the efficiency of energy resource use and reduce greenhouse gas emissions. Through the PDCA systematic management measures, the impact of operational processes on the environment is effectively reduced.
	Change of Climate	■ The Company carefully addresses the impact of climate change and includes it within its risk identification framework. In 2022, the Company signed on as a TCFD Supporter and adopted the TCFD framework in the same year to identify risks and opportunities brought by climate change and formulate response strategies to mitigate and adapt to potential impacts. ■ Through ISO 14064 greenhouse gas inventories, the Company has established reliable data baselines as the foundation for submitting SBTi reduction targets. In 2024, all global manufacturing sites achieved ISO 14064 certification. The Company submitted its SBTi Commitment Letter in September 2022 and received approval for its reduction targets in September 2024.
Society Aspect	Occupational Safety	■ Proactively strengthen injury prevention measures and improve poor health through ISO 45001 occupational health and safety management verification. ■ Regular fire drills and industrial safety education and training are held every year to cultivate employees' ability to respond to emergencies and self-safety management.
	Human Right	■ As for regulations, ensure that labor policies comply with domestic and foreign human rights conventions and local government regulations. For relations between employees and employers, regular meetings are held. ■ The two parties communicate and reach consensus on issues related to the implementation of human rights policies, labor environment and conditions, policies, remuneration and benefits to ensure transparency and smooth communication between labor and management.
Governance Aspect	Business Interruption	Evaluate potential emergencies (such as pandemic threats, fires, or wind disasters) that may affect employees, equipment, and the environment, and develop preventive measures in advance to reduce their frequency of occurrence.

Major Issue	Items of Risks Evaluation	Response Method/Opportunity
	Interest Rate Change	For the interest rate risk items on the end of the financial reporting period, including floating interest rate investments, assuming holding for one accounting year, when the interest rate increases/decreases by ten basis points, analyze the impact on Kinpo's profit and loss.
	Change of Exchange Rate	Regularly review the differences between assets and liabilities denominated in non-functional currencies, and manage exchange rate risks with forward foreign exchange contracts.
	Information Safety	■ Build an Information Security Management System (ISMS) that complies with international standards and has received ISO/IEC 27001 accreditation. ■ Strengthen employee cyber security awareness training, to cope with the constantly evolving cyber threats, ensuring that our employees can identify and respond to Virus threat. ■ Continuously conduct security vulnerability scans and weakness assessments, and timely repair to reduce cyber security risks.

7. If the company has formulated its own sustainable development guidelines in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please explain the implementation and any differences between them:

The Company promotes and implements sustainable development in daily operations through corporate governance, environmental sustainability, social engagement, and disclosure of corporate sustainability information. Accordingly, the “Sustainable Development Best Practice Guidelines” have been established for compliance.

8. Other Key Information That Helps Understand the Implementation of Sustainable Development:

Sustainability Policy

Kinpo Group, upholding the business philosophy of “Innovation, Harmony, and Excellence,” embraces the core values of environmental, economic, and social responsibility. The Group promotes sustainable development across five key areas: corporate governance, employee care, social engagement, supply chain management, and sustainable production, with the goal of achieving long-term sustainable operations.

Human Rights Policy

Kinpo adheres to labor regulations in all jurisdictions where its operations are located. The Company draws on the human rights principles and fundamental standards established in international frameworks, including the “Universal Declaration of Human Rights”, “UN Guiding Principles on Business and Human Rights”, “UN Global Compact”, and “International Labour Organization Conventions”. Kinpo also enforces the “Responsible Business Alliance (RBA) Code of Conduct” to protect the human rights of all personnel, including full-time employees, contract and temporary workers, and interns.

The scope of this Human Rights Policy includes the Company, its domestic and international subsidiaries, and other affiliated entities under substantive control. The policy is implemented as follows:

- (1) Prohibition of Discrimination: All forms of illegal discrimination based on race, nationality, color, age, pregnancy, gender, sexual orientation, religion, disability, union membership, or political affiliation are strictly prohibited. Equal opportunities, including equal pay for equal work, are ensured.
- (2) Prohibition of Child Labor: Employment or use of individuals under the age of 15, those who have not completed compulsory education, or those under the minimum employment age defined by the relevant country or region is strictly prohibited. Suppliers or contractors using child labor are not accepted.

- (3) **Prohibition of Human Trafficking:** The use of forced labor, bonded labor (including debt bondage), involuntary or exploitative prison labor, slavery, or trafficking in persons is strictly prohibited.
- (4) **Prohibition of Forced Labor:** The Company respects employee freedom. Workers have the right to freely resign or terminate their employment relationship at any time.
- (5) **Reasonable Wages and Benefits:** Employees are provided with wages and benefits that meet or exceed the local legal minimum requirements, including minimum wage, overtime compensation, and statutory benefits.
- (6) **Freedom of Association and Collective Bargaining:** Employees have the right, in accordance with local laws of the operating jurisdiction, to freely associate and choose whether to join labor unions or employee organizations. The Company respects employees' rights to collective bargaining and ensures they can communicate with employers or management regarding working conditions without fear of retaliation, threats, or harassment.
- (7) **Diverse and Inclusive Workplace:** The labor rights of disadvantaged groups such as Indigenous peoples, women, migrant workers, contract workers, and persons with disabilities are protected.
- (8) **Healthy, Safe, and Friendly Workplace:** A safe, healthy, and harassment-free work environment is provided.
- (9) **Protection of Employee Well-being:** The Company supports and assists employees in maintaining their physical and mental health and achieving work-life balance.
- (10) **Open Communication Channels:** An open management model and communication environment are maintained, encouraging employees to express their opinions honestly.
- (11) **Respect for Privacy:** The collection and use of personal data comply with legal requirements.
- (12) **Continuous Improvement:** Relevant risks and performance are regularly reviewed and evaluated to optimize management practices.

Quality Policy

Excellence in quality and customer satisfaction serve as the foundation and philosophy of the Company's management. The following quality policy has been established to ensure that the quality management system complies with customer and regulatory requirements:

- (1) Provide products and services that satisfy customers.
- (2) Do it right the first time.
- (3) Continuously pursue improvement and excellence in quality.

Green Product Policy

The Company is committed to promoting environmental protection and strives to gain recognition from employees, customers, shareholders, suppliers, and society through environmentally conscious product development, manufacturing, and services.

To achieve this mission, we have established the following requirements:

- (1) Comply with international regulations.
- (2) Meet customer requirements.
- (3) Apply environmentally friendly design.
- (4) Continuously improve the green management system.

By fulfilling the above requirements, Kinpo Group ensures that its products entering the market pose no harm to humans or the environment.

Responsible Minerals Commitment

As a member of the Responsible Business Alliance (RBA)—formerly the Electronic Industry Citizenship Coalition (EICC)—the Company is committed to adhering to the RBA Code of Conduct across its five core areas: labor, health and safety, environmental protection, ethics, and management systems. The Company is also dedicated to promoting these standards throughout its supply chain. In addition, we are committed to disclosing conflict minerals used in our products and components in accordance with the OECD Due Diligence Guidance. We require our suppliers to use the Conflict Minerals Reporting Template to disclose smelter information for minerals such as tin, tantalum, tungsten, gold, cobalt, etc., thereby fulfilling our corporate citizenship and social responsibilities.

Responsible Minerals Due Diligence

To implement responsible mineral sourcing, the Company requires newly engaged suppliers to sign a “Responsible Minerals Policy Statement.” In addition, the Company conducts ongoing annual due diligence investigations across its supply chain, utilizing the RMI-published tools—Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT)—to determine whether raw materials contain tin, tantalum, tungsten, gold, cobalt, or mica. The Company discloses the sources of such minerals and identifies whether smelters are located in Conflict-Affected and High-Risk Areas (CAHRAs) to ensure all mineral and metal sources are legally obtained. These measures are taken to uphold our commitment to the RBA Code of Conduct and fulfill our corporate social responsibility. The due diligence for 2024 was completed with a 100% compliance rate, and all results confirmed the absence of conflict minerals.

Kinpo Group Joint Coastal Cleanup – Working Together to Protect Marine Ecosystems

To raise employee awareness of ecological and environmental protection and to take proactive action in addressing Taiwan’s marine ecological crisis, Kinpo Group, Compal Electronics, AcBel Polytech, and SHENNONA Co., Ltd. jointly organized a coastal cleanup event on October 18 at Zhouziwan Beach in Tamsui. Employees were called upon to unite in safeguarding this beautiful marine environment. The initiative contributed to preserving ocean ecosystems and protecting coastal areas in alignment with UN Sustainable Development Goal 14: Life Below Water. A total of 713.9 kilograms of marine debris was removed during the event, restoring the natural beauty of Zhouziwan Beach.

Kinpo for Arts – Cultural Sustainability

Culture is a vital foundation for societal progress. Kinpo Group actively contributes to Taiwan’s local arts and cultural creative industries through diversified approaches, including resource investment and cross-sector collaboration. In 2024, the Group invested over NT\$4 million to support domestic arts and cultural public welfare programs. These efforts included book donations, Company-sponsored musical theater event, artwork rental exhibitions, and sponsorship of artistic performances—integrating art into both business and everyday life. Through these tangible actions, Kinpo aims to promote long-term cultural sustainability and inject positive momentum into Taiwan’s cultural development, fulfilling the Company’s responsibility to give back to society.

Kinpo Group and The Mustard Seed Mission Collaborate on Indigenous Youth Returning Home for Industry Development Project

In recent years, food safety has become an increasingly important issue, while local agriculture faces numerous challenges and environmental impacts. Population outflow from remote areas has resulted in labor shortages and widened urban–rural disparities. In response, Kinpo Electronics partnered with The Mustard

Seed Mission to launch the “Indigenous Youth Returning Home for Industry Development Project.” The collaboration kick-off ceremony was held on August 26, 2024, at the “31MSM Center” in Jianshi Township, Hsinchu. Centered on agricultural education, this project aims to empower youth in remote communities to achieve self-sufficiency, integrating innovative and traditional agricultural practices to revitalize local economies. The initiative seeks to connect corporate social responsibility with local needs to fundamentally improve existing challenges.

Signing of the “Disaster Prevention Cooperation Memorandum” with Wushun Village

The Company firmly believes that the core of sustainable development lies in building resilient communities, particularly in the face of natural disasters. To this end, the Company signed a formal “Disaster Prevention Cooperation Memorandum” with the Wushun Village Office in Shenkeng District, New Taipei City. The purpose is to enhance coordination with the local community during disaster events, improve the effectiveness of community self-help and mutual assistance efforts, and provide necessary support to strengthen disaster resilience and recovery capacity. This memorandum not only serves as a preparedness measure for current disaster risks but also demonstrates the Company’s long-term commitment to sustainable impact. By reinforcing community disaster preparedness, the Company reaffirms its dedication to social responsibility and hopes to contribute to long-term social stability and development.

“Jingmei River Public Welfare Maintenance Project” – Riverbank Adoption

In 2022, the Company launched the “Jingmei River Public Welfare Maintenance Project.” The initiative involves bi-weekly activities focused on maintaining the riverbank environment behind the Shenkeng facility. These activities have improved the surrounding environmental quality and created a clean and comfortable space for employees to rest and recharge, contributing to both physical and mental well-being. By organizing riverbank cleanup efforts, the Company encourages cross-departmental interaction and collaboration, thereby enhancing overall employee efficiency, team cohesion, environmental awareness, and social responsibility. Through proactive corporate participation, Kinpo generates positive community impact and promotes the ideals of sustainable development. The Company believes that riverbank stewardship can embed the spirit of environmental care into the hearts of employees and neighbors alike, positively impacting the local community, improving the surrounding environment, and raising the quality of life for residents. At the same time, it enhances Kinpo’s public image and fosters a harmonious relationship with the community. This initiative has received strong recognition from local residents, with neighbors posting words of appreciation in local Facebook groups, further strengthening the Company’s reputation and community cohesion.

2.3.8. Climate-Related Information for TWSE/TPEX Listed Companies

I. Implementation of Climate-Related Information

- (1) Description of the Board of Directors and Management's Oversight and Governance of Climate-Related Risks and Opportunities
 - A. The Company designates the Board of Directors as the highest decision-making body for climate-related risk management, responsible for supervising and approving risk management policies and key risk management systems, and for tracking the implementation status and performance of risk management objectives.
 - B. In 2023, the Company elevated the operational-level Sustainable Development Committee to the board level to formulate the vision, goals, policies, and strategies for sustainability development, oversee the capital expenditures required for sustainability, and supervise and guide sustainability implementation. Meetings are convened at least once a year and may be held additionally as needed.
 - C. The operational-level Sustainable Development Committee was renamed the Sustainability Executive Committee, chaired by the President and composed of senior executives. This serves as the Company's highest decision-making and implementation body for sustainability. The Committee reports quarterly to the Board of Directors on greenhouse gas inventory status to enhance implementation effectiveness.
 - D. Based on the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board, the Company evaluates climate-related risks and opportunities and corresponding response strategies. Since 2021, the Company has disclosed TCFD assessment results in its sustainability reports, with annual review and updates.
 - E. In 2024, the Company also elevated the operational-level Risk Management Committee to the board level and passed its risk management policy and procedures. Climate-related risk management has been incorporated into the overall risk management processes of the consolidated company.
- (2) Description of How Identified Climate Risks and Opportunities Impact the Business, Strategy, and Financial Planning (Short-, Medium-, and Long-Term)

To effectively respond to the impacts of climate change and enhance the Company's climate resilience, the Company identifies climate-related risks and opportunities based on the TCFD framework. It analyzes the potential impacts on business operations and financials, recognizes transition opportunities, and assesses related financial dimensions. The Company defines short-term as within 1 year, medium-term as 1 to 3 years, and long-term as 3 to 5 years. Corresponding response and management strategies have been proposed, and the financial impacts on the Company will continue to be assessed.

--Table I--

	Short-Term	Mid-Term	Long-Term
Physical Risks Immediate risks caused by climate events	• Increase in extreme weather events	-	-
Transition Risks Risks from transitioning to a low-carbon economy,	• Cap-and-trade schemes, carbon credits, energy trading-related	• Renewable energy requirements • General environmental	• Market demand transformation / industry innovation • Raw material supply

	Short-Term	Mid-Term	Long-Term
including regulatory, technological, market, and reputational risks	matters	regulations • Unstable energy supply • Shifts in customer demand	risks • Stakeholder concern over climate issues
Opportunities Climate risk mitigation and adaptation efforts that can create value for the Company	• Enhanced disaster resilience	• Participation in renewable energy projects and carbon markets • Promotion of low-carbon green production	• Opportunities in technological innovation • Supply chain stability • Enhanced corporate reputation

--Table 2--

Risk Item	Financial Impact	Response Strategies
Intensified extreme weather events	• Increased operating costs • Decreased revenue • Asset loss	A. Establish Business Continuity Management (BCM) and formulate Business Continuity Plans (BCP) for various extreme weather types. B. Regularly conduct BCP drills to assess the impact on plant sites and adjust preventive measures. C. Incorporate climate risk assessment into site planning for new facilities to mitigate risk.
Cap-and-trade, carbon credits, and energy trading	• Increased operating costs • Increased capital expenditures	A. Continuously monitor national GHG management policies (e.g., emissions cap, carbon trading, carbon offsets, carbon taxes/fees). B. Set Science-Based Targets (SBT) aligned with the 1.5°C pathway. C. Promote low-carbon technologies, increase renewable energy use, and reduce GHG emissions from energy consumption. D. Integrate low-carbon building assessments in new construction to reduce emissions. E. Implement internal carbon pricing and link carbon reduction performance with business KPIs to accelerate low-carbon transition.
Renewable energy transition	• Increased operating costs • Increased capital expenditures	A. Monitor updates to renewable energy laws and trading markets in each country. B. Introduce ISO 50001 and establish internal reward mechanisms for units that effectively save energy or develop energy-saving technologies. C. Evaluate renewable energy sourcing methods such as on-site generation, long-term power purchase agreements (PPAs), and renewable energy certificates.
General environmental regulations	• Increased operating costs • Increased capital expenditures	A. Adopt ISO 14001 and apply the PDCA cycle to ensure effective environmental management. B. Comply with environmental regulations at production sites, continually improve pollution control equipment, and adopt low-pollution raw materials to reduce pollution at the source.
Shifting market demand / Emerging technologies	• Decreased revenue	A. Incorporate green design in product R&D to develop low-carbon products that meet market needs. B. Invest in new product and technology development (e.g., AI-integrated products, home

Risk Item	Financial Impact	Response Strategies
		automation solutions). C. Lead supply chain partners in low-carbon transformation by setting supply chain carbon reduction targets and reducing product carbon footprints.
Unstable energy supply	• Increased operating costs • Increased capital expenditures	A. Install and maintain uninterruptible power systems (UPS) at facilities to ensure backup during power outages or instability. B. Explore suitable alternative energy sources to mitigate the impact of power rationing. C. Conduct energy audits on critical processes, electrical systems, and key equipment to identify energy-saving opportunities.
Raw material supply	• Increased operating costs	A. Establish alternative sourcing channels to diversify material supply and mitigate the risk of supply disruption from single-source suppliers. B. Regularly assess supply risks and evaluate supplier alternatives.
Changing customer demands	• Increased operating costs • Increased capital expenditures	A. Promote clean energy and adopt ISO 14001, QC 080000, ISO 50001, and other standards. B. Integrate waste reduction, resource reuse, and eco-friendly or low-pollution materials into product design. C. Organize green seminars regularly to build employee awareness and capacity in environmental protection. D. Expand eco-friendly product design capabilities through industry-academia collaboration.
Stakeholder concern over climate issues	• Increased operating costs	A. Enhance stakeholder communication via multimedia design, interactive platforms, ESG websites, digital reports, and social media. B. Actively participate in international initiatives (e.g., SBT) and sustainability assessments (e.g., CDP), and publicly disclose climate management efforts and outcomes.

--Table 3--

Opportunity	Response Strategies
Enhanced resilience to natural disasters	A. Introduce ISO 50001 and continuously optimize energy-saving measures. B. For facilities located in high flood-risk or typhoon-prone areas, elevate building foundations or place key process equipment on higher floors. C. Establish Business Continuity Management (BCM) and develop Business Continuity Plans (BCP) for various extreme weather events.
Participation in renewable energy programs and carbon markets	A. Implement an energy management system to reduce electricity use in manufacturing processes. B. Expand the types of renewable energy used, such as evaluating the feasibility of self-built renewable facilities at production sites and negotiating power purchase agreements with renewable energy providers. C. Assess carbon trading mechanisms and carbon credit procurement channels in various countries.
Supply chain stability	A. Include ESG as a key indicator in supply chain evaluations and conduct regular on-site or document-based audits, with follow-up improvements for high-risk issues.

Opportunity	Response Strategies
	B. Support suppliers in areas such as greenhouse gas inventory and energy-saving improvements to enhance the sustainability of the supply chain.
Enhanced corporate reputation	A. Accelerate implementation of the following actions to strengthen climate adaptation and mitigation capabilities: ■ Actively invest in green product design, ISO 50001-based energy management, and increasing renewable energy use. ■ Strengthen infrastructure at plant sites and implement BCP. B. Actively participate in external sustainability organizations such as the RBA and CDP, and communicate relevant efforts through Kinpo Electronics' ESG website and sustainability reports to enhance stakeholder understanding.
Promotion of low-carbon green manufacturing	A. Adopt green product design, enhance production efficiency, establish recycling and reuse mechanisms, and extend product life cycles. B. Assess the introduction of product carbon footprint calculations to understand emissions across the product life cycle and identify areas for improvement.
Opportunities for technological innovation	A. Increase investment in product R&D to develop innovative low-carbon products that meet customer needs. B. Expand innovation design capabilities through industry-academia collaboration. C. Organize regular technical innovation seminars to improve employee knowledge and capabilities.

(3) Description of the Financial Impact of Extreme Climate Events and Transition Actions

Natural disasters such as tornadoes, hurricanes, typhoons, and heavy rainfall near plant areas may interrupt operations, leading to increased operating costs, reduced revenue, and asset losses. In addition, transition actions taken due to stricter environmental regulations, technological innovation, and changing market demand may also result in increased operating costs, higher capital expenditures, and lower revenue. The Company is currently implementing IFRS S1 and S2 projects, and will continue to assess the financial impacts using established evaluation methodologies.

(4) Description of How Climate Risk Identification, Assessment, and Management Are Integrated into the Overall Risk Management System

The climate risk identification process includes three steps: identifying risk items, prioritizing by materiality, and defining response strategies and disclosures. Through collecting and analyzing domestic and international reports and information, the Company identifies risk items, applies matrix analysis based on frequency and impact level to prioritize material risks, and proposes corresponding management strategies. The Company has completed climate risk identification and disclosure in accordance with the TCFD framework.

The risk management organizational structure designates the Board of Directors as the highest governance body for risk management. A Risk Management Committee, reporting to the Board, has been established to supervise the Company's risk management mechanisms. Climate risks are integrated and monitored in accordance with the overall corporate risk management system.

(5) If scenario analysis is used to assess climate resilience, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.

The Company utilizes data from the National Science and Technology Center for Disaster Reduction – Disaster Risk Adaptation Platform to assess flooding risk at the Shengkeng Plant. The analysis considers

hazard level, vulnerability, and exposure to project climate conditions in mid-century (2036–2065) and evaluates the physical risk of flood disasters. Should flooding occur in the future, the estimated repair cost for equipment damage at the Shengkeng Plant would be approximately NT\$1,900,000.

- (6) If there are transition plans for managing climate-related risks, describe the plan, as well as indicators and targets used to identify and manage physical and transition risks.

In 2022, the Company completed GHG inventories for all plant sites, establishing reliable emissions data, and submitted its SBTi commitment letter in September of the same year. In March 2024, the Company submitted its emissions reduction targets to SBTi, which were approved in September. The Company commits to using 2022 as the base year and aims to achieve an absolute reduction of 55% in Scope 1 and Scope 2 emissions and a 62% reduction in Scope 3 emissions per NT\$ million gross profit by 2033. The Group adopted the ISO 50001 Energy Management System in 2023, and in 2024, 100% of global plant sites passed third-party verification, demonstrating tangible efforts in energy-saving and carbon reduction as part of the transition plan for climate-related risks.

- (7) If internal carbon pricing is used as a planning tool, describe the basis for setting the price.

The Company began evaluating the implementation of internal carbon pricing in 2022. In 2023, it completed the methodology for allocating GHG emissions across departments. Starting in 2024, each business unit must include internal carbon charges in its monthly management reports. The Company collects data and estimates future carbon reduction costs (e.g., renewable energy purchases) to develop a formula and principles for internal carbon pricing, which is set at US\$10 per metric ton of CO₂e. Each April, the Company calculates the previous year's total GHG emissions and announces in June the applicable carbon pricing and the carbon charge allocations for each department for the following year. All departments must incorporate carbon fees into their annual budgets.

- (8) If climate-related targets have been set, describe the activities covered, GHG emission scopes, timeframes, annual progress, and if applicable, the source and quantity of emission reductions or Renewable Energy Certificates (RECs) used.

The Company submitted its SBTi commitment letter in September 2022 and submitted its reduction targets in March 2024, which were approved in September. We commit to using 2022 as the base year and achieving an absolute reduction of 55% in Scope 1 and Scope 2 emissions, and a 62% reduction in Scope 3 emissions per NT\$ million gross profit by 2033. In 2024, the Company purchased Renewable Energy Certificates (REC) for a total of 19,070 MWh, accounting for 5.54% of electricity use. For progress on each indicator, please refer to Chapter 5 “Environmental Sustainability” of the 2024 Sustainability Report.

- (9) Greenhouse Gas (GHG) Inventory and Assurance Status, Reduction Targets, Strategies, and Action Plans
In addition to the information below, please refer to Chapter 5 “Environmental Sustainability” of the 2024 Sustainability Report.

A. Greenhouse Gas Inventory Information

This section discloses the Company's GHG emissions (metric tons CO₂e) and emissions intensity (metric tons CO₂e / NT\$ million revenue) for the past two years, as well as the scope of data coverage.

The Company has established a GHG inventory mechanism in accordance with ISO 14064-1 published by the International Organization for Standardization (ISO). Since 2022, the GHG

emission coverage rate has reached 100%, and third-party assurance has been completed to ensure data reliability. The past two years' GHG inventory data is based on the operational control approach and includes the Company and its subsidiaries consolidated in the financial statements.

Emissions intensity is also calculated, with details summarized in the table below:

		2022	2023	2024 ©
Emissions (metric tons CO ₂ e)	Scope 1	7,749	4,871.1354	4,804.2242
	Scope 2	232,553	170,247.1656	179,762.3075
	Subtotal	240,301	175,118.3010	184,566.5317
Emissions intensity (metric tons CO ₂ e / NT\$ million revenue)		1.37	1.10	1.12

© The 2024 figures in this table are inventory data; the third-party verification results will be disclosed in the 2024 Sustainability Report.

Note 1: Scope 1: Direct emissions from sources owned or controlled by the Company; Scope 2: Indirect emissions from the generation of purchased electricity, steam, or heat; and Scope 3: All other indirect emissions that occur in the value chain of the Company.

Note 2: The scope of data coverage for Scope 1 and Scope 2 emissions shall follow the timeline stipulated in Paragraph 2, Article 10 of the relevant regulation. Disclosure of Scope 3 emissions is voluntary.

Note 3: Applicable inventory standards include the Greenhouse Gas Protocol (GHG Protocol) and ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: GHG emissions intensity may be calculated based on output per product/service unit or revenue. At a minimum, intensity based on revenue (in NT\$ millions) should be disclosed.

B. Greenhouse Gas Assurance Information

This section describes the assurance status of the past two years as of the publication date of this annual report, including scope, assurance provider, assurance standards, and assurance opinion.

As of the publication date, all of the Company's facilities have completed ISO 14064 verification for Scope 1, 2, and 3 emissions for the years 2022 and 2023, including third-party assurance. Details of the verification scope, institutions, standards, and opinions are as follows:

Verification Scope	Assurance Provider	Verification Standards / Opinions	Verification Scope	Assurance Provider	Verification Standards / Opinions
Taiwan Headquarters	DNV	ISO 14064-3:2019 / Reasonable assurance / Unqualified opinion	KPPH1/KPPH2 (Philippines)	BSI	ISO 14064-3:2019 / Reasonable assurance / Unqualified opinion
MAH / PET / CTI (Thailand)	BSI/SGS		CPPH (Philippines)	BSI	
CPMA/CPPE/CPTH (Thailand)	SGS		CPMY (Malaysia)	BSI	
Chang'an (China)	SGS		CCSD (USA)	SRI/PRI	
Dongguan (China)	SGS		CCMX (Mexico)	SSI	
Wujiang (China)	SGS		CCBR (Brazil)	SGS/BV	
Yueyang (China)	SGS		CCBS (Brazil)	SGS/BV	
Lichi (China)	CTI				

The planned schedule for 2025 assurance of 2024 ISO 14064 GHG emissions are as follows.

Complete assurance information will be disclosed in the 2024 Sustainability Report:

Verification Scope	Planned Verification Period	Planned Certificate Issuance	Verification Scope	Planned Verification Period	Planned Certificate Issuance
Taiwan Headquarters	March–April 2025	May 2025	KPPH/CCPH (Philippines)	March–April 2025	May 2025
MAH / PET / CTI (Thailand)			CPPH (Philippines)		
CPMA/CPPE/CPTH (Thailand)			CPMY (Malaysia)		
Chang'an (China)			CCSD (USA)		
Dongguan (China)			CCMX (Mexico)		
Wujiang (China)			CCBR (Brazil)		
Yueyang (China)			CCBS (Brazil)		
Lichi (China)			CPSG (Singapore)	August 2025	September 2025

Note 1: According to Paragraph 2, Article 10 of the applicable regulation, if the full assurance opinion is not available by the time of this annual report's publication, it must be noted that "Complete assurance information will be disclosed in the Sustainability Report." If the Company does not issue a Sustainability Report, this statement must appear in the Market Observation Post System (MOPS), and the full assurance opinion must be disclosed in the following year's annual report.

Note 2: Assurance providers must comply with the relevant regulations issued by the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX) regarding sustainability report assurance institutions.

Note 3: For disclosure examples, please refer to the best practice samples available on the TWSE Corporate Governance Center website.

C. Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Description of the GHG reduction base year and its data, reduction targets, strategies, specific action plans, and the status of target achievement.

■ GHG Reduction Base Year and Targets

Kinpo Electronics commits to using 2022 as the base year, with reduction targets of a 55% absolute reduction in Scope 1 and Scope 2 emissions, and a 62% reduction in Scope 3 emissions per NT\$ million gross profit by 2033.

■ GHG Reduction Strategies and Specific Action Plans

To fulfill its carbon reduction commitment, the Company has formulated four carbon reduction strategies: establishing reliable data baselines; adopting science-based target management; developing transparent decarbonization actions; and promoting a sustainable supply chain.

In 2022, the Company completed ISO 14064 GHG inventories for all Group sites. All locations passed third-party verification, establishing credible GHG emissions data. After gaining a full understanding of its emissions, the Group President signed and submitted a commitment letter to the SBTi in September 2022. Reduction targets were submitted to the SBTi in March 2024 and approved in September 2024. Additionally, the Company began introducing the ISO 50001 Energy Management System in 2023 to analyze major sources of carbon emissions, audit the use

of purchased energy such as electricity and fuel, identify major energy-consuming units, and develop reduction strategies, including increasing the share of renewable energy and upgrading or replacing high-energy-consuming equipment. All global sites completed third-party verification in 2024. The Company executes improvement plans in line with its reduction strategies and schedules, and continues to manage its GHG reduction targets. Participation in the annual Carbon Disclosure Project (CDP) survey ensures ongoing review of decarbonization strategies and action plans.

In 2024, the Company also revised its Employee Performance Management Policy to include ESG and Enterprise Risk Management (ERM) as evaluation criteria in performance appraisals. Evaluation categories and weightings are assigned based on employee grade levels, and performance assessments are designed based on measurable, quantifiable, and relevant indicators, linking compensation to sustainability performance. Through this performance-linked mechanism, the Company encourages employees to work together toward achieving its reduction targets.

Note 1: Implementation should follow the schedule specified in Paragraph 2, Article 10 of the relevant regulation.

Note 2: The base year should be the year in which the GHG inventory is completed based on the consolidated financial reporting boundary. For example, according to the regulation under Paragraph 2, Article 10, companies with capital exceeding NT\$10 billion must complete the inventory for fiscal year 2024 by 2025, making 2024 the base year. If a company completes the consolidated inventory earlier, that earlier year may be used as the base year. The base year data may be calculated based on a single year or an average of multiple years.

Note 3: Disclosure content may reference best practice samples available on the TWSE Corporate Governance Center website.

2.3.9. Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Explanation	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
I.1 Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	v		To implement a corporate culture of ethical business practices and ensure sound development and effective business operations, the Company has established the Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, and Procedures for Ethical Management and Guidelines for Conduct, which have been approved by the Board of Directors and disclosed on the Company's official website. All directors and managerial officers of the Company are required to sign a declaration of ethical conduct upon taking office, committing to upholding ethical business practices in internal management and commercial activities.	-
I.2 Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	v		1. To prevent unethical behavior as outlined in the Ethical Corporate Management Best Practice Principles, the Company has adopted policies including the Codes of Ethical Conduct and Procedures for Ethical Management and Guidelines for Conduct, both approved by the Board of Directors. Employees are required to sign an integrity declaration upon onboarding, taking responsibility for maintaining high ethical standards, upholding the Company's reputation, and complying with all legal regulations. 2. In addition to the aforementioned Board-approved ethical management policies, the Company has also adopted the following policies to prevent unethical conduct: (1) Anti-Corruption and Anti-Bribery Policy (2) Fair Advertising and Anti-Competition Policy (3) Employee Conflict of Interest Policy and Disclosure Form (4) Data Protection Policy (5) Kinpo Group Confidentiality Commitment (6) Kinpo Group Code of Conduct (7) Code of Conduct Roles and Reporting Procedures	-

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Explanation	
1.3 Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	v		1. The Company's ethical business policies clearly define the purpose of each policy, applicable subjects, prohibited conduct, disciplinary measures for violations, and whistleblowing procedures. 2. To ensure that the Company's ethical business policies comply with relevant laws and regulations, the Company regularly reviews the content of these policies.	-
2. Corporate Conduct and Ethics Compliance Practice 2.1 Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	v		To implement the evaluation of counterparties' integrity records, the Company adopts the following measures for different types of counterparties: 1. Customers: (1) If a customer is found to have violated anti-corruption or anti-bribery regulations, the Company will immediately discuss appropriate actions with senior management. If applicable laws in the local jurisdiction provide otherwise, the Company will act in accordance with such laws. (2) When signing contracts with customers, both parties will explicitly agree on anti-corruption and anti-bribery clauses within the agreement. 2. Suppliers: (1) For suppliers designated by customers, such suppliers must comply with the customer's Code of Conduct, the Responsible Business Alliance (RBA) Code of Conduct, and the Kinpo Group Supplier Code of Conduct. (2) For suppliers not designated by customers, the Company requires them to adhere to the RBA Code of Conduct and the Kinpo Group Supplier Code of Conduct. Additionally, anti-bribery clauses are included in the contract, prohibiting any form of bribery toward the Company's employees or their relatives and associates. In the event of any violation of anti-corruption or anti-bribery regulations, the	-

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Explanation	
2.2 Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	v		Company will, upon discovery, take legal action, which may include but is not limited to contract termination. The Company has designated the Legal and Intellectual Property Center as the unit in charge of ethical business operations. This unit is responsible for formulating and revising ethical management policies, organizing training programs, and implementing related measures. It also reports annually to the Board of Directors on the execution of ethical business practices in the previous year. In 2024, the Company held four sessions of in-person and online training courses on ethical business conduct, with a total of 1,433 participants and 1,078 hours of instruction, ensuring comprehensive implementation of ethics-related training.	-
2.3 Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	v		To prevent conflicts of interest, the Company has established an Anti-Corruption and Anti-Bribery Policy and Conflict of Interest Guidelines and Declaration Form for Employees, which clearly define the reporting process in case of conflicts and outline potential disciplinary consequences for violations.	-
2.4 Does the company establish an effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	v		The Company attaches great importance to the accuracy and completeness of its financial reporting processes and controls. Internal control systems have been designed to address procedures with potentially high risks of unethical behavior. The Internal Audit function develops its annual audit plan based on risk assessments, conducts audits accordingly, and reports the results and corrective actions to the Board of Directors and management to ensure audit effectiveness. In addition, all departments and subsidiaries are required to conduct annual self-assessments of the design and effectiveness of their internal control systems.	-
2.5 Does the company regularly hold internal and external	v		The Company regularly holds in-person or online training programs on ethical business practices and requires all employees to complete refresher	-

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Explanation	
educational trainings on ethical corporate management?			training annually to ensure that every employee fully understands, is familiar with, and strictly adheres to the Company's ethical business policies.	
3. Operation of the integrity system				
3.1 Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	v		The Company places great importance on integrity and fairness. To that end, the Company has established a series of regulations, including the Anti-Corruption and Anti-Bribery Policy, Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Whistleblower Handling Procedures. If employees and external individuals discover any improper behaviors, Opinions can be expressed through channels such as the company's official website or internal website via the published whistleblowing email address. The company accepts whistleblowing from internal employees and external parties, either named or anonymously, and prohibits any retaliatory actions against whistleblowers. The dedicated unit independently and confidentially investigates reported matters and reports relevant issues to the Audit Committee as required. Complaint Appeal Mailbox: response@kinpo.com.tw	-
3.2 Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	v		The Company strictly and confidentially handles any received reports and subsequent investigations. The staff responsible for handling complaint cases are obligated to maintain confidentiality to prevent informers from being treated unfairly, retaliated against or threatened, which has been clearly stipulated in the internal rules.	-
3.3 Does the company provide proper whistleblower protection?	v		The Company strictly prohibits any form of retaliation against those who report in good faith or assist in investigations, and this has been clearly stipulated in the internal rules.	-

Assessment Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Explanation	
4. Strengthening information Disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	v		The Company's ethical management policies are disclosed on its official website (www.kinpo.com.tw, available in both Chinese and English) under the "Investor Relations," "Corporate Governance," and "Internal Regulations" sections. Implementation results are also disclosed in the annual report and sustainability report. The Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, and Procedures for Ethical Management and Guidelines for Conduct are also published on the Market Observation Post System (MOPS) under the "Corporate Governance" section, specifically in the area for "Corporate Governance Structure – Regulations Governing Corporate Governance."	-
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: In compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review and revision of the Company's corporate conduct and ethics policy): None.				

2.3.10. Other Important Information That Enhances Understanding of the Company's Corporate Governance Practices

1. The Company has created a dedicated section on its website to disclose information related to corporate governance and provide downloadable governance policies and regulations.
2. The Company complies with legal requirements to disclose material information in real time to investors and the general public and hosts quarterly investor conferences.
3. The following table outlines the Company's senior executives' participation in corporate governance-related training programs in 2024:

Title	Name	Date	Course Title	Organizer	Hours
Financial Officer / Accounting Officer	Yu, Chien-Hui	2024/11/01	Latest ESG-related regulations on "Annual Report Preparation"	Accounting Research and Development Foundation	3.0
		2024/11/01	Corporate ESD Best Practices: Legal Liability Case Studies on Gender Equality & Human Rights	Accounting Research and Development Foundation	3.0
		2024/11/05	ESG Sustainability and Sustainable Finance Development & Strategy	Accounting Research and Development Foundation	3.0
		2024/11/05	Common Issues in Financial Statement Reviews and in Asset Acquisitions/Disposals	Accounting Research and Development Foundation	3.0
Head of Internal Audit	Ku, Hsin-Yu	2024/10/01	Latest Amendments to Internal Control System Guidelines and Financial Reporting Compliance	Accounting Research and Development Foundation	6.0
		2024/11/15	Information Governance and Internal Control/Audit (including Personal Data, Trade Secrets, and AI)	The Institute of Internal Auditors, R.O.C.	6.0

Note: For details regarding the Corporate Governance Officer's training, please refer to page 50.

2.3.11. Execution Status of Internal Control System

1. Statement of Internal Control

Kinpo Electronics, Inc. Statement of Internal Control System

Date: March 12, 2025

Based on the findings of a self-assessment, the Company states the following regarding its internal control system during the year 2024:

1. Kinpo board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system, and such system has been established. Our internal control system is designed to provide reasonable assurance of accomplishing the following objectives: the effectiveness and efficiency of our operations (including profitability, performance, and asset safeguard), reliability, timeliness, transparency, and legal compliance of our reporting, and compliance with applicable rulings, laws, and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may change due to changes in the environment or other circumstances. Nevertheless, our internal control system contains self-monitoring mechanisms, allowing Kinpo to take immediate remedial action in response to any identified deficiencies.
3. Kinpo evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter "Regulations"). The criteria adopted by the Regulations identify five key components based on managerial control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items. Please refer to the provisions outlined in the "Handling Guidelines" for the aforementioned items.
4. Kinpo has evaluated the design and operating effectiveness of its internal control system according to the Regulations.
5. Based on the findings of our self-assessment, The Company believes that, as of December 31, 2024, The Company has maintained, in all material respects, an effective internal control system (including the supervision and management of our subsidiaries), and can reasonably assure accomplishment of the following objectives: the level of achievement of our operational effectiveness and efficiency objectives is understood, our reporting is reliable, timely, transparent, and complies with applicable laws, and we are in compliance with applicable rulings, laws, and regulations.
6. This Statement will be an integral part of Kinpo's annual report and prospectus, and will be made public. Any falsehood, concealment, and/or other illegality in the content will result in legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the board of directors in their meeting held on March 12, 2025. 10 of the 10 directors in attendance personally, none objected to the content of this Statement. It is hereby declared.

Kinpo Electronics, Inc.

Chairman: Hsu, Sheng-Hsiung

President Chen, Wei-Chang

2. Companies which commissions accountants to audit the internal control system shall reveal the audit report: None.

2.3.12. Important Resolutions Passed by Shareholders Meetings and Board Meetings During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report

1. Important resolutions and implementation status of the 2024 Annual Shareholders' Meeting

Shareholder Meeting Date	Important resolutions of the shareholders' meeting
2024/06/06 Shareholders' Meeting	■ Approval of the 2023 Business Report and Financial Statements Implementation Status: Approved by vote. ■ Approval of the 2023 Earnings Distribution Proposal Implementation Status: Approved by vote. A cash dividend of NT\$444,602,464 was distributed. The dividend record date was July 10, 2024, and payment was made on August 2, 2024. ■ Approval of the Proposal to Lift the Non-Compete Restrictions on Directors of the Company Implementation Status: Approved by vote. Announced on MOPS on June 6, 2024.

2. Important resolutions of the board of directors for the fiscal year 2024 and up to the date of publication of the annual report in 2025.

Board Meeting Dates and Terms	Summary of Resolutions
2024/03/11 19th Board, 11th Meeting	1. Approval of the Company's 2023 Statement on Internal Control System 2. Approval of the 2023 Employee and Director Compensation Distribution 3. Approval of the 2024 Salary Adjustment Plan 4. Approval of 2024 Dragon Boat Festival and Mid-Autumn Festival Bonuses for Employees 5. Approval of Donations to Related Parties 6. Approval of Independence and Competency Assessment of the Company's CPA 7. Approval of the 2023 Financial Statements 8. Approval of Endorsements and Guarantees for Subsidiaries 9. Approval of Support Letters for Credit Lines of Subsidiaries from Financial Institutions 10. Approval of New/Increased/Extended Credit Lines for the Company and Its Subsidiaries 11. Approval of the 2023 Earnings Distribution Proposal 12. Approval of the 2023 Business Report 13. Approval of the Proposal to Lift Non-Compete Restrictions on Directors and Managers 14. Approval of the Convening of the 2024 Annual Shareholders' Meeting 15. Approval of New Share Issuance and Record Date for Employee Stock Option Conversions 16. Approval of Partial Amendments to the Company's "Rules of Procedure for Board of Directors Meetings" 17. Approval of Partial Amendments to the "Audit Committee Charter"
2024/05/14 19th Board, 12th Meeting	1. Approval of the Company's "Biodiversity Policy" 2. Approval of the "Board Diversity Policy" 3. Approval of New Share Issuance and Record Date for Employee Stock Option Conversions 4. Approval of the Proposed Investment by Kinpo Electronic (China) in Lichi Electronics (Nantong) 5. Approval of the Q1 2024 Financial Statements 6. Approval of Endorsements and Guarantees for Subsidiaries 7. Approval of Intercompany Loans among Subsidiaries and from the Company to Subsidiaries 8. Approval of Support Letters for Subsidiary Credit Lines from Financial Institutions

Board Meeting Dates and Terms	Summary of Resolutions
	9. Approval of New/Increased/Extended Bank Credit Lines for the Company and Its Subsidiaries
2024/08/14 19th Board, 13th Meeting	1. Approval of Salary and Compensation for Newly Appointed Managers 2. Approval of Compensation for Directors and Managers Holding Positions in Subsidiaries for 2024 3. Approval of the Second Transfer of Treasury Shares (Ninth Repurchase Program) to Employees 4. Approval of New Share Issuance and Record Date for Employee Stock Option Conversions 5. Approval of the Proposal to Lift Non-Compete Restrictions on Directors and Managers 6. Approval of the Q2 2024 Financial Statements 7. Approval of Endorsements and Guarantees for Subsidiaries 8. Approval of Support Letters for Subsidiary Credit Lines from Financial Institutions 9. Approval of New/Increased/Extended Bank Credit Lines for the Company and Its Subsidiaries
2024/11/13 19th Board, 14th Meeting	1. Approval of Amendments to the “Implementation Rules for Internal Control and Internal Audit” 2. Approval of the 2025 Annual Audit Plan 3. Approval of the 2024 Sustainability Execution Results and the 2025 Sustainability Work Plan 4. Approval of the “Procedures for Sustainability Report Preparation and Review” 5. Approval of the “Sustainability Information Management Policy” 6. Approval of 2024 Year-End Bonuses for Managers (including those concurrently serving in subsidiaries) 7. Approval of the Third Transfer of Treasury Shares (Ninth Repurchase Program) to Employees 8. Approval of New Share Issuance and Record Date for Employee Stock Option Conversions 9. Approval of the Establishment of the Company’s “Risk Management Committee” under the Board 10. Approval of the Company’s “Risk Management Policies and Procedures” 11. Approval of the Q3 2024 Financial Statements 12. Approval of Endorsements and Guarantees for Subsidiaries 13. Approval of Intercompany Loans among Subsidiaries and from the Company to Subsidiaries 14. Approval of Support Letters for Subsidiary Credit Lines from Financial Institutions 15. Approval of New/Increased/Extended Bank Credit Lines for the Company and Its Subsidiaries
2024/12/26 19th Board, 15th Meeting	Report items only, no significant resolutions
2025/01/15 19th Board, 16th Meeting	Approval of the Subsidiary Kinpo Electronic (China)’s Proposal to Sell Land and Buildings
2025/03/12 19th Board, 17th Meeting	1. Approval of the 2024 Internal Control Statement 2. Approval of the 2024 Financial Statements 3. Approval of the 2024 Earnings Distribution Proposal 4. Approval of the 2024 Director and Employee Compensation Plan 5. Approval of the 2024 Business Report 6. Approval of the Full Re-election of Directors

Board Meeting Dates and Terms	Summary of Resolutions
	7. Approval of Matters Related to the Convening of the 2025 Annual Shareholders' Meeting 8. Approval of New Share Issuance and Record Date for Employee Stock Option Conversions 9. Approval of the Company's 2025 Business Plan 10. Approval of Salary and Compensation for Newly Appointed Managers 11. Approval of the Appointment and Remuneration of the Company's CPA 12. Approval of the Independence and Competency Assessment of the CPA 13. Approval of Endorsements and Guarantees among Subsidiaries and to Subsidiaries 14. Approval of Support Letters for Subsidiary Credit Lines from Financial Institutions 15. Approval of New/Increased/Extended Bank Credit Lines for the Company and Its Subsidiaries
2025/04/02 19th Board, 18th Meeting	1. Approval of the Definition of "Non-Managerial Employees" 2. Approval of Proposed Amendments to the Company's Articles of Incorporation 3. Approval of Proposed Amendments to the "Operating Procedures for Loaning of Funds to Others" 4. Approval of Nomination of Candidates for the 20th Term Board of Directors (including Independent Directors) 5. Approval of the Proposal to Lift Non-Compete Restrictions on New Directors and Their Representatives 6. Approval of Additional Items for the Upcoming Shareholders' Meeting Agenda 7. Approval of the 2025 Salary Adjustment Plan 8. Approval of 2025 Dragon Boat Festival and Mid-Autumn Festival Bonuses for Employees

2.3.13. Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the latest year or as of the date of publication of the annual report : None.

2.4. Information Regarding the Company's Audit Fee and Independence

Unit: NT\$ thousands

Name of accounting firm	Auditors	Period Covered by the CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Ernst & Young	Chen, Chih-Chung	2024.01.01	4,010	1,220	5,230	Non-audit service fees: Tax certification and limited assurance services for the sustainability report.
	Fuh, Wen-Fun	~ 2024.12.31				

Note: If the Company has changed its CPA or accounting firm during the year, please list the audit periods separately, provide an explanation for the change in the remarks column, and disclose the audit and non-audit fees paid in sequence. The content of non-audit services should also be specified: Not applicable.

2.4.1 Disclosure of Audit Fees Before and After a Change of Audit Firm and the Reasons for Fee Reduction

N/A.

2.4.2 Disclosure of Audit Fee Reduction Amount, Percentage, and Reasons for a Decrease of 10% or More Compared to the Previous Year

N/A.

2.5. Replacement of CPA : N/A.

2.6. Company Chairman, President, and Managers Responsible for Finance or Accounting Who Have Held Positions at the Certifying CPA Firm or Its Affiliates Within the Past Year: None.

2.7. Transfers or Pledge the shares by Directors, Managers or Shareholders with Shareholdings of over 10% in the Recent Year or as of the Date of Publication of the Annual Report

2.7.1 Changes in Shareholding of Directors, Managers, or Major Shareholders

Unit: Shares

Title	Name	2024		As of April 5, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Ho Bao Investment Co., Ltd. Representative: Hsu, Sheng-Hsiung	0	(11,000,000)	0	0
Director	Ko, Charng-Chyi	0	0	(225,000)	0
Director	Ho, Mei-Yueh	0	0	0	0

Title	Name	2024		As of April 5, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Director	Panpal Technology Corp. Representative: Chen, Wei-Chang	0	0	0	0
Director (Note 1)	Tai-Yen Industrial Co., Ltd. Representative: Hung, Yung-Chen	(1,390,000)	0	0	0
Director	Chiu, Ping-Ho	0	0	0	0
Director	Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Tso	0	0	0	0
Director	Hsu, Chieh-Cheng	0	0	0	0
Independent Director	Hsieh, Fa-Dah	0	0	0	0
Independent Director	Huang, Chih-Peng	0	0	0	0
Independent Director	Wu, Chung-Fern	0	0	0	0
Group CEO	Hsu, Sheng-Hsiung	0	0	0	0
President	Chen, Wei-Chang	950,000	0	1,321,000	0
Senior Vice President	Huang, Yu-Hui	241,000	0	200,000	0
Vice President	Wong, Yee Lok Kirby	(29,000)	0	100,000	0
Vice President	Lo, Guo-Lun	(330,000)	0	110,000	0
Vice President	Yu, Shih-Tung	119,000	0	50,000	0
Vice President	Chen, Pei-Yuan	50,000	0	60,000	0
Vice President	Lin, Dah-Jiun	80,000	0	110,000	0
Vice President	Yu, Nai-Pu (Note 2)	50,000	0	60,000	0
Vice President	Chien, Chih-Chi (Note 3)	0	0	0	0
Corporate Governance Officer	Lin, Cheng-Hsien	60,000	0	75,000	0
Chief of Accounting Chief of Finance	Yu, Chien-Hui	100,000	(516,000)	38,000	0

Note 1: Corporate director Tai-Yen Industrial Co., Ltd. was automatically dismissed on August 19, 2024, due to transferring more than half of the Company shares held at the time of appointment. It currently holds no shares.

Note 2: Yu, Nai-Pu, Vice President of the Company, was approved as a newly appointed managerial officer by a resolution of the Board of Directors on August 14, 2024.

Note 3: Chien, Chih-Chi, Vice President of the Company, was approved as a newly appointed managerial officer by a resolution of the Board of Directors on March 12, 2025.

2.7.2 Shares Trading or Shares Pledge with Related Parties: None.

2.8. Information on Relationship Among the Top Ten Shareholders (Spouse, Relatives Within Two Degrees, etc.)

April 5, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Compal Electronics, Inc. Representative: Chen, Jui-Tsung	124,043,763 2,143,952	8.24% 0.14%	0 446,211	0.00% 0.03%	0 0	0.00% 0.00%	Panpal Technology Corp.	Wholly owned subsidiary Same chairman as the Company	
Panpal Technology Corp. Representative: Chen, Jui-Tsung	69,369,644 2,143,952	4.61% 0.14%	0 446,211	0.00% 0.03%	0 0	0.00% 0.00%	Compal Electronics, Inc.	Parent company of the Company Same chairman as the Company	
GEBO Limited Representative: Hsu, Chun-Chi	41,669,000	2.77%	0	0.00%	0	0.00%	Ho Bao Investment Co., Ltd.	The chairman of the company is the spouse of the Company's chairman	
	8,460,453	0.56%	533,000	0.04%	0	0.00%	Tsai, Li-Chu	Mother and daughter	
Ho Bao Investment Co., Ltd. Representative: Yeh, Pei-Chuan	30,000,000	1.99%	0	0.00%	0	0.00%	GEBO Limited	The chairman of the company is the spouse of the Company's chairman	
	533,000	0.04%	8,460,453	0.56%	0	0.00%	Tsai, Li-Chu	First-degree relative by marriage to the Company's chairman	
Ruey Shinn Co., Ltd. Representative: Chen, Hsin-Chung	28,029,000	1.86%	0	0.00%	0	0.00%	None	None	
	62,025	0.00%	0	0.00%	0	0.00%			
Tsai, Li-Chu	21,678,723	1.44%	13,683,942	0.91%	0	0.00%	Ho Bao Investment Co., Ltd.	First-degree relative by marriage to the chairman of the company	
							GEBO Limited	First-degree relative to the chairman of the company	
UBS Taipei Branch is subject to Li Chu Tsai trust property account	20,000,000	1.33%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	17,684,193	1.18%	0	0.00%	0	0.00%	None	None	
Lin, Gao-Huang	15,000,000	1.00%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank Taipei Branch is entrusted with the safekeeping of Van Gard Emerging Market Stock Index Fund investment account of the manager of Van Gard Group	14,862,670	0.99%	0	0.00%	0	0.00%	None	None	

2.9. Information on the Company Directors, Managers, or Businesses Directly or Indirectly Controlled by the Company

December 31, 2024; Unit: Shares; %

Reinvestments (Note)	Investments by the Company		Investments by Directors, Managers, or Directly or Indirectly Controlled Businesses		Total Investments	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Cal-Comp Electronics (Thailand) Public Co., Ltd.	5,223,956,415	49.99%	67,209,226	0.64%	5,291,165,641	50.63%
Kinpo International (Singapore) Pte. Ltd.	261,241,881	100.00%	0	0.00%	261,241,881	100.00%
Kinpo International Ltd.	154,223,270	100.00%	0	0.00%	154,223,270	100.00%
Lipo Holding Co., Ltd.	102,000	51.00%	0	0.00%	102,000	51.00%
Crownpo Technology Inc.	5,805,765	51.61%	64,791	0.58%	5,870,556	52.18%
XYZprinting, Inc.	115,151,760	48.59%	115,341,760	48.67%	230,493,520	97.26%
CastleNet Technology Inc.	129,958,907	67.21%	0	0.00%	129,958,907	67.21%
Cal-Comp Asset Management, Inc.	5,000,000	100.00%	0	0.00%	5,000,000	100.00%
AcBel Polytech Inc.	162,203,363	18.89%	2,351,051	0.27%	164,554,414	19.16%
Kinpo Group Management Service Company	300,000	37.50%	0	0.00%	300,000	37.50%
Teleport Access Services, Inc.	10,145,800	23.70%	276,570	0.65%	10,422,370	24.35%
Ascendant Private Equity Investment Ltd. Preferred Shares	31,250,000	34.72%	0	0.00%	31,250,000	34.72%
Ascendant Private Equity Investment Ltd. Common Shares	3,125	34.72%	0	0.00%	3,125	34.72%
iHelper Inc.	1,584,000	44.00%	0	0.00%	1,584,000	44.00%
NTNU Innovation Investment Holding Company	1,990,129	19.92%	0	0.00%	1,990,129	19.92%
McTEC Taiwan Ltd.	1,500,000	26.04%	0	0.00%	1,500,000	26.04%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

III. Capital Overview

3.1 Capitals and Shares

3.1.1 Sources of Capital

1. Formation of Capital:

Year / month	Par Value (NT\$)	Authorized capital		Paid-in capital		Remark	
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Date of Approval and Document Number
2008.08	10	2,000,000,000	20,000,000,000	1,458,233,211	14,582,332,110	Capitalization of retained earnings \$285,338,390 Capitalization of Employee-Bonus \$30,074,170	Financial Supervisory Commission (I) Document No. 0970032497, Approved by June 30, 2008
2014.12	10	2,000,000,000	20,000,000,000	1,458,113,211	14,581,132,110	capital reduction \$1,200,000	Administration of Commerce, MOEA Document No. 10301241090, Approved by December 3, 2014
2016.07	10	2,000,000,000	20,000,000,000	1,455,657,211	14,556,572,110	capital reduction \$24,560,000	Administration of Commerce, MOEA Document No. 10501114920, Approved by May 30, 2016
2018.11	10	2,000,000,000	20,000,000,000	1,453,304,211	14,533,042,110	capital reduction \$23,530,000	Administration of Commerce, MOEA Document No. 10701150830, Approved by November 29, 2018
2019.03	10	2,000,000,000	20,000,000,000	1,452,081,211	14,520,812,110	capital reduction \$12,230,000	Administration of Commerce, MOEA Document No. 10801032780, Approved by March 27, 2019
2020.04	10	2,000,000,000	20,000,000,000	1,459,125,211	14,591,252,110	Warrants to convert shares \$70,440,000	Administration of Commerce, MOEA Document No. 10901062960, Approved by April 15, 2020
2020.06	10	2,000,000,000	20,000,000,000	1,465,941,211	14,659,412,110	Warrants to convert shares \$68,160,000	Administration of Commerce, MOEA Document No. 10901099200, Approved by June 15, 2020
2020.09	10	2,000,000,000	20,000,000,000	1,466,504,211	14,665,042,110	Warrants to convert shares \$5,630,000	Administration of Commerce, MOEA Document No. 10901176470, Approved by September 18, 2020
2020.12	10	2,000,000,000	20,000,000,000	1,466,631,211	14,666,312,110	Warrants to convert shares \$1,270,000	Administration of Commerce, MOEA Document No. 10901233460, Approved by December 8, 2020
2021.04	10	2,000,000,000	20,000,000,000	1,467,005,211	14,670,052,110	Warrants to convert shares \$3,740,000	Administration of Commerce, MOEA Document No. 11001061120, Approved by April 9, 2021
2021.06	10	2,000,000,000	20,000,000,000	1,468,518,211	14,685,182,110	Warrants to convert shares \$15,130,000	Administration of Commerce, MOEA Document No. 11001099760, Approved by June 16, 2021
2021.09	10	2,000,000,000	20,000,000,000	1,469,129,211	14,691,292,110	Warrants to convert shares \$6,110,000	Administration of Commerce, MOEA Document No. 11001163490, Approved by September 17, 2021
2021.12	10	2,000,000,000	20,000,000,000	1,470,439,211	14,704,392,110	Warrants to convert shares \$13,100,000	Administration of Commerce, MOEA Document No. 11001227040, Approved by November 13, 2021
2022.04	10	2,000,000,000	20,000,000,000	1,479,668,211	14,796,682,110	Warrants to convert shares \$92,290,000	Administration of Commerce, MOEA Document No. 11101175160, Approved by September 14, 2021
2022.06	10	2,000,000,000	20,000,000,000	1,490,880,211	14,908,802,110	Warrants to convert shares \$112,120,000	Administration of Commerce, MOEA Document No. 11101096720, Approved by June 14, 2022
2022.09	10	2,000,000,000	20,000,000,000	1,493,046,211	14,930,462,110	Warrants to convert shares \$21,660,000	Administration of Commerce, MOEA Document No.

Year / month	Par Value (NT\$)	Authorized capital		Paid-in capital		Remark	
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Date of Approval and Document Number
							11101175160, Approved by September 14, 2022
2022.12	10	2,000,000,000	20,000,000,000	1,493,055,211	14,930,552,110	Warrants to convert shares \$90,000	Administration of Commerce, MOEA Document No. 11101235490, Approved by December 13, 2022
2023.03	10	2,000,000,000	20,000,000,000	1,494,416,211	14,944,162,110	Warrants to convert shares \$13,610,000	Administration of Commerce, MOEA Document No. 10901176470, Approved by April 18, 2023
2023.06	10	2,000,000,000	20,000,000,000	1,496,277,211	14,962,772,110	Warrants to convert shares \$18,610,000	Administration of Commerce, MOEA Document No. 11230135990, Approved by July 10, 2023
2023.08	10	2,000,000,000	20,000,000,000	1,496,854,211	14,968,542,110	Warrants to convert shares \$5,770,000	Administration of Commerce, MOEA Document No. 11230174040, Approved by September 7, 2023
2024.01	10	2,000,000,000	20,000,000,000	1,498,515,211	14,985,152,110	Warrants to convert shares \$16,610,000	Administration of Commerce, MOEA Document No. 11230237600, Approved by January 2, 2024
2024.04	10	2,000,000,000	20,000,000,000	1,500,731,211	15,007,312,110	Warrants to convert shares \$22,160,000	Administration of Commerce, MOEA Document No. 11330057600, Approved by April 17, 2024
2024.06	10	2,000,000,000	20,000,000,000	1,501,988,211	15,019,882,110	Warrants to convert shares \$12,570,000	Administration of Commerce, MOEA Document No. 11330096310, Approved by June 21, 2024
2024.10	10	2,000,000,000	20,000,000,000	1,502,859,211	15,028,592,110	Warrants to convert shares \$8,710,000	Administration of Commerce, MOEA Document No. 11330165940, Approved by October 11, 2024
2024.12	10	2,000,000,000	20,000,000,000	1,504,141,211	15,041,412,110	Warrants to convert shares \$12,820,000	Administration of Commerce, MOEA Document No. 11330213990, Approved by December 16, 2024

Note: There is no property other than cash paid by subscribers.

2. Sources of Capital

Type of Shares	Authorized capital			Remarks
	Outstanding Shares (Note 2)	Unissued Shares	Total (Note 1)	
Registered Ordinary Shares	1,504,839,211	495,160,789	2,000,000,000	-

Note 1: According to the articles of incorporation, the company's authorized capital is 2,000,000,000 shares, whereby, 150,000,000 shares reserved for issuing warrants.

Note 2: As of April 5, 2025, due to employee stock options increased, the total number of issued ordinary shares has increased to 1,504,839,211 shares, with a par value of NT\$10 per share. Among them, the employee stock options were issued as 698,000 shares with pending change of registration during October 1, 2024 to April 5, 2025.

3. Information on Return Filing System: None.

3.1.2 List of Major Shareholder (Top-10 Shareholders)

April 5, 2025

Major Shareholders	Shares	Number of Shares Held	Shareholding %
Compal Electronics, Inc.		124,043,763	8.24%
Panpal Technology Corp.		69,369,644	4.61%
GEBO Limited		41,669,000	2.77%
Ho Bao Investment Co., Ltd.		30,000,000	1.99%
Ruey Shinn Co., Ltd.		28,029,000	1.86%
Tsai, Li-Chu		21,678,723	1.44%
UBS Taipei Branch is subject to Li Chu Tsai Trust Property Account		20,000,000	1.33%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		17,684,193	1.18%
Lin, Kao-Huang		15,000,000	1.00%
JPMorgan Chase Bank Taipei Branch is entrusted with the safekeeping of Van Gard Emerging Market Stock Index Fund investment account of the manager of Van Gard Group		14,862,670	0.99%

3.1.3 Dividend Policy and Implementation Status

1. Dividend Policy in Articles of Incorporation

Article 26-1 of corporate charter:

If the company's annual financial statements show earnings, it shall first allocate funds for tax payment and offsetting of accumulated deficit. Next, 10% shall be reserved as legal reserves. Additionally, in compliance with relevant laws or regulatory requirements, a certain amount shall be allocated or reversed as special reserves. If there is still earnings left, the remaining amount shall be combined with the unappropriated retained earnings from the beginning of the fiscal year and adjustment of its amount for the current year. The Board shall propose an earning distribution plan according to the circumstances. It must be approved by the shareholders' meeting before distribution, if earning distribution issuing as new shares.

Where part or all of dividends and bonuses, capital reserve or legal reserve are distributed in cash, a Board meeting is convened. Two-thirds of the Board shall attend the meeting and one-half of the attending Directors shall vote for the proposal and then report to the shareholders' meeting before the cash issuing.

The aforementioned distribution of dividends shall be executed in accordance with considerations of financial, operational, and managerial factors, among others, thereby allocating the entire distributable earnings of the fiscal year. The cash dividends shall not be less than ten percent of the total amount of cash and stock dividends distributed in the current fiscal year.

2. Dividend Policy Implementation

The Company's dividend distribution follows the provisions set forth in the Articles of Incorporation and adheres to the principle of maintaining stability and balance. At least 50% of the after-tax net income is allocated for distribution.

3. Dividend Distribution

On March 12, 2025, the Board of Directors resolved to distribute a cash dividend of NT\$0.6 per share from the earnings of fiscal year 2024, representing a payout ratio of 54% of the annual after-tax net income.

3.1.4 Impact of the Proposed Stock Dividend Distribution on the Company's Operating Performance and Earnings Per Share

N/A.

3.1.5 Compensation of Employees and Directors

1. The percentage or range of compensation for employees and directors as stipulated in the corporate charter

Article 26 of corporate charter:

According to article 26 of AOI, if the company has been profitable during the year, shall set aside no less than 2% of the profit as compensation for the employees and no higher than 2% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.

The afore-mentioned profit of the year refers to the earnings before tax excluding the deduction of compensations for the employees and remunerations for the directors.

The proposals with respect to the distribution percentages of the employees' compensation and the directors' remunerations and the employees' compensation to be paid in cash or by stock shall be consented by a majority of the attending directors with the attendance of over two thirds of the seats in a meeting of the Board of Directors. The resolutions made by the Board shall then be reported to the shareholders' meeting.

Employees' compensation in the form of cash or stock shall only be paid to employees controlling or subordinate companies meeting certain specific requirements.

2. The accounting treatment should be outlined in cases where discrepancies arise between the actual distribution amount and the basis estimated number of shares used for stock distribution of employee compensation.

The Company estimates employee compensation based on the current year's profit (i.e. earnings before tax excluding the deduction of compensations for employees and directors) with a fixed percentage. Compensation for directors is distributed in the estimated figure, and listed as operating cost or operating expense. Where employee compensation is distributed in shares, the number of shares is calculated based on the closing price of ordinary shares of the day before the board of directors made the resolution. If any changes occur in the year that follows after the financial report is announced, the change shall be handled as a change in accounting estimates, and effects of the change shall be listed in the loss and profit of the year that follows.

3. Board of directors' resolution on compensation distribution

(1) The amount of employee and director's remuneration distributed in cash or stock:

The resolution to distribute employee and director remuneration for the fiscal year 2024 in cash approved by the Board of Directors on March 12, 2025. The employee compensation of NT\$169,576,732, with director remuneration of NT\$22,610,231.

(2) If there is a variance between the estimated amount recognized as expenses for the fiscal year and the actual amount, the difference, reasons, and resolution should be disclosed: No Difference.

(3) The amount of employee compensation distributed in stocks, its proportion to the net profit after tax in the current individual or separate financial statements, and the total employee compensation: Not applicable.

4. The actual distribution of remuneration for employees and directors in the previous year (including the number of shares distributed, the amount, and the stock price). Any differences from the recognized remuneration for employees, and directors should be explained, including the variance, reasons, and how the situation was addressed.

(1) Employee compensation of NT\$130,231,425 and director compensation of NT\$11,407,132 are to be distributed in cash in 2023.

(2) If there is any variance between the recognized expenses for employee and director remuneration and the actual amounts, the differences, reasons, and resolution should be disclosed: No Significant Difference.

3.1.6 Buyback of Common Stock

1. Executed

April 5, 2025

Repurchase sequence	Ninth repurchase
Purpose of repurchase	Transfer shares to employees
Repurchase period	April 1, 2020 to May 20, 2020
Price range of repurchase	NT\$6.90 ~ NT\$18.00
Types and quantity of shares repurchased	Common stock: 28,443,000 shares
Value of shares repurchased	NT\$331,781,818
The ratio of the quantity repurchase to the quantity expected repurchase (%)	63.21%
Number of shares retired or resold	28,443,000 shares
Quantity of total treasury stock holdings	0 shares
Total treasury stock holdings as a percentage of total shares issued (%)	0%

Note: All shares repurchased during the ninth buyback program were fully transferred to employees on March 11, 2025.

2. Still in progress: None.

3.2 Issuance of corporate bonds : None.

3.3 Preferred shares : None.

3.4 Issuance of Global Depositary Receipts : None.

3.5 Employee Stock Options

3.5.1 Status of Unexpired Employee Stock Warrants as of the Date of Annual Report Publication and Their Impact on Shareholders' Equity

April 5, 2025

Type of employee stock warrant	First employee stock option certificate issued in 2019
Effective date of registration	November 28, 2019 Total: 45,000 units
Date of issuance (exercise)	December 16, 2019
Units issued	45,000 units
Remaining units for issuance	0 unit
Ratio of subscribable shares to total issued shares	2.9917% (Note)
Subscription period	7 years (2019/12/16 ~ 2026/12/15)
Exercise method	Issue new shares
Period and ratio in which subscription is restricted (%)	After two full years since the issuance of employee stock warrants, 50% of the total employee stock options may be exercised. After three full years since the issuance of employee stock warrants, 75% of the total employee stock options may be exercised. After four full years, employees may fully exercise stock options.
Amount of the shares subscribed	24,060,000 shares
Number of shares that have been obtained through exercise of subscription rights	NT\$282,663,280
Number of shares that have not been subscribed	20,940,000 shares
Subscription price per share of the unsubscribed shares	NT\$11.31
Ratio of the number of unsubscribed shares to total issued shares (%)	1.3922%
Effect on shareholders' equity	After two full years since the Company's issuance of employee stock warrants, the execution plan will be carried out over the course of seven years. It will dilute original shareholder equity year by year (however, the dilution effect is still limited), encourage employees to invest long-term effort into the job and enhance internal coherence, which will create benefits for the Company and shareholders. It will be beneficial to shareholder equity as well.

Note: The total issued shares refer to the number of shares listed in the registered records. The company has a total of 1,504,141,211 shares issued after alteration of the registered.

3.5.2 Names of Managers and Top Ten Employees Holding Employee Stock Warrants, and Details of Their Acquisition and Subscription Status as of the Date of Annual Report Publication

April 5, 2025

	Title	Name	Number of Shares Acquired (in Thousands)	Percentage of Total Issued Shares Acquired	Executed				Not yet executed			
					Number of Shares Subscribed (in Thousands)	Subscription Price (NT\$)	Subscription Amount (in Thousands of NTD)	Percentage of Total Issued Shares Subscribed	Number of Shares Subscribed (in Thousands)	Subscription Price (NT\$)	Subscription Amount (in Thousands of NTD)	Percentage of Total Issued Shares Subscribed
Management	President (Resigned)	Shen, Shyh-Yong	6,170	0.41%	4,180	11.31 ~ 11.94	49,495	0.28%	1,990	11.31	22,507	0.13%
	Senior Vice President	Huang, Yu-Hui										
	Vice President	Lo, Guo-Lun										
	Vice President	Wang, Er-Le										
	Vice President	Yu, Shih-Tung										
	Vice President	Yu, Nai-Pu (Note 1)										
	Vice President	Chien, Chih-Chi (Note 2)										
	Assistant Vice President (Resigned)	Hsu, Wen-Han										
	Head of Corporate Governance	Lin, Cheng-Hsien										
	Accounting and Finance Manager	Yu, Chien-Hui										
Employee	Senior Director	Hsu, Hua-Mei	7,611	0.51%	6,161	11.31 ~ 11.94	72,265	0.41%	1,450	11.31	16,400	0.1%
	COO	Khongsit Choukitcharoen										
	CMO (Resigned)	Pan, Xiu-Yu										
	Senior Vice President	Chiang, Tai-Chang										
	Director	Xuan, Zhi-Yun										
	Senior Director	Tsai, Chia-Jung										
	Senior Director	Chien, I-I										
	Vice President	Tung, Hsiao-Ning										
	Director	Chou, Ye-Li										
	Senior Director (Resigned)	Zheng, Cheng-Zhong										

Note 1: Vice President Yu, Nai-Pu was approved by the Board of Directors on August 14, 2024, as a newly appointed managerial officer of the Company.

Note 2: Vice President Chien, Chih-Chi was approved by the Board of Directors on March 12, 2025, as a newly appointed managerial officer of the Company.

3.6 Status of employee restricted stock: None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation: None.

IV. Operational Highlights



4.1 Business Activities

4.1.1 Business Scope

1. Primary Business Activities:

- (1) Manufacture, assembly, and sale of electronic calculators.
- (2) Manufacture, assembly, and sale of various communication equipment and devices.
- (3) Manufacture, assembly, and sale of various computers and peripheral devices.
- (4) Manufacture, assembly, and sale of printers, plotters, MFP, and CIS production.
- (5) Storage products.
- (6) Household Appliances.
- (7) Manufacturing and Processing of Smart IoT and Wearable Devices.
- (8) Manufacturing and Processing of Wireless Communication Modules.
- (9) Manufacturing and Trading of Point-of-Sale systems.
- (10) Research, production, and sales of charging pile products.
- (11) Manufacture, assembly, and sale of network communication equipment and Set-top Boxes.
- (12) Manufacturing and processing of Plastic Injection Molding parts, as well as design, development, manufacturing services for Plastic Injection Molding molds.
- (13) Manufacture, assembly, and sale of general electronic equipment.

2. Operational Proportion

Unit: NT\$ thousands

Product \ Year	2024	
	Amount	Percentage (%)
Consumer Electronics	162,723,991	98.98%
Other	1,681,401	1.02%
Total	164,405,392	100.00%

3. Current Products and Services of the Company

- (1) Electronic calculator products
- (2) Home appliance products
- (3) Network, fiber optic, mobile communication, and broadband communication products
- (4) Digital set-top boxes
- (5) Storage products and electronic components
- (6) Printers, plotters, multifunction peripherals, and components
- (7) CMOS image sensor (CIS) modules
- (8) Plastic injection molded parts and molds
- (9) Contract manufacturing and R&D design services for notebook computers
- (10) Automotive electronics
- (11) Smart wearable devices
- (12) Wireless communication modules
- (13) Credit card payment terminals
- (14) Charging pile
- (15) Semiconductor equipment
- (16) Printed circuit board (PCB) assembly
- (17) Others

4. New Products in Development

- (1) Network Switch
- (2) Equipment for the Telecom Bureau
- (3) Digital Dashboard for Automobiles
- (4) Millimeter Wave Radar related applications
- (5) Application of Internet of Things (IoT)
- (6) High-End Professional Wearable Device/Smart Tablet OEM Manufacturing
- (7) Energy modules, electronic control boards, communication control boards, and charging gun modules.

4.1.2 Industry Overview

I. Current Status and Development of the Industry

(1) Electronic Calculators

The electronic calculator market has reached maturity and saturation. Due to counterfeiting and price competition from Chinese manufacturers, the competitiveness of existing customers has been adversely affected. In addition, emerging communication and network-based devices such as computers and mobile devices have largely replaced the functions of printing calculators and electronic organizers. Except for educational scientific graphing models or professional-grade devices, the general-purpose calculator market is expected to continue declining.

(2) Home Network Terminal Products

A. Home Broadband

Home broadband access technologies are mainly categorized into "wired" and "wireless." Wired technologies include Digital Subscriber Line (DSL), coaxial cable, and fiber optics; wireless technologies include Fixed Wireless Access (FWA) and satellite systems. Among wired options, fiber optics, due to its ultra-high speed and stability, will continue to lead future development. DSL and coaxial cable will maintain a certain market share in cost-sensitive regions or areas with existing infrastructure. In wireless broadband, the advancement of 5G FWA and low-earth orbit satellite technologies will offer more options for home broadband access, especially in remote areas where wired networks are difficult to deploy. With the continued evolution of technology, these access methods will develop concurrently, progressively building a complementary global network infrastructure.

B. Set-Top Boxes (STBs)

In 2024, set-top boxes (STBs) will continue to evolve toward market segmentation based on diverse demands. On one side, traditional cable and satellite providers still maintain a stable market share for STB products. On the other, smart STBs introduced by OTT service providers and third-party companies (such as Roku, Amazon, Google, etc.) are increasingly favored in markets driven by streaming services. Overall, the OTT and STB markets in 2024 are experiencing strong growth momentum, with the boundary between the two becoming increasingly blurred. OTT services are steadily becoming the mainstream format for home entertainment, offering personalized, immersive, and cross-platform content and services. Meanwhile, STBs are becoming more intelligent and integrated, supporting OTT content and enabling seamless connection with smart home devices. With these technological integrations, users will enjoy a more diverse and flexible home entertainment experience.

(3) Printing and Peripheral Devices

The production printer market is expected to experience robust growth over the next few years, reaching USD 9.14 billion by 2028 with a compound annual growth rate (CAGR) of 6.5%. Key growth drivers include sustainability initiatives, Internet of Things (IoT) and cloud integration, additive manufacturing (3D printing), hybrid printing solutions, and rising demand for high-speed production. Major trends shaping the market include UV-curable inks, customized printing, automation, the expansion of textile printing, and the application of 3D printing in prototyping and manufacturing.

Emerging markets are also strengthening their position in the production printer industry through innovative technologies, particularly in latex printing applications. For example, in September 2023, HP launched the HP Latex 630 printer series—a state-of-the-art latex printing solution featuring white ink printing capabilities. It supports various white ink printing modes with different densities, achieving diverse opacity effects from spot printing to three-layer printing, with white ink density reaching up to 260%. The series also emphasizes sustainability, with HP Latex inks composed of up to 65% water, reducing risks associated with UV printing and promoting better health and safety standards.

In a separate development, Xerox announced at the end of December 2024 that it would acquire Lexmark International for USD 1.5 billion, returning ownership of Lexmark from Chinese investors to the United States. The market views this acquisition as a strategic move for Xerox to strengthen its market position, expand its print and software solutions portfolio, and better respond to challenges arising from declining print hardware demand in the digital age.

(4) Household Vacuum Cleaners and Hair Styling Appliances

According to market research, the global household vacuum cleaner market is projected to grow at a CAGR of 5.21% from 2024 to 2032, having already surpassed USD 17.1 billion in 2023. Key growth factors include rising disposable income in certain developing countries and the integration and advancement of various technologies, such as larger battery capacities, dust detection sensors, robotic spatial sensing technology, enhanced filter efficiency, and improved wet/dry vacuuming functions. Meanwhile, the hair styling appliance market continues to expand as consumer beauty consciousness increases. Fashion trends, social media influence, and a growing focus on personal grooming are driving demand for high-end styling products such as hair dryers, curling irons, and straighteners. Consumers now seek salon-quality results at home, prompting innovation in heat protection technologies and adjustable settings. Additionally, the growing demand for energy-efficient and environmentally friendly styling tools is influencing market trends and fueling further industry growth.

(5) Plastic Injection Molding and Molds

The key growth drivers of the plastic injection molding market include rising demand for plastic products in automotive applications and the packaging industry. As the industry shifts toward the production of lightweight motorcycles and electric vehicles, and new applications emerge in the healthcare sector, the market is expected to see significant growth opportunities. Moreover, increasing demand for consumer goods and electronic products, along with simplified operations through automation, is enhancing efficiency in both production and inspection processes. These improvements are anticipated to further drive overall market demand in the plastic injection molding sector.

(6) Storage Products

A. HDD (Hard Disk Drive):

Since 2022, demand for HDDs and other digital storage and memory products has remained generally weak, continuing through 2023. However, this downward trend began to stabilize in 2024. Despite the recovery, demand for HDDs in traditional applications such as personal computers and consumer

electronics continued to decline in 2024, largely due to a market shift toward solid-state drives (SSDs) and cloud storage solutions. While cloud storage still utilizes HDDs to some extent, it primarily relies on high-capacity nearline HDDs. Low-capacity HDDs have lost competitiveness. Shipments of such traditional HDDs declined by over 20% in 2024 compared to 2023.

In contrast, the market performance of high-capacity nearline HDDs has significantly rebounded. In 2024, shipment volume is expected to grow by approximately 42% compared to 2023, reversing the previous two years of declines—about 37% in 2023 and 15% in 2022. This rebound is mainly driven by the clearing of nearline HDD inventory and increasing demand for high-capacity, cost-effective storage solutions from AI and other data-intensive applications.

Although Q4 2024 data has not yet been fully released, projections suggest total HDD shipments for 2024 will reach 124 million units, a 2% increase over 2023 and marking the first annual growth since 2010—albeit from a low base due to the storage downturn in 2022–2023. In terms of shipment capacity, total HDD capacity is expected to increase by approximately 39% year-on-year to 1.2 zettabytes (ZB), with total HDD revenue forecast to grow by around 45% to USD 19.5 billion. By 2029, total HDD shipment capacity is projected to reach approximately 7.3 ZB.

The growing demand in the storage market is primarily driven by accelerating enterprise digital transformation and the explosive growth of data. Under the influence of digital transformation, IoT proliferation, and the expansion of sustainable data center infrastructure, enterprises are actively seeking efficient, scalable, and cost-effective storage solutions to cope with the scale and complexity of big data. Traditional storage architectures are no longer sufficient, leading to growing demand for distributed file systems, cloud storage, and high-performance storage technologies. Furthermore, the deployment of 5G networks and the rise of high-bandwidth, low-latency applications are driving small and medium-sized enterprises to build edge data centers. These facilities bring computing resources closer to end users and devices, enabling real-time processing and reducing latency risks in emerging applications such as smart cities, autonomous vehicles, and AR/VR.

As the need for high-capacity storage continues to rise, data centers and cloud service providers are actively investing in HDDs due to their more cost-effective per-GB storage compared to SSDs. The global HDD market value is projected to grow from USD 62.43 billion in 2024 to USD 100.26 billion by 2032. However, despite the recovery in demand in 2024, due to the downturn in 2023 and economic pressures, major HDD manufacturers such as Seagate and Western Digital had previously reduced production, resulting in constrained supply in 2024—particularly affecting server-grade HDDs over 10 TB. In response to the supply-demand imbalance, both companies have implemented price increases and extended lead times for new orders. These delays and quarterly price adjustments of approximately 5–10% are expected to continue into 2025. Nevertheless, according to IDC, HDD production is still expected to grow at an average annual rate of 2% over the next three years.

Survey data shows that more than 72% of organizations globally plan to migrate to cloud storage platforms. Between 2024 and 2030, hybrid cloud is expected to become the dominant cloud storage architecture. In the server segment supporting cloud storage, the market value in 2024 is projected to be approximately USD 306 billion. Among this, AI servers show stronger growth momentum than general-purpose servers, with a market value of around USD 205 billion. AI server growth is expected to continue into 2025, with projected value reaching USD 298 billion, accounting for more than 70% of the total server market.

B. SSD (Solid-State Drive):

As the data-driven economy continues to gain momentum worldwide, the total volume of digital data handled by individuals is steadily increasing. To date, flash memory has been widely used in digital cameras, smartphones, tablets, personal computers, and other devices to manage the growing volume

of digital information. We believe that with the advancement of artificial intelligence (AI) and the widespread adoption of technologies such as cloud computing, 5G, and the Internet of Things (IoT), the global volume of data generated will continue to rise.

According to third-party research firm TechInsights Inc., overall demand for flash memory is expected to grow by approximately 2.7 times. In recent years, the proliferation of AI and the expansion of big data businesses such as cloud computing have significantly increased memory demand from data centers and enterprises. Meanwhile, the memory capacity of smartphones and laptops has also been on the rise. By application, both the “SSD and storage memory” and “smart device memory” segments are showing a growing trend in memory capacity market size, and we expect this growth momentum to continue in the future.

Looking ahead to 2025, in the data center and enterprise markets, major technology companies are continuing to ramp up investment in AI. As AI-related services expand, the number of servers used for AI inference is expected to increase, along with rising replacement demand for traditional servers, driving sustained memory demand growth. On the other hand, in the personal computer and smartphone sectors, current inventory levels remain high, and short-term demand is expected to stay soft. However, with the growing adoption of AI-enabled devices, a recovery in demand is anticipated. Furthermore, with Microsoft ending support for Windows 10 in October 2025, a new wave of PC replacements—primarily from enterprise users—is expected to drive additional demand.

(7) Smart Wearable Devices

According to forecasts by Research and Markets, the global smart wearable device market is expected to grow at a compound annual growth rate (CAGR) of 10.2% from 2023 to 2027, reaching a market size of USD 34.3 billion by 2027.

Traditionally, wearable devices refer to electronic equipment worn on the body, such as fitness trackers, earbuds, and smartwatches. However, as demand for related technologies rises in non-consumer electronics industries, the definition of “wearable devices” has expanded to include all portable and interactive devices. In the current and future Internet of Things (IoT) environment, various types of wearable devices are emerging to support and enhance daily work and life, enabling end users to access and manage information related to health, location, and task execution.

Applications of wearable devices are increasingly diverse and growing rapidly, ranging from retail and health monitoring to industrial use. A growing number of non-traditional wearable device developers are actively entering the market, viewing wearables and personal devices as opportunities to deliver value closer to end users. Overall, smart wearable devices still hold significant growth potential in key application areas such as headphones, watches, and healthcare.

(8) Wireless Communication Modules

A. Internet of Things (IoT)

According to the latest data from IoT Analytics, the number of global IoT devices is expected to reach 40 billion by 2030. Cellular IoT—which includes 2G, 3G, 4G, 5G, LTE-M, and NB-IoT—currently accounts for nearly 21% of all global IoT connections. Based on IoT Analytics’ global cellular IoT connection tracking and forecasts, the number of cellular IoT connections grew by 24% in 2024 compared to 2023. This growth is attributed to the adoption of new technologies such as LTE-M, NB-IoT, LTE Cat 1, and LTE Cat 1 bis, along with the gradual phase-out of legacy technologies like 2G and 3G. The same study indicates that in 2023, there were approximately 23.4 billion wired IoT terminal nodes globally, with each aggregation node connecting an average of 33 endpoints. With the continued growth of industrial and consumer IoT applications, the number of endpoints connected to each aggregation node is projected to exceed 40 by 2030. According to Statista Market Insights, Brazil’s

IoT market revenue is expected to reach USD 15.67 billion in 2024, with the market size estimated at USD 4.2 billion the same year.

From 2024 to 2029, the IoT market in Brazil is expected to grow at a compound annual growth rate (CAGR) of 11.12%, reaching a market size of USD 26.55 billion by 2029. With rapid urban population growth and an increasing emphasis on sustainability, Brazil is accelerating the adoption of IoT technologies for smart city applications, making it one of the most dynamic emerging markets in this sector.

B. Cellular Network Modules

Modules, as one of the core components of IoT terminals, bridge upstream chip suppliers and downstream smart application demands across various industries. They leverage the performance advantages of chipsets, increase product integration, and promote application development across sectors. In a market environment with diverse IoT communication protocols, modules evolve in tandem with changing communication standards and protocols, and are continuously upgraded toward more intelligent capabilities.

C. 5th Generation Mobile Communication Technology (5G)

Driven by IoT terminals, 5G is permeating all industries. According to analysis by Fortune Business Insights, 5G infrastructure—including Radio Access Networks (RAN), core, and transport technologies—delivers high throughput, low latency, high mobility, and high connection density. The emergence of 5G is expected to generate significant business opportunities for telecom operators, enterprises, stakeholders, and consumers alike. The deployment of 5G enables telecom operators to deliver advanced connectivity and partner with industries such as retail, finance, healthcare, and transportation to provide more efficient services to businesses and end users. According to IoT Analytics, the number of global 5G IoT connections is expected to grow at a CAGR of 59% from 2024 to 2030, surpassing 800 million connections by 2030. Data from the GSM Association shows that China plans to invest USD 184 billion in 5G by 2025. Ericsson and KDDI have also partnered to deploy Japan's first Vault 5G base station, improving urban connectivity. In India, the government has established the "5G India 2020 Forum" to promote initiatives such as "Digital India," "Make in India," and "Smart Cities and Smart Villages," actively pushing 5G applications and strengthening digital infrastructure.

D. AI and Edge Computing

The combination of AI momentum and the recovery of traditional application scenarios is expected to drive the development of the upstream and downstream industrial chain. A notable trend in AI development is the shift of processing power to the edge. The core of edge AI lies in embedding AI capabilities at the edge, thereby enhancing the computational and connectivity capabilities of edge devices. As computing power deployment scales up, edge computing will provide digital, networked, and intelligent services across edge industries. It will meet the differentiated needs of industry-wide digital transformation in areas such as low latency, large bandwidth, intelligent analysis, massive data handling, trusted security, and high-efficiency computing.

(9) Credit Card Payment Terminals

With the growing popularity of digital payment methods, the security of POS (Point of Sale) terminals has become increasingly important. In recent years, cyberattacks have significantly impacted the retail industry, as hackers have targeted vast amounts of credit card information and personally identifiable customer data. As a result, the demand for enhanced cybersecurity in POS systems has risen sharply, aiming to safeguard the data of both merchants and consumers. Driven by the continued rise in consumer demand for digital payments, mobile and online payment methods are rapidly gaining traction in many

developing countries, further fueling the growth of the POS market.

According to the Global POS Terminal Market Report by Global Information, Inc. (Japan), the global POS terminal market is expected to grow rapidly in the coming years, reaching USD 169.69 billion by 2029, with a compound annual growth rate (CAGR) of 12.2%.

(10) Semiconductor Equipment

Semiconductor devices are typically produced through complex manufacturing processes involving semiconductor or integrated circuit (IC) fabrication. These processes involve the precise manipulation of semiconductor materials to create components with specific electrical behaviors. Semiconductor devices form the foundation of modern electronics, powering everything from smartphones and computers to medical equipment and renewable energy systems. One of the key advantages of semiconductor devices is their small size and compact structure. Unlike traditional vacuum tube technology that requires bulky components, semiconductors can be manufactured at extremely small scales, supporting the development of lightweight and portable electronics such as smartphones, fitness trackers, and smartwatches.

In recent years, the semiconductor device market has undergone significant changes due to the growing adoption of advanced technologies such as artificial intelligence (AI) and the Internet of Things (IoT). These cutting-edge technologies are driving revolutionary transformation across sectors including healthcare and automotive, unlocking new application scenarios and growth opportunities for semiconductor devices.

In addition, the semiconductor supply chain is a complex network composed of interconnected stages such as design, fabrication, testing, and distribution. The process begins with chip design, followed by wafer manufacturing, assembly, and testing. Recently, surging demand for electronics—fueled by trends such as remote work, e-commerce, and 5G adoption—has outpaced the capacity of semiconductor manufacturers, creating supply chain bottlenecks and resulting in global shortages.

(11) Charging Pile

The development of public electric vehicle (EV) charging stations around the world is constrained by land use and power grid planning. Combined with a slowdown in the growth of the new energy vehicle (NEV) market, the global growth rate for 2024 is projected to decline to 30%, significantly lower than the 60% seen in 2023. To improve charging efficiency, many countries are rapidly expanding DC (Direct Current) public charging stations. According to TrendForce, the global share of DC charging stations is expected to reach 37% in 2024, up 2% from 2023.

In the public charging station hardware market, DIGITIMES reports that the total number of global public charging stations reached approximately 4.02 million units in 2023. Based on the International Energy Agency's projection of 15.3 million global public charging stations by 2030, the potential global market size for public charging station hardware is expected to reach USD 65.68 billion between 2024 and 2030.

2. Relationship Among Upstream, Midstream, and Downstream Sectors in the Industry

(I) Electronic Calculators

Calculators are a highly mature product with a fully developed supply chain. In recent years, to meet the demand of low-price competitive markets, key components such as ICs, LCD tubes, and heat-compression conductive films have shifted from Japanese-made to Chinese-made products. With over 40 years of product experience, Kinpo Group is well-positioned to serve international clients with excellence in design and manufacturing, pricing, and supply chain logistics. Thus, despite a stagnant overall market, Kinpo continues to maintain a competitive edge, helping clients maximize their market share.

(2) Home Network Terminal Products

Kinpo Group plays the role of product designer and manufacturer in the home terminal equipment industry. Upstream suppliers provide chips and other components, which Kinpo uses for product design and manufacturing before delivering finished products to downstream brand clients for distribution. The primary business models include ODM, OEM, and EMS, offering customized design and manufacturing services. The complete service process includes solution proposals, design execution, testing and verification, client approval and acceptance, pilot runs, and mass production. Leveraging Kinpo Group's robust R&D and manufacturing capabilities, the Company helps shorten clients' time-to-market while reducing their product costs.

(3) Printing and Peripheral Equipment

In recent years, under the impact of a sluggish global economy, demand for printers has declined rapidly, and price-performance ratio has become the top consideration for consumers.

A. Inkjet Printers: The share of continuous ink supply systems (CISS) is steadily increasing. Entry-level laser printer demand is being partially replaced by inkjet alternatives. Chinese brands that previously invested heavily in entry-level laser printer development are now also considering expanding their inkjet product lines. However, the overall market outlook remains pessimistic.

B. Laser Printers: Previously the highest-volume category, price competition continues to erode margins. Brand profitability continues to decline, resulting in delays in the launch of new product lines. Mid- and high-end segments have also been affected, with manufacturers reducing investment in new platforms and hardware, instead releasing extended models based on existing development frameworks.

Major brands have begun to pursue joint ventures, mergers, or acquisitions and increasingly rely on external ODM/EMS partnerships to maintain profitability. Within this wave of industry consolidation, Kinpo Group's solid experience in printer manufacturing, combined with independently developed modules and systems, is highly attractive to brand customers. Through Kinpo's R&D solutions and its manufacturing base in Thailand, the Group can help customers reduce costs, improve margins, and mitigate geopolitical risks.

(4) Household Vacuum Cleaners and Hair Styling Appliances

In the household appliance industry, beyond standard electronic components, a key product structure feature is the variety of plastic parts that define appearance and design. Because diverse and stylish appearances are critical to stimulating consumer purchasing behavior, managing the plastic material supply chain and accelerating mold development and production capabilities are core business strengths in responding to market demand. Moreover, possessing in-house capabilities for designing and manufacturing key components is a decisive competitive advantage, allowing companies to stand out in the marketplace and significantly enhance customer satisfaction.

(5) Plastic Injection Molding and Molds

Molds are considered the "mother of industry." In today's era of rapid industrialization, mold technology is inseparable from product development and is the key to achieving fast, cost-effective, and mass production of various products. Enterprises capable of managing the entire process—including appearance and structural design, mold design and processing, mold manufacturing, and product assembly—have become the core force in the manufacturing sector. This level of integration not only enhances product quality and production efficiency but also plays a crucial role in advancing sustainable development, attracting increasing attention from both the industry and the public.

(6) Storage Products

A. HDD:

■ Upstream:

Raw Material Suppliers: The production of HDDs requires a substantial amount of raw materials, including metals, plastics, and electronic components. These upstream suppliers directly influence the production capacity and costs of HDD manufacturers.

■ Midstream:

HDD Manufacturers: Companies such as Seagate, Western Digital, and Toshiba belong to the midstream segment. They are responsible for converting raw materials into finished hard drives and delivering them to the market. Their supply capabilities and technological innovations directly impact the quality, capacity, and pricing of HDDs.

■ Downstream:

Integrators and End Users: This segment includes system integrators that incorporate HDDs into final products, as well as end users such as individuals, enterprises, and data centers. HDD performance, capacity, and cost directly affect the functionality and pricing of end products.

■ Related Industries:

Computer and Server Manufacturers: HDDs are critical components in computers, servers, and other equipment. Demand and technological advancements in these related sectors have a direct impact on HDD market demand.

■ Technology Providers:

HDD Technology Vendors and R&D Institutions: Innovations from various technology providers and research organizations influence HDD performance, storage density, and durability. HDD manufacturers often collaborate with these entities to remain at the forefront of industry technology. Overall, the interconnection among upstream, midstream, and downstream segments in the HDD industry is evident throughout the supply chain. From raw material sourcing to end-user demand, performance at each stage directly or indirectly shapes the operation and development of the entire HDD market.

B. SSD:

According to the latest survey by TrendForce, NAND Flash products have been affected by a weaker-than-expected peak season in the second half of 2024. Wafer contract prices began to decline in Q3 and are expected to drop by more than 10% in Q4. As for module products, only Enterprise SSDs are expected to see a slight price increase of 0% to 5% in Q4 due to order momentum. However, sales of end products using PC SSDs and UFS fell short of expectations, leading to more conservative procurement strategies among buyers. TrendForce estimates that overall NAND Flash contract prices will decline by 3% to 8% quarter-over-quarter in Q4.

■ Client SSDs: Contract prices are estimated to drop by 5% to 10%.

From the demand side, despite aggressive marketing of AI PCs, no significant replacement cycle has occurred due to factors such as inflation and limited practical use of AI. On the supply side, several major manufacturers returned to full capacity utilization in Q3, and other suppliers pushed for process upgrades, resulting in a slight capacity increase. However, aside from stable server-side demand, the weakness in the consumer market has made price hikes difficult. The widening price gap between spot/channel markets and OEM contract prices has further hindered suppliers from raising prices.

- Enterprise SSDs: Price increases are narrowing, with contract prices expected to rise by only 0% to 5% quarter-over-quarter.

Due to delayed deployment of AI servers by some enterprise clients and the end of the CSP (cloud service provider) procurement peak, server OEM order volumes declined significantly in Q4, leading to a decrease in total procurement compared to Q3.

While Enterprise SSDs continue to outperform other NAND Flash products in terms of unit price and order volume, suppliers are aggressively competing for orders and increasing bit shipments, which will suppress price growth. As a result, Enterprise SSD contract prices are expected to converge sharply in Q4, rising only 0% to 5%.

(7) Smart Wearable Devices

Technology products worn on the human body are referred to as wearable materials or wearable devices. In the digital technology sector, such devices are typically equipped with advanced sensor technologies that can collect and transmit information about the surrounding environment and are applied across a wide range of fields. These devices are commonly made of biocompatible materials and are characterized by long lifespan, high adaptability, high rigidity, light weight, good toughness, resistance to deformation, colorfastness, chemical resistance, UV resistance, and fracture resistance.

From the perspective of upstream, midstream, and downstream industry chain structure, the upstream segment includes the semiconductor industry (IC design, wafer foundry, packaging and testing), electronic component industry (passive components, etc.), optoelectronics industry (light-emitting displays, etc.), and other related sectors (printed circuit boards, connectors, etc.). The midstream segment includes plastic product processing (watch bands, cases, etc.), metal stamping (watch faces, buckles, etc.), and electronic assembly manufacturing service providers. The downstream segment includes various distribution channels such as dealers and agents.

(8) Wireless Communication Modules

A. Major global suppliers of baseband chipsets for cellular IoT modules include Qualcomm, UNISOC, ASR, HiSilicon, MediaTek, Intel, Eigencomm, and Sequans. As trade tensions between China and the United States persist, customer procurement of U.S. chipsets may be subject to some degree of influence. However, since China is a key export market for U.S. semiconductor products, the likelihood of a supply cutoff from U.S. chip suppliers remains very low.

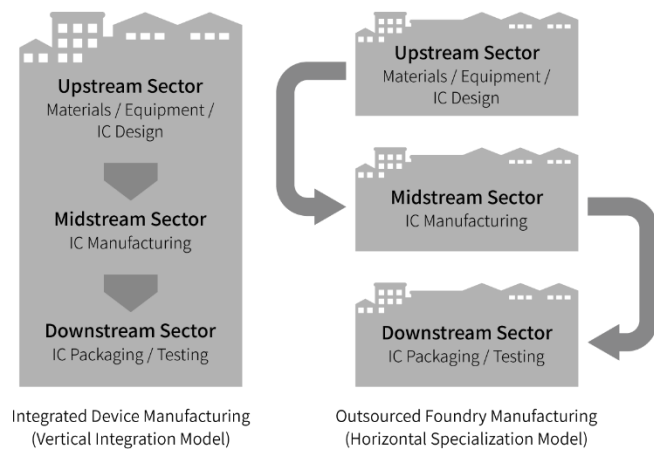
B. In the downstream market, current OEM activity in Brazil is primarily focused on POS terminals, which account for approximately 90% of applications. The POS terminal market in Brazil is projected to reach USD 6.45 billion in 2025 and USD 8.68 billion by 2030, representing a compound annual growth rate (CAGR) of 6.12% over the forecast period (2025–2030).

(9) Credit Card Payment Terminals

The upstream components of point-of-sale (POS) systems are similar to those of general PCs and include key components such as encryption ICs, MCUs, PCBs, DRAM, logic ICs, passive components, and connectors. The midstream segment consists of input/output devices including display panels, camera modules, keyboards, magnetic card/chip readers, RFID sensors, and thermal printers. Unlike PCs, the downstream segment of POS sales involves non-standardized products with higher functional integration and a broad range of applications. Potential customers span across various industries. Therefore, POS systems are generally sold through distributors with financial backgrounds or system integrators, who then sell to end merchants. As such, domestic POS terminal manufacturers rarely sell directly to customers.

(10) Semiconductor Equipment

The semiconductor industry operates through an integrated supply chain comprising upstream, midstream, and downstream segments. The upstream segment includes materials, equipment, and IC design; the midstream focuses on IC manufacturing; and the downstream involves IC packaging and performance testing. Overall, the industry chain is heavily centered around hardware manufacturing and production. Historically, there have been two dominant manufacturing models in the semiconductor industry: Integrated Device Manufacturing (IDM) and Foundry.



The IDM model is a vertically integrated manufacturing approach, in which design, fabrication, packaging, and testing are all carried out by a single company under its own brand. This model is commonly adopted by major semiconductor companies in Europe, the U.S., Japan, and South Korea. In contrast, the Foundry model represents a horizontally specialized production system. Foundry companies do not have their own branded end products but focus solely on contract manufacturing of chips for other IC design companies. Examples include TSMC, UMC, and SMIC. The emergence of new technologies such as 5G, IoT, cloud computing, and advanced IT, along with growing applications in automation and remote control following the pandemic, are expected to directly or indirectly drive the development of IC technologies and expand the overall semiconductor industry chain.

(11) Charging Pile

A. Upstream (Key Components and Core Technology Suppliers)

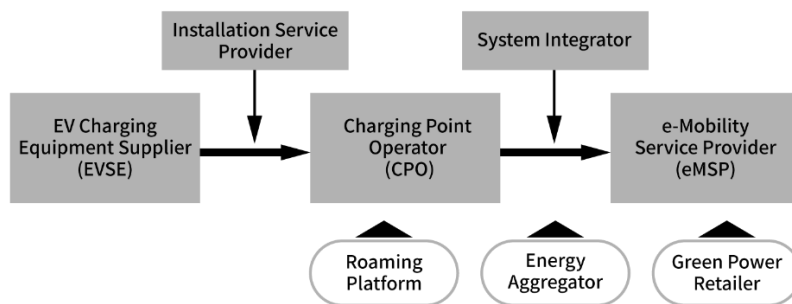
- **Power Distribution Unit (PDU) / Power Module:** Responsible for converting grid voltage into stable voltage and current suitable for charging. High-power fast charging piles depend on high-efficiency modules.
- **Main Control Board (Controller MCU / PLC):** Controls the entire charging process, including communication protocols (OCPP), safety mechanisms, and current regulation.
- **Communication Modules (4G/5G, WiFi, Ethernet):** Enable remote management, data upload, and platform connectivity.
- **Structural Components and Enclosures:** Include aluminum housings, stainless steel frames, and cooling systems. Must meet weather resistance, waterproofing, and outdoor installation standards.
- **Cables and Connectors:** Include connector types such as CSS, CHAdeMO, GB/T, etc.

B. Midstream (Charging Pile Manufacturing and Integration)

- **Complete Machine Design and System Integration (OEM/ODM):** Integrates upstream components into complete charging pile equipment. Designs vary by power rating, market, and regional standards.
- **Firmware and Software Integration:** Includes Human-Machine Interface (HMI), communication protocols (e.g., OCPP), and backend platform connectivity.
- **Safety Certification and Testing:** Includes certifications such as UL, CE, TUV, BIS, and GB, which are required for access to various international markets.

C. Downstream (System Applications and Operations)

- **Charging Point Operators (CPOs):** Invest in, deploy, and manage charging stations, providing electricity to vehicle owners. Key operational focuses include site selection, system stability, and utilization rate.
- **Platform Service Providers (CSMS / eMSP):** Offer platform interfaces that allow users to search, reserve, pay for, and track their charging history through mobile apps.
- **Automakers / Real Estate / Retail Property Owners:** Provide physical space or cooperate with charging pile operators to establish infrastructure, such as Tesla Superchargers, IKEA parking lots, or logistics depots.
- **Government / Regulatory Authorities:** Provide subsidies, establish regulations and standards, and guide market development direction.



3. Product Development Trends

(1) Electronic Calculators

Electronic calculators are already a very mature product, with consumer market demand gradually slowing. Aside from modernizing the appearance of standard calculators, future development will focus on specialized functionalities, such as those for finance, engineering drawing, waterproof and anti-dust features, as well as catering to educational market demands.

(2) Home Network Terminal Products

- A. Due to limitations in transmission distance and speed, DSL has relatively low potential for future development. With the increasing adoption of fiber optics and 5G technologies, DSL will gradually be phased out or used as a supplementary solution, particularly in urban areas.
- B. Cable modems are expected to continue evolving toward DOCSIS 3.1 and subsequent technologies, with further improvements in upstream bandwidth. Future DOCSIS 4.0 technology will enable coaxial cable networks to support symmetric upload and download speeds, meeting the demands of both residential and commercial users. However, as fiber and 5G technologies continue to advance, the market share of coaxial cable may gradually shrink.
- C. Fiber-optic access will continue to expand, especially Fiber to the Home (FTTH) and Fiber to the Building (FTTB), which are becoming mainstream broadband access methods in both urban and suburban areas. In some areas, 5G and fiber will complement each other—5G supporting regions where fiber cannot be deployed quickly, while fiber offers higher stability and speed. In addition, fiber technologies will evolve toward more efficient and cost-effective solutions, emphasizing cost reduction and efficiency improvements to accelerate adoption.
- D. 5G Fixed Wireless Access (FWA) will become a primary technology for future wireless broadband access. With its low latency and high bandwidth, 5G will make FWA a new option for homes and

small businesses, further replacing traditional DSL and fixed-line networks, and becoming a key access method in both urban and remote areas.

- E. The development of Low Earth Orbit (LEO) satellite networks will significantly reshape the satellite broadband market, making it a viable option for households and enterprises worldwide. As more satellite networks (such as Starlink, OneWeb, Kuiper, etc.) enter operation, the cost of satellite broadband is expected to decrease further in the coming years, with major improvements in speed and stability. It will serve as a supplement or backup to terrestrial technologies such as 5G.
- F. An increasing number of set-top boxes (STBs) will integrate smart home control features, allowing control of smart bulbs, smart locks, and household appliances, while also supporting voice assistants. Users will be able to switch channels, search content, and control devices using voice commands. Moreover, AI technology will further enhance the intelligence of STBs by recommending content based on user viewing behavior and even automatically adjusting device settings (e.g., brightness, volume) to improve the viewing experience. As more users shift from traditional cable or satellite TV to OTT services, the demand for integrated OTT STBs will continue to rise. These devices support intelligent recommendations, streaming media playback, gaming, and more—capable of adapting to the evolving needs of digital entertainment.

(3) Printing and Peripheral Devices

With the widespread adoption of mobile and cloud printing, the management of print information and network security has become a top priority for major brands. Key concerns include user authentication mechanisms, file and document encryption, and the management of confidential documents—all of which can be implemented through integrated hardware and software solutions.

High-end models are equipped with external RFID devices or biometric technologies. User identification via IC cards and fingerprint recognition is employed to filter enterprise users, in contrast to traditional password-only access. Identity-based authentication also allows for effective tracking of employee printing frequency, common document types, and user printing preferences. Collecting this print-related data helps optimize print management systems. For example, for users who frequently print color documents, the printer can automatically switch to their preferred settings after identity verification—achieving both user identification and an improved printing experience.

Digital signature and certification technologies aim to ensure data security and document authenticity. In sectors such as finance, law, healthcare, government, and enterprises, digital signatures are essential for preserving the confidentiality, uniqueness, and reliability of sensitive documents when converting to digital formats. Digital signatures can also embed tamper-proof verification codes in documents. Combined with identity authentication features of printers, this ensures that only authorized users can print confidential materials, with timestamps, source data, and anti-counterfeit watermarks included—enhancing both security and document management capabilities.

(4) Household Vacuum Cleaners and Hair Styling Appliances

In the vacuum cleaner market, superior motor design and high suction performance have enabled certain brands to gain a leading market position. However, more brands are now adopting similar technologies, so the next phase of competition will rely on differentiated features to capture consumer attention. Currently, consumers prefer product designs that emphasize compactness and portability, high-capacity batteries, swappable battery systems, multi-functional accessory combinations, and quick conversion into handheld modes. These trends continue to drive demand for cordless handheld vacuum cleaners, which show stronger growth potential compared to other types.

(5) Plastic Injection Molding and Molds

As the demand for diverse aesthetics in electronic products rapidly evolves, not only do the plastic materials vary, but the tooling techniques required also differ significantly. For example, the silicone injection molding process is fundamentally different from conventional plastic pellet tooling methods. The wide range of new raw materials presents a major challenge for the future of mold development. Mastery of molding techniques for these new materials and enhanced design and development capabilities will be key to seizing market advantages and establishing a competitive edge.

(6) Storage Products

A. HDD:

In 2024, the HDD market benefited from inventory levels of cloud service providers (Cloud SPs) returning to normal. After a prolonged period in which budgets were concentrated on compute resources, some spending has begun to shift back to storage devices. Demand from original equipment manufacturers (OEMs) has recovered, improving overall market conditions. In addition, the long-term growth of data and its increasing value continue to drive future storage demand, with this growth trend expected to continue into 2025. However, some HDD suppliers adopted relatively conservative capital investment strategies during the early stages of the recovery, which could result in limited manufacturing capacity in the coming years, thereby restricting the storage market's growth potential.

As the storage capacity per drive increases, the cost per unit of storage (i.e., per TB) decreases. For high-capacity enterprise HDDs and data center drives, this is achieved by using helium-sealed drives that accommodate more platters. Currently, such drives can house up to 11 platters (e.g., WD's recently released 32TB SMR drive). Future designs may expand to 12 platters, which would require a switch to thinner glass substrates. These are more rigid than aluminum ones and necessitate changes in head height and suspension design to fit the new architecture.

Drive capacity can also be increased using Shingled Magnetic Recording (SMR) technology, where new tracks partially overlap existing ones to improve surface efficiency. Since data must often be relocated before writing new information—similar to the erase-and-write process of solid-state drives—SMR HDDs are most suitable for write-once or infrequent-write workloads. WD reports that their SMR drives are seeing steady market demand.

Additional capacity gains can be achieved by increasing areal density through either greater track density or higher linear density on concentric tracks. However, the rate of increase in track density has slowed. Energy-assisted magnetic recording is now seen as the most promising path for increasing linear density. This technique applies energy to stable magnetic materials with high coercivity, making them writable and thereby overcoming density limitations.

WD currently utilizes what it calls ePMR (energy-assisted perpendicular magnetic recording), a technique that ensures stable bit writing and is considered a form of energy-assisted recording. This technology is used in their latest nearline drives, including 11-platter models, and is combined with their OptiNAND and SMR technologies to deliver up to 32TB of capacity. On the other hand, Toshiba has adopted microwave-assisted magnetic recording (MAMR) in its high-capacity drives but has indicated that for drives exceeding 30TB, heat-assisted magnetic recording (HAMR) will be used instead.

Seagate has already employed HAMR technology in its recently released 30TB drives. HAMR uses a laser to heat the disk surface during the writing process. The company plans to begin mass production of drives exceeding 30TB by mid-2025. When combined with SMR, these HAMR drives are expected to reach capacities of around 36TB. Seagate has announced that by 2026–2027, it will launch drives exceeding 40TB and aims to surpass 50TB within the next decade.

In 2024, with the launch of HAMR-based hard drives and the expectation of increasing storage capacities, Seagate may surpass WD and Toshiba in the coming quarters, as ePMR and MAMR technologies are unlikely to achieve comparable single-disk capacity in the short term. To catch up with these capacity levels, WD will need to accelerate its own HAMR drive program or work with Toshiba to procure HAMR read/write heads from TDK, and potentially source HAMR media from Resonac (formerly Showa Denko). It is believed that the two companies are jointly developing key components necessary for HAMR technology.

In recent years, Seagate and WD have introduced some dual-actuator drives (splitting the rotary actuator into two independent actuators), but this technology has not yet achieved widespread adoption. It is expected that these dual-actuator drives—referred to by Seagate as Mach-2 drives—will become standard in higher-capacity drives (above 40TB), as they can enhance performance and, more importantly, reduce rebuild time following drive failures.

The growing demand for high-speed, high-capacity storage driven by AI applications continues to surge, with AI server shipments increasing by 46% year-over-year in 2024. Looking ahead to 2025, TrendForce projects that total AI server shipments will grow by nearly 28% annually, raising their share in the overall server market to over 15% and further fueling the robust expansion of the enterprise SSD (eSSD) market.

B. SSD:

Artificial intelligence is gradually being integrated into high-tech applications and services, and to maximize its potential, it relies heavily on hardware such as high-performance central processing units (CPUs), graphics processing units (GPUs), and neural processing units (NPUs). Currently, most computing power is sourced from large-scale backend systems that use supercomputing engines to train large language models and generate responses for AI prompts and queries. However, operating such systems requires substantial energy and incurs high costs.

High-performance processors from companies such as Nvidia, AMD, and Intel are widely used in supercomputing systems to support generative AI engines, forming the backbone of applications and services like ChatGPT, Google's Gemini, and Microsoft's Copilot. As demand for these powerful processors grows, the personal computer (PC) industry is also advancing development of a new generation of processors, enabling PCs to perform AI training and inference tasks.

With improved chip processing capabilities, PCs are expected to become even more important in the future. This supports the industry's belief that PC demand will grow over the next 2–4 years. Corporations, businesses, educators, and general consumers will increasingly seek AI-capable PCs to support their work, learning, and personal activities.

Although PC demand declined in 2022 and 2023, a slight recovery occurred in 2024. Furthermore, with a new replacement cycle on the horizon, demand is expected to accelerate significantly after 2025.

(7) Smart Wearable Devices

Trends in the development of smart wearable devices include:

- A. Enhanced health monitoring functions: such as heart rate tracking, sleep analysis, and fitness tracking.
- B. Ecosystem integration: seamless connectivity with other smart devices such as smartphones and tablets.
- C. Improved aesthetics and design: with greater focus on style and fashion, allowing the devices to become part of daily attire.

- D. Improved battery life: extending usage time, reducing charging frequency, and enhancing user convenience.
- E. Increased standalone functionality: enabling wearables to perform tasks independently, such as making calls and sending messages.
- F. Application of advanced display technologies: including OLED and AMOLED displays for clearer visuals and energy efficiency.
- G. Integration with smart living: controlling smart home devices, receiving notifications, checking calendars, etc., for greater convenience.
- H. Enhanced payment and security features: supporting mobile payments and reinforcing privacy and data protection. These trends collectively drive the development of smart wearables toward greater intelligence, convenience, and user-friendliness.

(8) Wireless Communication Modules

The development trends of cellular module technology are heading toward high transmission rates (5G FWA), intelligence (AI), and high mobility (in-vehicle applications):

- A. According to Topology Research Institute, smart cities and smart utility meters remain the main application scenarios for mobile IoT deployment, making LPWAN technology still the mainstream. In addition to low-speed modules, some companies are targeting the relatively high barriers and margins of high-speed modules for industrial, autonomous driving, and in-vehicle communication applications, with 5G as the primary development base.
- B. Communication modules are key components in future communication technologies, enabling data exchange and connectivity among various devices. 4G/5G communication modules, GPS modules, IoT modules, and automotive communication modules each play critical roles in high-speed data transmission, location tracking, IoT integration, and vehicle connectivity. The continuous innovation and evolution of these modules will bring more possibilities and applications in future technologies, further promoting intelligence and connectivity, and making life more convenient and smarter.

(9) Credit Card Payment Terminals

During the COVID-19 pandemic, social distancing measures significantly reduced foot traffic in retail stores, slowing down the adoption of point-of-sale (POS) terminals and changing consumer market habits. However, this also accelerated the rapid growth of e-commerce. More and more restaurants joined the takeout and delivery market, resulting in a surge in demand for system integration with delivery platforms. With the integration of cloud technologies, these new systems offer greater flexibility and a wider range of modular options compared to traditional POS systems—such as online ordering, LINE platform integration, and mobile payments—providing more convenience, real-time data access, and operational efficiency.

As the pandemic eased, changes in consumer behavior further increased the demand for software services, monitoring systems, and artificial intelligence (AI) technologies. This has driven businesses to adopt self-service machines—such as self-ordering kiosks combined with autonomous checkout functionality—reshaping the overall business model of the industry.

(10) Semiconductor Equipment

The communications industry has become the largest end-user of semiconductors. In wired communications, semiconductors play a key role in applications such as Ethernet controllers, adapters, and switches. These systems often integrate Power over Ethernet (PoE) interface controllers and powerline transceivers, which are essential for supporting Voice over IP (VoIP). In wireless communications, semiconductors are used in technologies including microwave, infrared, satellite, radio

broadcast, mobile communications, as well as Wi-Fi, Bluetooth, and Zigbee. System-on-Chip (SoC) and Field Programmable Gate Arrays (FPGA) components drive wireless communication systems, especially the advancement of 5G. Additionally, low-power microcontrollers (MCUs) are vital for enhancing Bluetooth functionality. Applications of wireless sensor networks are also expanding, covering environmental monitoring, structural health monitoring, asset tracking, and more. As 5G deployment continues, the semiconductor market powering wireless communication is undergoing significant transformation. According to GSMA, by 2025, 5G mobile connections are expected to account for 73% and 68% of total mobile connections in South Korea and Japan, respectively. By 2030, 95% of mobile connections in the Gulf Cooperation Council countries and 93% in Asia are expected to be 5G. The increasing adoption of 5G smartphones and networks is creating new market opportunities. According to 5Gamerica.org, the number of global 5G users is projected to reach 1.9 billion in 2023 and surge to 8 billion by 2028. Compared to its predecessors, 5G offers faster download speeds and significantly lower latency.

(11) Charging pile

Charging piles can be classified by charging speed into AC slow chargers and DC fast chargers. The former charges more slowly and is commonly used in households and public shopping centers, while the latter offers faster charging and is typically found in large public charging stations. In recent years, due to increasing demand for extended driving ranges, many governments have actively provided subsidies, causing charging needs to shift from home-based slow charging to fast charging in public areas. This rising demand has made public fast charging the dominant trend in the market.

4. Competitive Landscape of the Products

(1) Electronic Calculators

Due to the expanding functions of smart mobile devices and the development of computer-based software applications, the overall calculator market is gradually shrinking. As calculators are a mature technology with low entry barriers, general-purpose calculators face intense competition from low-cost models produced by Chinese manufacturers. In response, Kinpo Group has adjusted its product strategy to focus on the education market, while also strengthening its presence in high-end scientific and graphing calculators. At the same time, the Group is pursuing technological breakthroughs by developing ultra-slim calculators with stylish designs to refresh the traditional image of the product and present a new look.

(2) Home Network Terminal Products

In high-end markets such as Europe and the United States, consumers' demand for home network terminal devices is increasing, with a primary focus on performance, design, compatibility, and value-added services (such as 4K/8K video streaming, gaming acceleration, and smart home integration). Expectations are no longer limited to speed but now include stability and multifunctionality. Brand influence and technological innovation have become the core of competition. The high-end segment is mainly dominated by European, American, and Taiwanese brands. In emerging markets such as Southeast Asia, Latin America, and the Middle East, there is higher price sensitivity for home network terminal devices. Consumers in these regions generally seek products with high cost-performance ratios and have relatively lower demand for high-end technologies. Chinese manufacturers (such as TP-Link, ZTE, and FiberHome) often hold a price advantage, relying on large-scale production, cost control, and government subsidies to offer competitively priced products, thereby securing dominant market positions.

(3) Printing and Peripheral Devices

Global printer shipment statistics for the first half of 2024 are summarized as follows:

Worldwide Hardcopy Peripherals Market, Unit Shipments, Company Share, and Year-Over-Year Growth, from IH'2024 (based on unit shipments)					
Companies	IH'24 Unit Shipments	IH'24 Market Share	IH'23 Unit Shipments	IH'23 Market Share	IH'24/IH'23 Growth %
1. HP Inc.	13,370,320	35.27%	15,009,087	35.44%	-10.9%
2. Epson	7,897,199	20.83%	7,843,621	18.52%	0.7%
3. Canon Group	7,491,857	19.76%	9,174,155	21.66%	-18.3%
4. Brother	3,659,218	9.66%	3,960,062	9.35%	-7.6%
5. Pantum	1,130,127	2.98%	1,174,275	2.77%	-3.8%
Others	4,359,778	11.50%	5,190,649	12.26%	-16.0%
Total	37,908,499	100.00%	42,351,849	100.00%	-10.5%
Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker					

In general, the global printer market continued to decline in the first half of 2024, with a 10.5% decrease compared to the same period in 2023. HP maintained its leading position despite a 10.9% drop in shipments compared to the same period in 2022. Epson grew by 0.7% year-over-year, rising to second place. Canon experienced an 18.3% decline, falling to third place, while Brother declined by 7.6%. Chinese brand Pantum ranked fifth globally, though its shipments still fell by 3.8% compared to the same period. From a group perspective, Kinpo aims to leverage the opportunity presented by President Trump's imposition of high tariffs on Chinese products and the strategic advantage of its Thailand production base to actively pursue OEM business from high-market-share brands such as Epson and Canon. Meanwhile, in the ODM sector, helping end customers gain market share and achieve success through the Group's core development and manufacturing value will remain a key objective in the coming years.

(4) Household Vacuum Cleaners and Hair Styling Appliances

The household vacuum cleaner market has experienced rapid growth driven by technological integration, attracting more brands and manufacturers to enter the cordless upright vacuum cleaner segment. As these technologies become more widespread, the technological gap between brands has narrowed. Future market differentiation will rely on the integration of product functions that deliver high performance and reliable quality—key to maintaining price positioning and competitive advantages among target customer groups. Customization strategies tailored for the Asian market are also among the tactics for driving sales growth. For home appliance brands newly entering the hair styling appliance market, market entry strategies focus on two main segments: the “home market” and the “professional sector.” In the home market, companies aim to boost sales by encouraging consumers to purchase professional-grade hair styling tools such as straighteners and curling irons. In the professional sector, the strategy is to leverage the visibility of well-known consumer brands to capture a portion of the market share traditionally held by professional brands.

(5) Plastic Injection Molding and Molds

Plastic injection molded products are midstream components to be delivered to assembly manufacturers. They may also be non-electronic finished products after secondary processing or internal structure assembly. Because plastic products are lightweight and bulky, and often require aesthetic appeal and surface flawlessness, minimizing transportation helps reduce both costs and the risk of appearance damage.

Given this characteristic, competitors are expected to emerge from the following three areas:

A. Plastic injection demand derived from local assembly production near sales destinations

For international brand clients, sales markets are geographically segmented into Europe, Asia, Africa, the Americas, and the Middle East. If local governments impose mandatory local production policies (e.g., regulations or trade barriers) on imported goods, brands may adopt CKD/SKD assembly models and require local sourcing of plastic components. In such cases, local plastic injection suppliers gain a competitive advantage. For instance, in recent years, the Indian government has required ICT products to be manufactured domestically, otherwise imposing high tariffs or even import restrictions. Local Indian manufacturers then become direct competitors or, depending on strategy, potential partners.

B. Plastic injection demand close to customer-designated assembly lines

When brand customers, due to cost concerns or trade tensions such as the U.S.-China dispute, move their assembly lines out of China to other countries, and if there are already familiar local plastic injection suppliers near the new assembly sites, the original suppliers—if unable to provide local support or facing competitive disadvantages—may be excluded from the supply chain. Local plastic injection suppliers near the new assembly facilities then become direct competitors.

C. Additionally, plastic injection molding factories operated directly by raw material suppliers themselves are also unavoidable competitors in the market.

(6) Storage Products

A. HDD:

In 2024, the estimated global market share among the three main hard disk drive (HDD) manufacturers is as follows: Seagate and Western Digital (WD) each hold approximately 40%, while Toshiba holds 20%.

HDD companies have stated that they are signing long-term agreements with major customers to ensure demand fulfillment and prevent overproduction. Overall, the average selling price (ASP) of HDDs has increased in 2024. By the third quarter of 2024, HDD ASPs had returned to levels not seen since the late 1990s, mainly due to the increased proportion of high-priced nearline HDDs and rising nearline HDD prices in 2024.

Nearline HDDs accounted for approximately 54% of total shipments in 2024 and are expected to exceed 90% by 2029.

According to DIGITIMES Research, global server shipments are projected to decline by 5.2% in the fourth quarter, primarily because cloud service providers had a high shipment base in Q3, and enterprise customers have become more conservative in their Q4 procurement, causing continued quarterly declines in shipments by branded vendors.

B. SSD:

According to the latest survey by TrendForce, strong demand from AI-related applications significantly boosted the enterprise SSD market in the third quarter of 2024.

SAMSUNG continues to hold the top position among enterprise SSD suppliers, with Q3 revenue reaching USD 3.2 billion. Although some shipments were delayed due to production adjustments, the surge in demand for high-capacity models drove higher-than-expected growth.

SK Group (SK hynix & Solidigm) remained the second-largest enterprise SSD supplier, with Q3 revenue climbing to USD 2.058 billion. The company achieved record-high shipments in its AI storage product line.

MICRON ranked third with Q3 revenue of USD 1.153 billion, benefiting from steady growth in high-capacity enterprise SSD shipments. Increased production of large-capacity products also boosted the

company's total bits supplied.

KIOXIA's Q3 revenue rose to USD 636 million, ranking fourth among suppliers. While KIOXIA increased shipments, its growth in high-capacity product sales lagged behind competitors. To compensate, the company strengthened partnerships with major North American clients by capitalizing on supply shortages of sub-8TB SSDs.

WD/SanDisk underwent a strategic restructuring, splitting their HDD and NAND/SSD businesses into two separately listed companies. The goal was to enhance operational flexibility and deepen cooperation with major North American customers. In Q3, driven by strong orders from North American clients, WD's enterprise SSD business saw a 100% quarter-over-quarter revenue increase to USD 332 million.

(7) Smart Wearable Devices

According to the latest report from BankMyCell, the global market share for smartwatch brands in 2025 is expected to be as follows:

A. Apple

Remains the market leader with 22% global market share, although down from 25% in 2023.

B. Huawei

Holds 13%, ranking second, with steady growth. Its share rose from 9% in 2023 to 13% in 2024, mainly due to strong demand in the Chinese market.

C. Samsung

Ranks third with a 9% market share, up slightly from 8% in 2023, largely attributed to the success of the Galaxy Watch series.

D. Xiaomi

Achieved 8% market share, showing significant growth from 3% in 2023. Its success is attributed to its affordable products like the Redmi Watch series.

E. Imoo

Focused on children's smartwatches, it reached a 6% share, growing by 22%, with demand in this segment continuing to rise.

F. Other Brands

Combined market share dropped from 50% in 2023 to 42%, indicating increasing market consolidation among leading brands.

Smartwatches are digital devices worn on the wrist that connect to smartphones to provide notifications for emails, messages, and calls. They also come with various built-in applications to display weather updates, maps, stock data, and support communication functions such as calls and SMS. Thanks to features like pedometers and heart rate monitors that help users track their health, global demand for smartwatches continues to grow. The smart wearable devices market is thriving, with intensifying brand competition. Brands are differentiating through technology innovation, feature enhancement, design, ecosystem integration, pricing strategies, brand recognition, and user experience to meet the diverse needs and expectations of various consumer segments.

(8) Wireless Communication Modules

According to Counterpoint's latest Global Cellular IoT Module and Application Tracker Report for Q4 2024, global cellular IoT module shipments grew by 10% year-over-year in 2024, rebounding from the slump in 2023. This recovery was primarily driven by strong demand from China and India, underscoring the resilience and evolving dynamics of the IoT ecosystem.

In terms of market share, Quectel continues to lead the global market, followed by China Mobile and Fibocom. Together, these three companies accounted for more than half of the global market in 2024. Outside of China, Telit Cinterion maintained its position as the second-largest supplier, trailing only Quectel.

(9) Credit Card Payment Terminals

Although China is gradually dominating the global POS market, India is poised to become one of the fastest-growing markets, driven by the retail sector's digital transformation and consumers' increasing preference for online transactions. The adoption of Android smart devices and self-checkout POS terminals in sectors such as transportation, government, education, banking, and ride-hailing is expected to open up new application opportunities. However, challenges such as data security concerns, high maintenance costs, and the emergence of unmanned cashier smart retail models will be the major obstacles facing the POS market.

(10) Semiconductor Equipment

Over the years, China's semiconductor industry has expanded rapidly, becoming one of the world's largest consumers of chips. China aims to reduce its reliance on imported semiconductor components by building a robust domestic supply chain. For example, in May 2024, China established its third phase of a government-supported investment fund to expand the domestic semiconductor sector, highlighting its determination to achieve self-sufficiency under U.S. sanctions. The fund has a registered capital of RMB 344 billion (USD 47.5 billion) and provides financial support to China's two largest chip foundries—SMIC and Hua Hong Semiconductor—as well as several small and medium-sized enterprises. In addition to this, other factors contributing to the rapid growth of the semiconductor industry include the rapid expansion of the consumer electronics sector, government policies promoting local manufacturing to reduce reliance on foreign technologies (leading to increased investment in semiconductor production equipment), the rise of emerging technologies such as artificial intelligence and the Internet of Things, and the growing demand for electric vehicles.

At the same time, China's robust telecommunications sector is also a key market driver. According to the 2024 Communications Industry Statistical Bulletin released by the Ministry of Industry and Information Technology (MIIT), China's total telecommunications business revenue reached RMB 1.74 trillion, representing a 3.2% increase compared to the previous year.

(11) Charging Pile

Components related to charging piles, such as charging modules, charging guns, and charging cables, must meet strict safety requirements for automotive use. The certification process typically takes several years to complete, making the industry entry barrier considerably high.

4.1.3 Overview of Technology and R&D

I. R&D Expenditures

Unit: NT\$ thousands

Item	2024
R&D Expenditures	1,626,979
Operating Revenue	164,405,392
R&D Expenditures as % of Revenue	0.99%

2. Technologies or Products Successfully Developed

- (1) Credit Card Payment Terminals – POS Devices
- (2) Wireless Communication Modules – Wi-Fi / Bluetooth module
- (3) Automatic Image Distortion Correction Technology (applicable to MFPs, label printers, and scanners)
- (4) Energy Saving and Network Packet Auto-Detection
- (5) Automotive Digital Dashboard
- (6) Turn-by-Turn Navigation
- (7) Hill Detection and Tilt Detection
- (8) Semiconductor Equipment PCBA
- (9) Charging Pile OEM Manufacturing and ODM Product Design
- (10) Home Security Systems (IP Camera, Door Bell) OEM and Design
- (11) Dual-Layer Fiber Network Products
- (12) Thunderbolt 4 Expansion Dock with Dual-Bay NVMe SSD RAID
- (13) Thunderbolt 5 external SSD
- (14) USB4 Expansion Dock with Card Readers (CFast 2.0 / CFexpress-Type B / SD7.0) and M.2 SSD
- (15) USB4 external SSD
- (16) Magsafe USB-C external SSD

4.1.4 Long-Term and Short-Term Business Development Plans

1. Consumer Electronic Products

Short-term:

In terms of electronic calculators, the Company will actively develop products with innovative appearances and competitive performance, targeting the low-end market with competitive pricing while increasing the order ratio from key customers.

Long-term:

The Company will adopt a customer- and market-oriented approach to establish strong partnerships and secure OEM orders for other consumer electronic products from existing clients, thereby expanding R&D capabilities and production technologies. The Company will also actively develop new products that leverage its calculator production technologies.

2. Home Network Terminal Products

Short-term:

- (1) Adjust flexibly based on customer needs to offer faster delivery times, cost-effective production options, and efficient inventory management.
- (2) Provide enhanced customization capabilities, including design, assembly, or testing services tailored to customer specifications.
- (3) Focus on cost-effectiveness by improving production efficiency and strengthening supply chain management to mitigate the impact of raw material price fluctuations.
- (4) Strengthen cooperation with key component suppliers to ensure stable component supply and reduce delays caused by supply chain issues.
- (5) Upgrade existing production equipment as needed to support new high-end products, particularly home network devices that support 5G or Wi-Fi 7 technologies.

Long-term:

- (1) Upgrade to smart manufacturing by integrating robotics, artificial intelligence (AI), and Internet of Things (IoT) technologies to automate production, increase efficiency, reduce error rates, scale production, lower costs, and enable quick market responsiveness.
- (2) In response to growing global environmental awareness, Kinpo will increase investments in sustainable manufacturing, including the use of more eco-friendly materials, reduced energy consumption and carbon emissions, and potential investment in recycling technologies. These sustainability initiatives will not only help meet market demands but also attract more international clients.

3. Household Vacuum Cleaners and Hair Styling Appliances

Short-term:

Achieve mass production targets for various models as requested by clients and maintain the flexibility to meet differing regional market demands to secure maximum order volume.

Long-term:

Align future production capacity planning with clients' long-term demand forecasts, strengthen long-term partnerships, and secure orders for new product lines.

4. Plastic Injection Molding and Molds

Short-term:

Strive to acquire new mold and model projects from existing clients and develop new customers in order to maximize equipment utilization.

Long-term:

Focus on the global expansion of AI server production and offer one-stop mechanical solutions.

5. Electronic Components for Storage Products

Short-term:

In addition to certifying new plants and key customers during the first half of 2025, the Company will focus on effectively reducing the production costs of Client SSDs to support customer price reduction campaigns and help them gain market share, forming a virtuous cycle.

Mid-to-Long-term:

All production equipment is scheduled to be relocated to the new plant by Q3. With high-margin enterprise SSDs planned for mass production in the first half of the year, the Company will respond to the increasing demand driven by AI servers by boosting the proportion of enterprise SSD production at the new facility—an important strategy for achieving higher revenue and margins year by year.

6. Printing and Peripheral Devices

Short-term:

Leverage past experience in JDM development of monochrome machines with Japanese clients to expand into ODM development of inkjet/laser machines, offering competitively tailored products based on existing specifications.

Long-term Plans:

- (1) Use successful ODM project launches as references to actively attract more clients to adopt Kinpo Group's platform solutions, and further expand into ODM/EMS collaborations on modules and finished products, including high-end models. High-end ODM/JDM collaborations are currently under discussion.
- (2) Solidify the manufacturing base in Thailand. Under the China +1 strategy, the Thailand plant holds strong competitive advantages due to its comprehensive supply chain and automation.

- (3) Continue local supplier integration and introduce new materials and technologies to reduce material and packaging/shipping costs as well as supply chain risks.
- (4) Implement automated production and inspection to improve productivity and product quality while reducing labor and factory costs and minimizing potential defect-related expenses.
- (5) Incorporate AI applications to reduce human judgment risks, optimize user experience, and reduce resource waste.

7. Smart Wearable Devices

Short-term:

Optimize production processes to enhance efficiency and reduce manufacturing costs, enabling a swift response to the highly competitive market. Simultaneously, strengthen quality management to improve product pass rates, gain customer trust, and stabilize current product operations. In addition, expand global repair services to meet diverse customer needs and enhance overall competitiveness.

Long-term:

Enhance internal team training and skill development to seek JDM/ODM collaboration opportunities, gradually elevating the Company's position within the customer supply chain. Also, actively pursue other product development projects such as smart tablets and styluses.

8. Wireless Communication Modules

Short-term:

Introduce automated production to reduce manufacturing costs, increase profitability, and improve market competitiveness while stabilizing shipment volumes of cellular and smart modules.

Long-term:

Proactively expand and introduce new contract manufacturing product lines, including 5G NR modules, automotive modules, GNSS modules, and Wi-Fi/Bluetooth products.

9. Credit Card Payment Terminals

Short-term:

Continue to strengthen the R&D team, establish a comprehensive POS product line, and enhance JDM/ODM development capabilities in hardware design and production testing.

Long-term:

Based on past EMS successes and leveraging the Company's global manufacturing footprint, further expand collaboration with existing clients and move toward deeper JDM/ODM partnerships. Invest early in the development of new technologies and solutions to secure product differentiation and early commercialization opportunities. Strategically partner with chip manufacturers to target key clients, understand their requirements early, and secure opportunities for new product projects.

10. Semiconductor Equipment

Short-term:

Continue to reinforce the production team, strengthen hardware and software testing capabilities, and provide customers with high value-added manufacturing-related technical support.

Long-term:

Centered on global production and supply chain management capabilities, and coupled with strong hardware-software integration expertise, proactively pursue new clients or expand cooperation with existing ones. Identify customer product needs early, differentiate manufacturing output, and secure first-to-market advantages to win subsequent customer orders.

In the field of semiconductor equipment manufacturing, the Company is gradually offering a more diversified product portfolio to meet various process needs. These products include high-performance, industrial-grade, and reference-grade pressure sensors suitable for vacuum measurement applications; mass flow controllers and calibrators to ensure precise gas flow control; and vacuum pressure sensors and controllers to meet measurement demands in vacuum environments. At the same time, the Company is working with leading industry clients to expand the variety of these equipment offerings to support critical segments of semiconductor process workflows.

11. Charging pile

Short-term:

Aim to improve production yield and achieve both quantitative and qualitative growth in performance.

Long-term:

Focus on the development and manufacturing of charging piles and further expand cross-sector collaboration within the electric vehicle charging industry.

4.2 Market, Production, and Sales Overview

4.2.1 Market Analysis

1. Consumer Electronics

The electronic calculator is the flagship consumer electronic product of our company. Through nearly 50 years of dedication, it has become one of the world's major suppliers. The main clients include CASIO, TI, HP, etc., which have good long-term cooperation relationships with the supply chain and have established mutually dependent production and marketing systems. In response to the competition from mainland China, The Company continually proactively seeks lower-cost component sources and introduces COB production technology. More than 99% of the Company's products are for export. The global regional distribution in 2024 is as follows:

USA and Canada	Europe	Asia	Other regions and domestic sales
56%	10 %	34 %	0%

At present, the R&D center is able to independently design and develop basic calculators and reduce the cost. Our efforts to expand overseas production and the R/D strategy have been effective. In 2014 a new production factory was built in the Philippines, a country with sufficient labor. It has allowed us to maintain our competitiveness in pricing and customer service.

2. Home Network Terminal Products

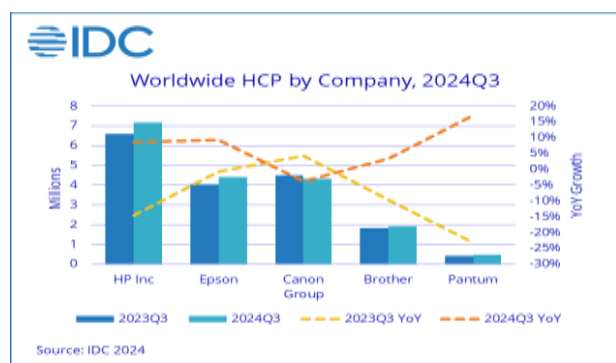
- (1) In 2024, global fiber network coverage is expected to exceed 40%, with significant increases in adoption rates in Europe and Asia, particularly in China, Japan, South Korea, and certain regions of Europe.
- (2) Cable broadband's market share remains relatively stable, holding between 20% to 25% in mature markets. However, in emerging markets, growth momentum is expected to slow due to infrastructure limitations of cable networks.
- (3) DSL's share in the global home network market will continue to decline and is expected to fall below 10%. Many telecom operators are gradually phasing out DSL investments in favor of deploying more fiber and 5G technologies.
- (4) The market share of 5G FWA is projected to reach 5% to 10% of global home broadband access and is expected to continue growing over the next few years, particularly in North America, Europe, and parts

of Asia.

- (5) Satellite broadband technology still holds a relatively small market share but is expected to reach 3% to 5% as technological improvements and growing demand continue.
- (6) In terms of set-top boxes (STBs), OTT STBs are growing rapidly and account for 40% to 45% of the global STB market, especially favored in developed countries and markets with mature streaming usage. IPTV STBs are showing stable growth in regions with faster fiber and broadband infrastructure development (e.g., China, India, South Korea), gradually replacing traditional satellite and cable services, with a global market share of 25% to 30%. Traditional cable, satellite, and terrestrial broadcast STBs, while showing weakened demand in developed markets, still maintain stable demand in developing countries and remote areas, accounting for 25% to 30% of the global STB market.

3. Printing and Peripheral Devices

The global HCP (Hardcopy Peripherals) market rebounded in Q3 2024, with shipments increasing by 3.8% year-over-year, reaching approximately 20.3 million units. Although the U.S. and China markets saw annual declines of 2.0% and 8.8% respectively, other regions recorded year-over-year shipment growth, driven by improved economic conditions and attractive promotions from major brands. In addition, the total shipment value of global printing devices rose 1.1% year-over-year, reaching USD 9.4 billion.



Key highlights for Q3 2024 include:

- (1) This quarter marked the first time since Q4 2022 that one of the top three regions experienced double-digit annual growth. APeJC (Asia Pacific emerging markets including China) recorded a 12.3% year-over-year increase in shipments, reaching around 3.7 million units. This growth was mainly driven by an optimistic economic outlook that spurred increased consumer and business spending.
- (2) Among the top three global printer brands, HP and Epson posted strong year-over-year shipment growth in Q3 2024, at 8.1% and 9.4% respectively. Both companies performed well in cartridge-type models. HP appeared to be targeting consumers seeking affordable home or personal gifts for the holiday season, while Epson continued to lead in the education sector, actively meeting higher-volume needs such as printing handouts and exams.

4. Household Vacuum Cleaners and Hair Styling Appliances

In addition to the key aspects of integrated technology and reliability mentioned earlier, another crucial sales strategy for home appliance brands under the ongoing decline of global brick-and-mortar retail sales is how to continuously build brand presence online and on social media, while conducting various promotional campaigns on e-commerce platforms. Boosting online sales is vital for offsetting the impact of declining physical retail performance.

5. Storage Product Electronic Components

In 2022, the global AI storage market was valued at USD 18.56 billion. The market is projected to grow from USD 22.9 billion in 2023 to USD 110.68 billion by 2030, with a compound annual growth rate (CAGR) of 25.2% over the forecast period. AI-driven storage systems are optimally designed to meet the requirements of AI workloads, including high-throughput data access, large datasets, and complex data processing.

These storage systems focus on performance, scalability, and stable reliability to support increasingly diverse

and high-intensity AI application scenarios. The growth of the AI storage market can be attributed to several factors, including the rapid increase in data volume, growing demand from high-performance computing data centers for AI applications, and widespread adoption of cloud services.

In addition, the urgent global enterprise demand for upgrading storage infrastructure, along with the widespread use of data analytics for decision-making, is further driving the global AI storage market share.

6. Smart Wearable Devices

According to research by Research and Markets, the compound annual growth rate (CAGR) of smart wearable devices was only 13% during 2022–2023, affected by the Russia-Ukraine war. Besides the impact of the war, the global market downturn is also attributed to severe inflation in 2022. The resulting economic downturn caused smart wearable devices—products that typically serve to "enhance life"—to temporarily become a secondary option for many consumers. Looking ahead, although market analysts have slightly different CAGR estimates for smart wearables, most expect growth between 10% and 20% over the coming years, indicating continued market expansion. Most analysts and institutions remain optimistic about the future of smart wearable devices.

Among them, the overall trajectory of smartwatches this year is influenced by two opposing forces. On one hand, the shift in demand from smart bands is driving smartwatches to become the main source of momentum for brands; on the other hand, the global economic slowdown has affected disposable income, resulting in downward adjustments in demand. The global shipment volume of smartwatches is estimated at 150 million units in 2024. Changes in brand market share remain limited, and products continue to evolve.

7. Wireless Communication Modules

According to data released by IoT Analytics, the number of global IoT devices is expected to reach 40 billion by 2030. However, after reevaluating the number of new IoT device connections, the organization has slightly revised downward its forecast for connected IoT devices.

This adjustment mainly reflects the following three factors:

- (1) Economic uncertainty significantly affects investment confidence;
- (2) Chipset supply will continue to pose constraints in the coming years due to surging demand;
- (3) China's economic recovery will take more time.

According to IoT Analytics, the IoT market growth in 2024 will further slow to 12%, with a projected market size of USD 301 billion. Moreover, based on the updated Global Cellular IoT Connections Tracker and Forecast Report, the number of global cellular IoT connections reached 3.9 billion in the first half of 2024 and surpassed 4 billion by year-end, accounting for approximately 22% of all global IoT connections. Driven by technologies such as LTE Cat 1 bis and 5G, the number of cellular IoT connections is expected to grow at a CAGR of 15% between 2024 and 2030.

8. Credit Card Payment Terminals

The global POS terminal security market is primarily concentrated in regions such as Asia-Pacific, North America, Europe, Latin America, the Middle East, and Africa. North America held the largest market share in 2022, mainly due to the presence of numerous POS security solution providers in the region. With the increasing popularity of electronic payment methods, the market in this region continues to expand, and POS systems are gradually transforming from "Points of Sale" to "Points of Service." Meanwhile, demand for KIOSKS (self-service terminals) is also rising. KIOSKS are self-service information stations integrating screens, printers, and card readers, which can be customized in interactive design to meet different application scenarios and serve general consumers. Applications include ordering kiosks, ticket machines, airport self check-in terminals, and more, catering to a variety of self-service needs. Currently, KIOSKS have gradually captured a small portion of the POS market.

Displays on self-service terminals serve two main functions: guiding users through the operation and assisting in completing transactions. These display systems offer consumers a novel shopping experience while significantly enhancing operational efficiency at venues such as shopping malls, stores, quick service restaurants (QSRs), supermarkets, and hospitals. For example, McDonald's, one of the world's leading fast-food chains with nearly 40,000 locations in over 100 countries/regions, has widely implemented digital solutions including KIOSK self-service terminals, digital ordering kiosks, mobile ordering and payment systems, and its McDelivery service. POS-based visual recognition technology is being developed to support the next generation of AI-powered smart checkout systems in the fast-food industry.

9. Semiconductor Equipment

The global semiconductor industry continues to demonstrate a solid foundation and strong growth potential, providing critical support for various disruptive applications driven by the AI boom.

The global semiconductor equipment market was valued at USD 127.87 billion in 2024 and is projected to reach USD 156.09 billion by 2029, representing a compound annual growth rate (CAGR) of 4.07%. The top five semiconductor equipment manufacturers by market share in 2024 are: ASML (28%), Applied Materials (AMAT) (24%), Lam Research (19.8%), Tokyo Electron (TEL) (14%), and KLA (9%).

Between 2025 and 2027, global semiconductor equipment expenditures are expected to reach a record high of USD 400 billion. In 2025, spending is forecasted to grow by 24% to USD 123 billion. The main investment regions are as follows:

- (1) China: Investment is expected to surpass USD 100 billion over the next three years. While 2024 may mark a peak in expenditure, strong investment momentum continues under national policies promoting self-sufficiency.
- (2) South Korea: Estimated spending of USD 81 billion, primarily driven by Samsung and SK Hynix capacity expansion.
- (3) Taiwan: Projected spending of USD 75 billion, led by TSMC's continued global expansion efforts.
- (4) Other Regions: Estimated expenditures include the Americas (USD 63 billion), Japan (USD 32 billion), and Europe (USD 27 billion).

Geopolitical tensions, such as U.S.-China trade disputes, are expected to drive regional capacity demand, while technological drivers, including the growth of AI chips and related memory chip markets, will further support market momentum. Expenditures on semiconductor equipment in the Americas, Japan, and Europe are anticipated to double by 2027 compared to 2024 levels, supported by policy incentives aimed at alleviating supply chain vulnerabilities.

10. Charging Pile

It is estimated that from 2022 to 2030, the global EV charging station market will grow at a compound annual growth rate (CAGR) of 28%. Among them, DC fast charging (DC) piles are expected to grow at a rate of 32%, which is higher than the 29% CAGR projected for AC slow charging piles. Over the next three years, industry trends will gradually shift from residential slow charging toward public slow and fast charging. The importance of software will also continue to increase. Market analysis for global EV charging piles from 2024 to 2028 is as follows:

(1) Overall Market Size Forecast:

Year	Global Public Charging Pile Stock (in 10,000 units)	Annual Growth Rate (Estimated)
2024	Approx.480	~20%
2025	Approx.590	~23%
2026	Approx.720	~22%
2027	Approx.890	~24%
2028	Approx.1,090	~22%

Sources: Aggregated from IEA, BloombergNEF, DIGITIMES, and EV Volumes.

Supplement: According to the IEA, global public charging pile stock is projected to reach 15.3 million by 2030.

(2) DC Fast Charging Deployment Trend:

In 2023, DC piles accounted for approximately 35% of the total.

In 2024, the global share of DC fast charging piles is expected to reach 37%, a 2% increase from 2023.

By 2028, it is estimated to reach 45–50%, driven notably by applications in commercial vehicles and highways across Europe and North America.

(3) Key Regional Market Highlights:

Region	Key Trends	Market Characteristics
CN	Ongoing expansion, policy support	Largest global market; high volume; intense price competition
EU	ESG-driven policies, hydrogen/electric mix	Strict certification requirements; brand and quality focused
US	IRA subsidies, commercial market expansion	High power demand; dual-track development (public + private)
Southeast Asia	Rapid growth from an early stage	Entry point for brand/ODM; government support in place

(4) Key Market Drivers:

- A. Policy Incentives: Governments continue to increase subsidies for NEVs and investment in infrastructure (e.g., U.S. IRA, EU Green Deal).
- B. Rising EV Adoption Rates: More automakers entering the market and falling prices are driving user demand.
- C. Growing Demand for High-Power Fast Charging: Commercial fleets, logistics, and highway applications are boosting the shipment of high-wattage charging piles.
- D. Emerging Application Scenarios: New use cases such as community-sharing, commercial properties, and solar-integrated stations (PV + ESS + Charger) are emerging.

(5) Opportunities for OEM/ODM Manufacturers:

- A. ODM Opportunities: Customers seek turnkey solutions including hardware, firmware, and testing services, creating high-value offerings. Profit focus is shifting from AC piles to DC piles and commercial applications.
- B. Key Differentiators in Competition: Certification capabilities (CE, UL, TUV), customization capabilities (modular design), as well as rapid delivery and flexible production capacity.

4.2.2 Major Uses and Production Processes of Main Products

I. Major Uses of Main Products

Main Products	Uses
Electronic Calculators	Perform rapid calculations of various data through electronic computing functions, display results, save computation time, and improve work efficiency.
Home Network Terminal Products	(1) Provide high-speed data and VoIP transmission. (2) Enable one-way or two-way audio-visual interactive services. (3) Provide internet services including information search, online shopping, gaming, etc.

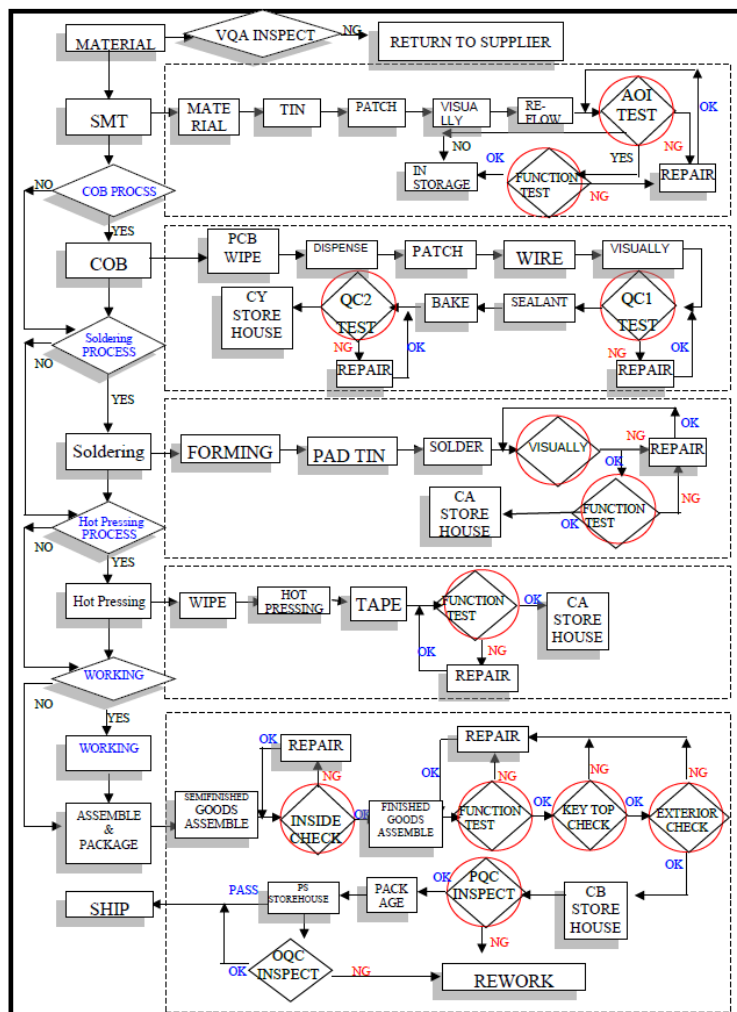
Main Products	Uses
Storage Products	(1) External hard drives (HDD). (2) External solid-state drives (SSD). (3) Notebook computers. (4) Desktop computers. (5) Network servers. (6) Smartphones or tablets. (7) Consumer and enterprise SSD storage products.
Inkjet and Laser Printers / Multifunction Devices	(1) Printers are mainly used to output documents or images. (2) Multifunction devices integrate copying, faxing, scanning, and printing, offering multifunctional use.
Smart Wearable Devices	(1) Call alerts, answering calls, receiving text messages. (2) Viewing emails and receiving third-party app notifications. (3) Mobile payment, barcode scanning, ticket storage, and displaying store membership cards. (4) Health tracking – calories burned, heart rate, respiratory rate, wrist temperature, sleep duration, blood oxygen level, ECG, menstrual cycle tracking, and sleep apnea alerts. (5) GPS navigation, calculator, remote smartphone camera control, etc.
Wireless Communication Modules	Wireless communication modules are hardware or electronic assemblies primarily used to connect and coordinate various devices, systems, or networks for efficient data transmission. They are widely applied in fields such as mobile communication, IoT, military applications, medical devices, automotive communication, wireless payments, and smart cities. These modules typically support multiple communication protocols such as Bluetooth, Wi-Fi, 4G/5G, GPS/GNSS, NB-IoT/LTE-M, and CDMA/HSPA to meet diverse application requirements.
Credit Card Payment Terminals	These terminals are equipped with communication and card reading functions. They transmit transaction records to the bank using various communication methods. The issuing bank confirms the transaction and sends the result back to the terminal, which then prints a receipt. Card readers vary by card type: barcode, magnetic stripe, and chip cards. Chip cards can be contact-based or contactless.
Semiconductor Equipment	Depending on the equipment type: (1) Thin Film Deposition Equipment: Includes Chemical Vapor Deposition (CVD) and Physical Vapor Deposition (PVD), used to deposit materials such as oxides and metals on wafer surfaces to form insulation or conductor layers (2) Coater/Developer: Applies photoresist onto the wafer surface. (3) Photolithography Equipment (Exposure Tools): Projects patterns onto the photoresist using photomasks to form fine circuit structures. (4) Etching Equipment: Removes unwanted materials from the wafer to create the desired circuit pattern. (5) Diffusion/Ion Implantation Equipment: Alters the electronic properties of materials on silicon wafers to create semiconductors. (6) Wet Process Equipment: Used for processes such as resist removal and cleaning in wafer fabrication (7) Wafer Dicing Equipment: High-precision tools that cut wafers using mechanical or laser methods. (8) Inspection Equipment: Monitors and inspects the production process to ensure product quality meets design requirements.
Charging Pile	Refer to Table I.

Table 1:

Charging Pile Category	AC Charging Pile (Destination Charger)		DC Charging Pile (Fast/Super Charger)	
	Level 1	Level 2	Level 3	Level 4
Power	3.52 kW	7~17 kW	30 kW	120~350 kW
Rated Input Voltage	110-220 Vac	220 Vac	380 Vac	380 Vac
Rated Output Voltage	110-220 Vac	220 Vac	200~820 Vdc	200~820 Vdc
Rated Output Current	13A, 16A	32A~80A	0~400A	0~400A
Application Scope	Residential, travel use	Residential, parking lots, hotels (stays over 3 hours)	Shopping malls, parking lots, car dealerships (approx. 2 hr stay)	Highway rest areas, key transit locations (30 min stay)

2. Manufacturing Processes for Main Products

Primary production processes for various products are as follows:



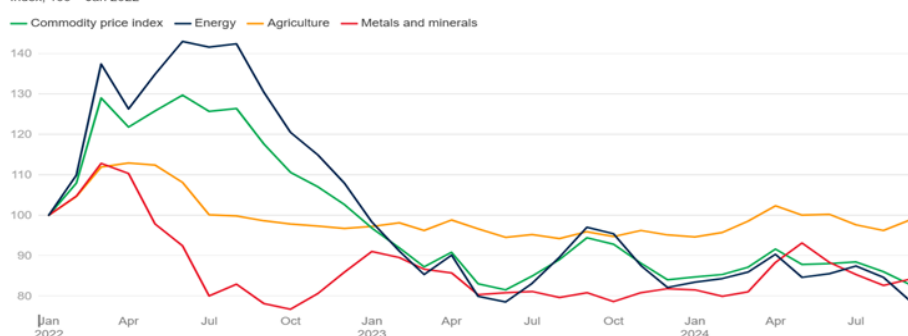
4.2.3 Supply Conditions of Major Raw Materials

- I. In 2024, the global materials industry continues to be affected by the trend of "de-Sinicization" and tariff policies.

Several international giants including Apple, Dell, HP, and Google have been requesting suppliers to diversify their production locations. Considering tariff costs, end-customer demands for backup manufacturing bases, the rise of new technologies such as electric vehicles and AI, and national policies encouraging local manufacturing, both domestic and international manufacturers have gradually shifted their investment focus to countries such as Vietnam, Thailand, Malaysia, Indonesia, India, and Mexico.

Commodity price indexes

Index, 100 = Jan 2022



Note: Monthly data, last observation is September 2024.
Source: World Bank. • [Embed this chart](#) • [Download image](#)

2. Electronic Calculators

(1) IC (Integrated Circuits)

As calculators are a mature product category, major suppliers over the past five years have shifted from Japanese brands like TOSHIBA to Taiwanese and Chinese ICs. The quality and development capabilities of these alternatives have significantly improved, increasing their supply share. For low-end calculator models, the Company has adopted over 90% Chinese-made ICs to stay competitive in price and ensure smooth supply.

(2) H.M.F.

Currently, the main supplier is Shin-Etsu of Japan. The Company is actively seeking alternative suppliers.

(3) LCD

Chinese and Taiwanese LCD products now offer quality comparable to Japanese counterparts, with better pricing and shorter lead times. These sources have become the primary supply base. For low-end models, Chinese suppliers have been adopted to maintain price competitiveness.

3. Home Network Terminal Products (BB CPE and STB)

Key components for home terminal products include SoC system main chips, network chips, RF chips, memory, active/passive components, PCBs, heat sinks and antennas, plastic and metal enclosures, and network cabling. Given the maturity of the industry and its complete supply chain, most components—aside from system main chips—are interchangeable, ensuring supply stability. Major DSL chip suppliers include Broadcom and MaxLinear; Taiwanese suppliers include MediaTek, Mediatek, and Realtek. Cable modem chip suppliers are limited to Broadcom and MaxLinear globally. FTTH chip suppliers include MediaTek, Broadcom, Cortina, MaxLinear, Realtek, and ZTE. For STB chips, Broadcom dominates the high-end market, while mid-to-low-end markets are contested by Ali, AMLogic, HiSilicon, MediaTek, Realtek, and others.

4. Printing and Peripheral Devices

In the first half of 2024, inventory destocking reached its final stage, with overall utilization rates around 70% to 75%, rising to 80% to 85% in the second half. Since Q3 2023, memory module manufacturers have actively increased their DRAM inventory levels, leading to an inventory cycle of 11 to 17 weeks for DRAM by Q2 2024. Consumer electronics demand has not rebounded as expected, primarily due to persistently high smartphone inventory levels in mainland China and delayed notebook purchases as consumers await new AI PC models. The market continued to shrink in 2024, with only sporadic rush orders driving short-term demand peaks. Under the scenario of Trump being re-elected President of the United States, a restructuring of component manufacturing bases is expected, which may affect overall supply chain stability and pricing competitiveness.

5. Plastic Injection Molding

The Company primarily procures plastic resins such as HIPS (High Impact Polystyrene), PC (Polycarbonate), and ABS (Acrylonitrile Butadiene Styrene). Raw material suppliers are mostly well-known domestic and international manufacturers, ensuring stable quality and supply. The Company has also established long-term strategic cooperative relationships with suppliers, with no material shortages reported. In addition, the Company continuously monitors market trends and material prices, striving to reduce cost ratios while ensuring product quality.

6. Storage Product Electronic Components

- (1) As the impact of the global pandemic gradually subsides, supply chain stability has significantly improved. Production lead times and logistics efficiency have greatly increased. However, due to geopolitical factors, certain raw material supplies still fluctuate. To reduce reliance on single-region supply chains, major corporations have accelerated the establishment of diversified supply chains, particularly in Southeast Asia, India, and Mexico, to mitigate risks.
- (2) With growing demand for AI and cloud computing, the rapid development of AI computing, data centers, and cloud storage has significantly driven demand for high-performance storage devices such as enterprise SSDs. Meanwhile, demand for semiconductors remains strong under the momentum of AI, electric vehicles, and IoT applications. However, high-end chip supply remains limited, resulting in persistently high prices. In addition, emerging technologies are accelerating component upgrades. As 5G, AIoT (Artificial Intelligence of Things), and new energy technologies become more prevalent, market demand for high-performance, low-power electronic components has surged.
- (3) Due to the effects of market supply and production capacity, memory prices are expected to remain volatile and decline in the first half of 2025. However, the extent of the price drop is likely to ease as some manufacturers reduce excess capacity.
- (4) In response to increasing demands for environmental sustainability, manufacturers have begun adopting more eco-friendly materials and production processes, launching recyclable or lower-energy components to meet both regulatory and consumer expectations.

7. Smart Wearable Devices

Key components such as display touch panels, processors, sensors, and batteries are supported by a robust and comprehensive supply chain system to ensure sufficient supply.

8. Wireless Communication Modules

Among the critical components of communication modules, processors are largely controlled by leading domestic and international manufacturers. The remaining components generally have viable substitutes, ensuring stable supply.

9. Credit Card Payment Terminals

POS terminal products are well-developed, with comprehensive supplier systems for key components. Except for processors and LCD panels, most other major components have diversified alternatives to ensure stable supply.

Processors: Mainly dominated by international manufacturers such as TI, NXP, and STMicroelectronics.

LCD Panels: Sourced from various Chinese manufacturers to maintain price competitiveness.

10. Semiconductors

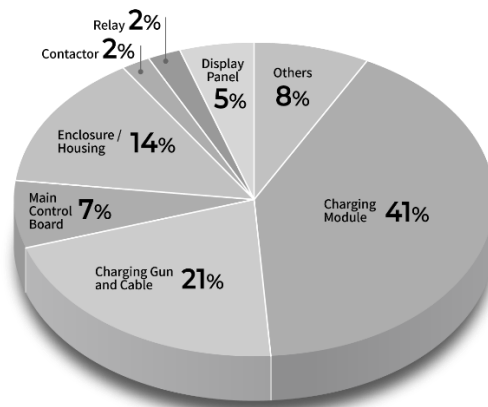
Semiconductor consumables refer to materials or components used during the manufacturing and inspection processes of semiconductors. These consumables are critical to semiconductor production and are typically single-use or replaceable parts that help maintain production quality and efficiency. Semiconductors are widely used across multiple industries, including computers, mobile phones, automotive technology, and consumer electronics. As such, the semiconductor industry is not only central to the global economy but is also often regarded as a barometer of overall economic health. With the increasing demand for semiconductors in the market, the need for high-quality, stable, and reliable consumables continues to grow.

Semiconductor consumables include items such as electrodes, focus rings, blades, and gaskets—components that require frequent replacement and must be used in conjunction with machinery and equipment to ensure efficient and stable mass production of semiconductors.

11. Charging Pile

(1) Currently, the lead time for automotive IGBT supply exceeds one year, with limited delivery flexibility. Introducing alternative materials and suppliers is an urgent priority to increase supply flexibility and accelerate the adoption of charging piles.

(2) The primary raw material structure for charging piles is outlined in the table below:



Key Raw Material Description:

- Display Panels: Used for displaying charging status and payment interface. Supply chains from both Taiwanese and Chinese manufacturers are stable and well-developed.
- Cabinet Exterior Components and Cables: Establishing a localized supply chain in Thailand for large-volume metal and plastic components, as well as charging cables, helps save transportation time and logistics costs and facilitates better inventory management.

4.2.4 Major Suppliers and Customers in the Past Two Fiscal Years

1. Information on Major Suppliers in the Past Two Fiscal Years: No single supplier accounted for 10% or more of total purchases.

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer
1	Company D	10,664,212	8.28	NA	Company D	16,709,936	11.92	NA
2	Others	118,080,636	91.72		Others	123,487,050	88.08	
	Net purchase	128,744,848	100.00		Net purchase	140,196,986	100.00	

2. Information on Major Customers in the Last Two Fiscal Years

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer	Name	Amount	Percentage of Net Purchases for the year (%)	Relationship to the issuer
1	Customer A	45,596,827	28.63	Related party	Customer A	43,739,494	26.66	Related party
2	Customer B	22,519,784	14.14	Customer with no investment ties	Customer B	29,030,569	17.69	Customer with no investment ties
3	Customer C	18,870,334	11.85	Customer with no investment ties	Customer C	20,402,777	12.44	Customer with no investment ties
4	Customer D	16,360,822	10.27	Customer with no investment ties	Customer D	23,458,337	14.30	Customer with no investment ties
5	Others	55,915,322	35.11		Other	47,436,539	28.91	
	Net Sales	159,263,089	100.00		Net Sales	164,067,716	100.00	

4.3 Information on Employees in the Last Two Fiscal Years

Year		2023	2024	Current Year as of April 5, 2025 (Note)
Number of employees	Managers	3,175	3,361	3,266
	R&D technicians	4,112	3,674	3,700
	Direct operator	35,509	37,695	37,507
	Total	42,794	44,730	44,473
Average age		30.04	28.96	28.97
Average years of service		2.75	2.87	2.93
Educational background	Ph.D.	0.02%	0.02%	0.02%
	Master's	0.89%	0.88%	0.88%
	Bachelor's	13.82%	14.55%	14.81%
	High School	24.91%	27.89%	28.62%
	Below high School	60.36%	56.66%	55.67%

Note: The data provided should cover the current year up to the date of the annual report printing.

4.4 Information on Environmental Protection Expenditure

4.4.1 Loss suffered from pollution of the Environment in the latest Year and of the date of the annual report printing: (including compensation and results of Environment protection inspection that violate the environmental protection regulations, the date of punishment, order number, regulation violated, content of the violation, and content of the punishment should be clarified).

The Taiwan headquarters serves as the R&D, business, and operations center, with all production facilities relocated overseas. In 2024, the headquarters did not incur any losses related to environmental pollution.

4.4.2 Environmental Improvement Measures

1. The Company has obtained ISO 14001 Environmental Management System certification and continues to maintain it to ensure full compliance with all ISO 14001 requirements.
2. Each plant actively complies with local environmental regulations. For sites that have been subject to penalties, the Company has strengthened the maintenance of treatment facilities and monitoring equipment, as well as enhanced abnormal condition management.
3. In response to the expiration of 20 exemption items under the EU RoHS Annex III on July 21, 2024, the Company has established a reduction plan for 2024. For existing materials, a review was conducted through the Green Product Management (GPM) system, confirming that none of the 20 exemption items are in use. For new materials, beginning March 15, 2024, the GPM system was updated to prevent suppliers from selecting these 20 exemption items, ensuring that future materials will also comply.

4.4.3 Estimated Current and Future Environmental Costs

In 2024, the Company's environmental management expenditures—including R&D on pollution prevention, investments in pollution control equipment, pollution control activities, waste treatment, and ISO audits—totaled NT\$20,705 thousand across all plants.

4.5 Relations between Labors and Employers

4.5.1 The company implements and monitors various employee welfare measures, further education, training, and retirement systems. We also sign labor agreements and have various measures to protect employee rights and interests.

1. We've attached great importance to labor relations since the establishment of our company, which is why relations between laborers and employers have always been harmonious. In addition to promoting the concept of "harmony" in our business philosophy, we also use various communication channels to understand our employees' thoughts in our day-to-day work.
2. We believe that employees are the company's greatest assets and as such, we've established a comprehensive training system to help our employees continue furthering themselves. We hope our employees can gain more professional skills and added value, improve their performance, and help promote growth in our company.
3. We offer management, professional skills, quality, language, etc. Training through our internal training programs (including new employee training, group quality training, quality control training, fire drills, etc.), overseas training, on-the-job training, and e-learning. We also have an online library that provides books, journals, magazines, and other resources for self-study and further education.
4. Employees can communicate, via the employee suggestion box or E-mail, any questions or issues to their superiors, reducing miscommunication and any barriers. Our employee grievance system has been implemented for many years, which further enhances our communication channels.
5. Through employee satisfaction surveys, the Company assesses employees' needs and expectations and formulates improvement plans based on their feedback. These plans are implemented to effectively enhance employee satisfaction, improve the overall workplace atmosphere and productivity, and strengthen employee trust and loyalty toward the Company. The employee satisfaction survey for 2024 was conducted by the Human Resources Department, covering 1,067 employees with a participation rate of 52.1%. The overall satisfaction score reached 8.0 out of 10, with the highest score at 9.1 and the lowest at 7.2.
6. We've organized a robust welfare committee for employees with representatives elected internally. The committee convenes meetings regularly for any welfare measures or events.
7. In order to boost employee morale and retain excellent talent, the Company, based on the regulations of the Company Act, Securities Exchange Act, and Financial Holding Company Act, issues employee stock warrants or buys back treasury stock to transfer to employees at appropriate times. The goal is to align the interests of the employees with the Company, thereby strengthening employee motivation and enhancing the operational efficiency of the Company.
8. Retirement System: the Company handles retirement plans in accordance with the government's Labor Standards Act (Defined Benefit Plan under the Old Pension Scheme) and the Labor Pension Act (Defined Contribution Plan under the New Pension Scheme).
 - (1) Old Pension Scheme under the Labor Standards Act:
The Company contributes 15% of the total monthly salaries of employees covered by the old scheme to a retirement reserve fund. In 2024, the recognized contribution under the old scheme amounted to NT\$19,531,274, which is deposited with the Bank of Taiwan.
 - (2) New Pension Scheme under the Labor Pension Act:
The Company contributes 6% of employees' monthly salaries to their individual pension accounts managed by the Bureau of Labor Insurance. In 2024, the recognized contribution under the new scheme amounted to NT\$20,069,727.

4.5.2 Loss suffered from labor disputes in the latest Year and up to the date of the annual report printing: Labor relations are stable in the Kinpo group because we expect our employees to adhere to a corporate culture of Innovation, Harmony, and Transcend. This includes results of labor inspection that violate labor standards law items, with the Office Term, case number, violated laws and regulations, content, and measures. And reveal the present and possible future estimated Amount and measures, if it is impossible to estimate reasonably, an Explanation of the fact that it cannot be estimated reasonably should be provided.

1. Losses incurred due to labor disputes in the most recent year and as of the date of the annual report printing:
In the latest year and up to the date of the annual report's publication, the company has not experienced any significant labor disputes.
2. Estimated Amount of Possible Future Losses from Labor Disputes and Measures:
The Company always attaches importance to the welfare of our colleagues, and the Relations between Labors and Employers are harmonious. There have been no major labor disputes in the past two years or as of the date of the annual report printing, so there is no risk of related losses.

4.6 Information and Cybersecurity Management

4.6.1 Cybersecurity Risk Management Framework, Policy, Measures, and Resource Allocation

To ensure that the Company's operational information systems align with international information security management standards, the Company has implemented an Information Security Management System (ISMS) based on global standards. This system protects the confidentiality, integrity, availability, and continuity of information assets, reasonably reduces operational risks, and continuously evaluates and improves cybersecurity practices. The Company has also successfully passed annual cybersecurity audits conducted by major international clients to support the continued operation of its information systems.

In September 2024, the Company completed business continuity risk assessments, simulation exercises, and internal audits for operational information systems. In October 2024, it passed the BSI external audit for ISO 27001 certification renewal and was upgraded to ISO 27001:2022. Information security performance is reported annually to the Board of Directors, with the 2024 implementation status reported on April 2, 2025.

The following table outlines the Company's management measures:

Type of Cybersecurity Risk	Risk Description	Mitigation Measures
Email Fraud	Attackers impersonate legitimate organizations or businesses by sending deceptive emails to trick users into disclosing personal information, leading to fraud or other illegal activities.	1. Conducted a group-wide phishing simulation in 2024 with a 99.43% pass rate. 2. Ongoing cybersecurity awareness campaigns and training. 3. Issued updates on new attack methods and corresponding countermeasures.
Network Attacks	Cyberattacks pose direct threats to operations, including computer viruses, phishing, ransomware, and DDoS attacks.	1. Implemented access authorization control, firewalls, and intrusion detection/prevention systems. 2. Deployed application firewalls and DDoS protection to strengthen website defenses. 3. Conducted third-party penetration tests and regular vulnerability scans to identify and

Type of Cybersecurity Risk	Risk Description	Mitigation Measures
		patch risks in a timely manner. 4. Established system redundancy and data backup mechanisms to ensure uninterrupted operations.
Potential Cybersecurity Risks	Includes zero-day exploits, social engineering, supply chain attacks, and IoT-related attacks.	1. Built multi-layered defense and detection mechanisms, including next-generation antivirus across all endpoints. 2. Conducted regular antivirus and network threat scans across the group to identify and mitigate potential risks. 3. Enhanced network surveillance with site-level monitoring systems to detect and reduce cybersecurity threats.
AI Risks	Risks include data privacy breaches, deepfake scams, and AI-driven cyberattacks.	Strengthened AI security awareness to prevent the leakage of confidential company information and protect against social engineering attacks.

4.6.2 List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of the annual report printing. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained.

The Company had no significant information security incidents in 2024.

4.7 Major Contracts

Contract Type	Counterparty	Contract Period	Primary Content	Restrictions
Property Sale Agreement	Domestic and Foreign Companies	Within Contract Validity Period	Property Transaction	Confidentiality Clause
Lease Agreement	Domestic and Foreign Vendors	Within Contract Validity Period	Warehouse Leasing	Confidentiality Clause
IT Service and License Agreement	Domestic and Foreign Companies	Within Contract Validity Period	IT Services	Confidentiality Clause
Cloud Service Agreement	Domestic and Foreign Vendors	Within Contract Validity Period	Cloud Services	Confidentiality Clause

V. Review of Financial Status, Operating Results, and Risk Management

5.1 Financial Status

5.1.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	74,316,497	75,848,044	1,531,547	2.06
Property, Plant and Equipment (Note)	26,163,232	26,184,104	20,872	0.08
Intangible Assets	208,795	463,986	255,191	122.22
Other Assets	16,006,831	14,432,529	(1,574,302)	(9.84)
Total Assets	116,695,355	116,928,663	233,308	0.20
Current Liabilities	55,678,847	53,135,026	(2,543,821)	(4.57)
Noncurrent Liabilities	26,461,832	26,202,443	(259,389)	(0.98)
Total Liabilities	82,140,679	79,337,469	(2,803,210)	(3.41)
Share Capital	15,007,312	15,046,762	39,450	0.26
Capital Surplus	1,571,647	1,646,423	74,776	4.76
Retained Earnings	1,349,401	2,587,477	1,238,076	91.75
Other Equity Interests	3,763,349	4,425,780	662,431	17.60
Treasury Stock	(230,380)	(129,421)	100,959	43.82
Non-controlling Interests	13,093,347	14,014,173	920,826	7.03
Total Equity	34,554,676	37,591,194	3,036,518	8.79
Analysis of Differences Exceeding 20% and Reaching NT\$10 Million in the Recent Two Years:				
1. Intangible Assets: The increase was mainly due to additional purchases of computer software.				
2. Retained Earnings: The increase was mainly attributable to the increase in net income for the period.				
3. Treasury Stock: The change was mainly due to the transfer of treasury shares to employees				

Note: including right-of-use assets and investment property.

5.1.2 Material change in the Company's financial status during the past 2 fiscal years, the effect thereof and the measures to be taken in response

Based on the above analysis, it can be inferred that the material changes in the Company's financial status during the last 2 years were due to the effects of normal operating activities.

5.2 Financial Performance

5.2.1 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Operating Revenue	159,757,214	164,405,392	4,648,178	2.91
Operating Costs	149,936,416	154,122,741	4,186,325	2.79
Gross Profit	9,820,798	10,282,651	461,853	4.70
Operating Expenses	6,820,676	5,932,819	(887,857)	(13.02)
Net Operating Income	3,000,122	4,349,832	1,349,710	44.99
Non-operating Income and Expenses	(1,836,355)	(1,257,624)	578,731	31.52
Income (Loss) before Income Tax	1,163,767	3,092,208	1,928,441	165.71
Total Tax Expense	335,152	697,574	362,422	108.14
Net Income (Loss)	828,615	2,394,634	1,566,019	188.99
Other Comprehensive Income (Net of Income Tax)	2,483,618	956,675	(1,526,943)	(61.48)
Total Comprehensive Income (Loss)	3,312,233	3,351,309	39,076	1.18
Profit (Loss) Attributable to Owners of Parent	751,037	1,646,423	895,386	119.22
Total Comprehensive Income (Loss) Attributable to Owners of Parent	3,157,952	2,322,145	(835,807)	(26.47)

Analysis of Differences Exceeding 20% in the Recent Two Years:

1. Net Operating Income, Income (Loss) before Income Tax, Net Income (Loss), and Profit (Loss) Attributable to Owners of Parent: The increase was mainly due to higher operating revenue and lower operating expenses in the current year.
2. Non-operating Income and Expenses: The variation was mainly due to a decrease in financial costs, a decrease in investment income recognized under the equity method, and the impact of exchange rate fluctuations.
3. Total Tax Expense: The change was primarily due to the remeasurement of deferred tax assets and liabilities in response to amendments to the tax law.
4. Other Comprehensive Income (Net of Income Tax) and Total Comprehensive Income (Loss) Attributable to Owners of Parent: The decrease was mainly due to a reduction in unrealized gains (losses) on financial assets measured at fair value through other comprehensive income during the year.

5.2.2 Forecast Sales Volume and Basis, Potential Impact on the Company's Future Financial and Business Performance, and Response Plans

Looking ahead to 2025, although the global economic environment remains full of uncertainty and variables—especially with Trump's return and the implementation of "America First" executive orders and policy changes—these developments will likely cause divergent shifts in global industries, societies, and political-economic environments, thereby significantly impacting corporate operations. However, for the Kinpo Group, these challenges and risks also represent numerous opportunities. With production bases in seven countries worldwide—beyond Brazil and Mexico in the Americas, Kinpo has facilities in San Diego on the West Coast of the U.S., in addition to partners on the East Coast—we hold a distinct advantage in localized operations. This allows us to offer rapid, flexible, and diverse strategies tailored to different customers' production base requirements.

In response to business growth and future investment needs, the Company will formulate appropriate strategies based on market and customer demand.

5.3 Cash Flow

5.3.1 Analysis of cash flow for 2024

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash from Operating Activities	Net Cash Used in Investing and Financing Activities over the Year (Note)	Cash Surplus (Deficit)	Remedy for Liquidity Shortfall	
				Investment Plans	Financing Plans
16,866,858	4,461,235	(12,926,086)	8,402,007	N/A	N/A

Note: Including the effect of exchange rate changes on cash and cash equivalents.

Analysis of cash flow change of the year:

1. Operating activities: The net cash outflow from operating activities in the current year is mainly due to the cash outflow of assets and liabilities related to operations in the current period.
2. Investing activities: The net cash outflow from investing activities in the current year was mainly due to capital expenditures and increase in investments accounted for using the equity method.
3. Financing Activities: The net cash outflow from financing activities in the current year was mainly due to the decrease in short-term borrowings.

5.3.2 Corrective measures to be taken in response to illiquidity

There was no cash illiquidity.

5.3.3 Cash flow projection for next year

Unit: NT\$ thousands

Cash and Cash Equivalents, End of Year	Anticipated Net Cash from Operating Activities	Net Cash Used in Investing and Financing Activities over the Year	Anticipated Cash Surplus (Deficit)	Remedy for Liquidity Shortfall	
				Investment Plans	Financing Plans
8,402,007	6,104,640	(2,486,455)	12,020,192	N/A	N/A

5.4 Major Capital Expenditure Items and Impact on Finance and Business in the Recent Year

5.4.1 Funding source and Usage of Major Capital Expenditure

Unit: NT\$ thousands

Plan	Actual or expected funding source	Actual or expected date of completion	Total funds needed	Actual or expected spending of 2024
Acquisition of property, plant and equipment	Own funds Bank loans	2024	1,995,953	1,995,953

Note: If it is expected that the cost of capital and associated policies with debt and equity financing would have major change, explanation is required.

5.4.2 Expected benefit

The above capital expenditures were made in line with the needs of the Company's business growth and procurement of related machinery and equipment for production capacity in order to improve production efficiency.

5.5 Investment Policy in the Most Recent Fiscal Year, Primary Causes of Profit or Loss, Improvement Plan, and Investment Plan for the Coming Year

The long-term investment strategy will focus on products related to the core business and technologies driven by customer demand, pursuing strategic investments such as product extensions. In 2024, the Company recognized a loss of NT\$121 million under the equity method. In addition to expanding the core business, the Company will also seek opportunities for vertical and horizontal integration to continuously enhance overall competitiveness and profitability.

5.6 Risk Management in the Recent Year as of the Publication Date of this Annual Report

5.6.1 Risks Associated with Interest Rate and Exchange Rate Fluctuation, and Inflation

1. According to the interest rate dot plot released by the U.S. Federal Reserve (FED) in March 2025, two rate cuts totaling 50 basis points are expected for the year. At the same time, the FED revised downward its U.S. economic growth forecast and raised its inflation outlook. As a result, the market anticipates an increased risk of stagflation, and the interest rate spread between the U.S. and Taiwan is expected to remain at a certain level. This situation may increase the Group's funding costs and impact the profitability of import and export operations. To address this challenge, the Group plans to mitigate the interest rate spread impact by shifting toward lower-interest borrowings and allocating idle funds to financial institutions with strong credit ratings to ensure capital safety and pursue stable returns.
2. In 2025, global geopolitical uncertainty is expected to intensify due to newly elected U.S. President Trump's adoption of aggressive unilateralism. The unclear direction of U.S. trade tariff policies will make inflation, interest rates, and exchange rate trends more difficult to predict. To mitigate external risks, the Group will closely monitor developments in various countries and dynamically adjust its interest rate and foreign exchange hedging strategies. Proactive contingency planning will be carried out to minimize the impact of external uncertainties.
3. The Company primarily focuses on export sales, and fluctuations in exchange rates have a significant impact on its profit and loss. In 2024, the consolidated exchange losses on financial assets and liabilities measured at fair value through profit or loss—including forward foreign exchange contracts and exchange gains—amounted to NT\$(485,275) thousand, representing approximately (0.30)% of operating revenue and (11.16)% of operating profit. In addition to mitigating exchange rate risks through natural hedging for foreign currency-denominated assets and liabilities, the Company also adopts spot and forward foreign exchange contracts based on prevailing exchange rate trends to manage exchange risks and makes timely adjustments in response to exchange rate fluctuations to mitigate related risks.
4. The Company will pay close attention to fluctuation in interest rate and exchange rate levels, inflation, and the resulting business impact, and adapt to changes in time.

5.6.2 Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions:

1. The Company has implemented prudent evaluation and management practices in formulating its policies regarding lending and endorsements/ guarantees for others, all in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau, including "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Other Parties," and "Procedures for Endorsement and Guarantee".
2. The Company's transaction involving derivatives is pursuant to the "Policies and Procedures for Financial Derivative Transactions." Regarding assets and liabilities denominated in non-functional currencies, natural hedging is practiced to reduce risks. Net position, or the difference between assets and liabilities, is hedged through spot exchange and forward exchange; therefore the impact on gains/losses is limited and manageable.

5.6.3 Future R&D Plans and Estimated R&D Expenditures

1. In response to the transition to net-zero emissions and smart manufacturing trends, the Company's future R&D strategy will focus on deepening high value-added ODM capabilities and integrating sustainable innovation with digital technologies to enhance competitiveness in green energy, smart applications, and climate resilience solutions.
2. R&D efforts will not only focus on continued optimization of core technologies but will also actively expand into key application technologies such as charging pile ODM, AI computing, advanced semiconductor design, next-generation networking, smart surveillance, and cybersecurity. These initiatives aim to improve energy efficiency, reduce carbon footprint, and meet market demand and global sustainability standards.
3. The Company will continue to assess the environmental and social benefits of its R&D projects based on GRI 3-3 (Material Topics) and ISSB S2 (Climate-related Disclosures) standards. Through robust R&D governance, the Company will strengthen transparency and risk control in resource allocation, ensuring alignment between technological innovation and sustainable operations.
4. In 2025, the Company plans to invest approximately NT\$2.581 billion in R&D, establishing a solid foundation for long-term value creation and net-zero transformation.

5.6.4 Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations and Response Measures

With the rapid evolution of global sustainability disclosure regulations—including the EU's Corporate Sustainability Reporting Directive (CSRD), the U.S. SEC's draft climate disclosure rules, and the formal release of IFRS S1 (General Sustainability-related Disclosures) and S2 (Climate-related Disclosures)—companies must accelerate the development of cross-functional disclosure capabilities to meet standardized and financially-linked sustainability reporting requirements. Taiwan's FSC and TWSE are also promoting enhanced sustainability disclosure rules, cybersecurity supervision mechanisms, supply chain responsibility systems, and climate policies such as carbon fees. These changes may impact the Company's financial performance, governance, and risk management.

The Company's response strategies include:

1. Adopting IFRS S1/S2 principles to conduct risk and opportunity assessments, identifying the potential impacts of climate and sustainability issues on financial statement items, and improving the quality of disclosures linked to corporate value.
2. Establishing a governance framework for sustainability disclosures and a cross-departmental data integration process to strengthen data consistency and auditability, enhancing the Company's ability to comply with multiple standards (GRI, TCFD, ISSB).
3. Monitoring major regulatory changes domestically and internationally (e.g., carbon fees, emissions inventories) and reporting regularly to the Board of Directors and senior management.
4. Improving operational risk alert mechanisms and capital expenditure adjustment flexibility to ensure financial strategies can quickly respond to physical and transitional risks brought by policy changes.

Through these measures, the Company not only mitigates potential impacts from regulatory changes but also progressively enhances its sustainability information management capabilities and market credibility, supporting sound operations and improved communication with capital markets.

5.6.5 Impact of Technological Changes (Including Information Security Risks) and Industry Transformation on the Company's Financial and Business Operations, and Response Measures

The rapid advancement of technology and restructuring of industry have become critical factors affecting corporate financial performance and operations. Technologies such as artificial intelligence (AI), cloud computing, automation, and generative AI continue to transform manufacturing and service models, compress product life cycles, and reshape customer behavior and value chains. At the same time, cybersecurity risks are escalating, posing challenges to operational stability, financial performance, and corporate reputation.

The Company's response strategies are as follows:

1. Promote smart and green manufacturing by introducing AI and automation technologies to enhance efficiency and product value, thereby stabilizing the revenue structure.
2. Strengthen cybersecurity governance and compliance mechanisms by establishing an ISO 27001-based information security management system that encompasses system security, access control, and audit mechanisms.
3. Establish cybersecurity risk alert and response systems to enhance real-time incident response capabilities at critical operational sites and supply chain endpoints.
4. Evaluate the risks and opportunities associated with generative AI applications, ensuring that innovation benefits are balanced with compliance risks so that innovation and compliance proceed in parallel.
5. Adjust capital expenditure strategies to optimize financial risk management and resource allocation flexibility for new technology adoption.

The Company will continue to monitor technological and industry trends, reinforce risk-based management thinking, and align strategic resource deployment to enhance adaptability to environmental changes and financial resilience, ensuring that innovation and stable operations go hand in hand.

5.6.6 Impact of Corporate Image Shifts on Crisis Management and Response Measures

In today's highly connected digital age, corporate image is a vital component of a company's intangible assets. It directly affects the speed of response to unexpected incidents, stakeholder trust, and capital market reactions. Especially as ESG performance, labor rights, information security, and supply chain transparency draw increasing scrutiny, any damage to corporate image may quickly escalate into reputational risk and systemic operational challenges.

The Company places high importance on brand trust and social recognition, regarding corporate image as an integral part of risk governance and sustainable management. The following strategic measures have been adopted:

1. Regular monitoring of media and social media sentiment trends to enhance early warning mechanisms and responsiveness to potential negative information.
2. Strengthening stakeholder communication by enhancing transparency and social acceptance through multiple channels.
3. Continuously promoting a culture of business ethics and integrity by implementing internal policies and employee training to reduce the likelihood of risk occurrence.

The Company will continue to enhance its overall reputation management capabilities to reinforce market confidence and maintain the foundation for sustainable operations.

5.6.7 Expected Benefits, Potential Risks, and Response Measures of Mergers and Acquisitions

As of the date of this annual report, the Company did not undertake any mergers or acquisitions in 2024 or 2025; there are no disclosures related to this matter.

5.6.8 Expected Benefits, Potential Risks, and Response Measures of Plant Expansion

To meet the growing demands of global customers and to support its regional manufacturing strategy, the Company has added one new plant area and four new plants in Thailand. One of these facilities began mass production in the first quarter of 2025, incorporating AI technology to promote unmanned manufacturing and improve production intelligence and operational efficiency. In addition, a new plant was established in São Paulo, Brazil, which is scheduled to begin mass production in April 2025. The San Diego plant area in the United States is also undergoing expansion and is expected to begin operations in August 2025, enhancing local delivery capabilities and project flexibility. This capacity expansion is expected to significantly strengthen production for key product lines, such as automotive electronics, storage devices, and servers, enhancing supply chain resilience and delivery flexibility. In the short term, the Company must address challenges such as upfront capital expenditures and the maturation of local talent and supply chain support. The Company has adopted a phased construction strategy and reinforced collaboration between headquarters and local teams to steadily promote smart manufacturing upgrades and global capacity optimization.

5.6.9 Risks and Response Measures Regarding Purchase or Sales Concentration

1. Sales: The Company's primary customers are internationally renowned consumer electronics brands. Although the customer mix may change during the year, sales remain highly diversified. The Company has implemented a credit evaluation and control mechanism, under which shipments are halted in the event of abnormal credit conditions to control accounts receivable risk. Given that the main customers maintain good credit and stable growth, the concentration risk is considered low and has no significant adverse impact on the Company's operations.
2. Procurement: The Company mainly adopts an outsourced manufacturing model, with major procurement from overseas subsidiaries in which it holds more than 50% equity. The Company has implemented comprehensive monitoring mechanisms for its subsidiaries, covering finance, operations, and risk management, to ensure stable supply and reduce dependency risk. Evaluation results indicate no significant concentration risk.

5.6.10 Impact, Risk, and Response Measures Regarding Significant Share Transfers or Changes in Shareholding by Directors, Supervisors, or Shareholders Holding Over 10%: None.

5.6.11 Impact, Risk, and Response Measures Regarding Changes in Control of the Company: None.

5.6.12 Litigation or Non-Litigation Matters

1. The Company: There are no concluded or pending major lawsuits, non-litigation, or administrative disputes that may significantly impact shareholder rights or the price of securities.
2. Company Directors, the President, Responsible Persons, or Major Shareholders Holding Over 10%: None.

5.6.13 Other Major Risks and Response Measures

In 2025, systemic global risks remain elevated, including geopolitical conflicts (e.g., Russia–Ukraine war, U.S.–China relations), extreme climate events, AI ethics and governance risks, cyberattacks, economic fragility, and declining social trust. A potential return of U.S. tariff policies and restrictions on global shipping may increase cross-border operational costs, posing pressure on export-oriented industries.

The Company continues to strengthen governance through its Enterprise Risk Management (ERM) mechanism and Risk Management Committee. Key measures include:

1. Enhancing cross-departmental risk monitoring and reporting mechanisms to ensure real-time responsiveness to emergencies.
2. Strengthening cybersecurity protections and building operational resilience through offsite backup and business continuity recovery plans.
3. Implementing AI risk assessments and self-regulation policies to prevent misuse of technology and mitigate governance gaps.
4. Identifying and disclosing climate risks based on the TCFD framework to assess the impact of extreme weather events on operations, assets, and the supply chain.
5. Establishing financial and market early warning mechanisms to closely monitor inflation, exchange rate fluctuations, and tariff changes.

The Company will continue to optimize its risk governance capabilities, enhance resilience and responsiveness, and steadily advance its sustainable management objectives.

5.7 Other Important Matters: None.

VI. Special Disclosure

6.1 Information of Affiliates

For the Company's most recent year affiliate financial reports (three specified documents), please refer to Market Observation Post System (MOPS) website using stock code 2312.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.2 Private placement of securities in the last year up until the publication date of annual report: None.

6.3 Company shares held or disposed by subsidiaries in the most recent year: None

6.4 Other Necessary Matters to be Supplemented and Explained: None.

6.5 If any event, which has a material impact on shareholders' rights and interests or securities prices as prescribed in Article 36-3-2 of the Securities and Exchange Act has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such matters shall be listed in clarity: None.



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