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FIT Holding Co., Ltd.

**2024**  
**Annual Report**

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The company's URL <http://www.fit-holding.com>

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- V. Name of the trading place where overseas securities are listed for trading, and inquiry method of the information of overseas securities:  
The Company has no overseas securities listed for trading as of the date of publication.
- VI. Company website: www.fit-holding.com

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## I. Report to Shareholders

The consolidated operating income of the Company in 2024 was NT\$26,903,862 thousand, an increase of 54.42% compared with NT\$17,423,002 thousand in 2023. The net profit after tax attributable to the parent company in 2024 was NT\$ 1,124,070 thousand, with earnings per share after tax of NT\$4.56, an increase of 97.93% from the \$2.31 earnings per share and NT\$567,916 thousand net profit after tax attributable to the parent company in 2023. The significant revenue growth is attributed to the recognition of income from FOXWELL Energy Co.'s offshore engineering projects according to schedule, along with rising demand for new orders from Foxlink's customers. Consequently, the Group's revenue and profit have grown compared to the previous year. We would like to express our gratitude to all employees for their hard work and dedication and to all shareholders for their contributions and support over the past year.

The descriptions of the business development of each important subsidiary of the Group are as follows: Foxlink Image will focus on the R&D and production of scanners and automatic paper feeders for major manufacturers in the world, and will develop higher-end and low-cost products to obtain more orders from customers and increase profitability. Glory Science transform to develop optical communication products and other special applications, which is expected to get them out of the red. Power Quotient's continues to focus its own brand on 3C peripheral products while initiating plans to develop AI application-related products.

The Group's key strategic growth remains focused on the areas of “clean energy” and “energy saving and carbon reduction”. The Company is actively expanding its presence in the clean energy sector. At present, Shih Fong Power is in charge of hydropower, Shinfox Energy is in charge of land wind power and solar power plant development, turnkey projects, and maintenance, creating a comprehensive “one-stop integrated solution”; Foxwell Energy Corporation Ltd. is in charge of offshore wind power and solar power plant investment, development, and operation; Shinfox Natural Gas Co., Ltd. has obtained its import permit for liquefied natural gas (LNG) to reduce air pollution and serve as a cleaner alternative fuel, and the supply operations of the first batch of imported natural gas were completed by the end of August 2021; Foxwell Power Co., Ltd. has obtained a renewable energy retail electricity license to provide green power trading and integrates energy-saving services and power services (such as energy storage systems), forming a comprehensive energy service platform through e-commerce; Jiuwei Power Co., Ltd.'s main business is the development, construction, and operation of natural gas power plants; Yuanshan Forest Natural Resources Co., Ltd. focuses on the development of “carbon capture and storage technology”, which is part of the Group's efforts toward advanced planning in response to climate change; Foxwell Certification Co., Ltd. was established to provide professional carbon footprint verification and auditing services, completing the Group’s green energy platform service to achieve its goal of sustainability.

The Company will thrive on a stable basis and create greater profits for shareholders. Therefore, we need to be prepared to face challenges and solve problems, so as to ensure the growth of the Company's revenue and profit. Lastly, I hope that all shareholders can continue to support and encourage the company, and I wish all shareholders the best of everything.

# I. 2024 Business Results

## (I) Business Plan Implementation Results

Unit: NT\$ thousand

Item	2024	2023	Growth rate
Operating income	26,903,862	17,423,002	54.42%
Operating cost	23,277,055	15,145,984	53.68%
Operating margin	3,626,807	2,277,018	59.28%
Operating expenses	1,860,909	1,378,220	35.02%
Net other income (expenses)	0	118,111	(100%)
Operating profit	1,765,898	1,016,909	73.65%
Non-operating income and expenses	184,489	85,102	116.79%
Net profit before tax	1,950,387	1,102,011	76.98%
Net profit for the period	1,418,732	893,879	58.72%
Net profit attributable to the parent company	1,124,070	567,916	97.93%

## (II) Budget Implementation Status

The company did not prepare the 2024 financial forecast, so this is not applicable.

## (III) Financial Income and Expenditure Status

Unit: NT\$ thousand

Item	2024	2023	Amount of Change
Net cash inflow(outflow) from operating activities	(2,651,576)	(5,161,915)	2,510,339
Net cash inflow(outflow) from investing activities	(12,226,477)	(1,799,005)	(10,427,472)
Net cash inflow(outflow) from financing activities	15,775,829	8,166,220	7,609,609

## (IV) Profitability Analysis

Year		2024	2023
Return on assets (%)		3.43	2.75
Return on shareholders' equity (%)		7.74	5.69
Percentage of paid-in capital (%)	Operating profit	71.71	41.30
	Net profit before tax	79.21	44.75
Net profit rate (%)		5.27	5.13
Basic earnings per share (NT\$) (Note)		4.56	2.31

Note: The ratios above are based on the figures in the consolidated financial statements, and the earnings per share are calculated based on the number of shares after retrospective adjustment.

## (V) R&D Status

### 【3C Components】

1. Lens-type optical components, sensing optical components.
2. Optical design and patent creation of micro products (AR lens/micro-projection).
3. Optical design and development capability and patent construction for optical

communication modules.

4. High-precision mold development and application of new product material technologies for optical communication.
5. Introduction/Efficiency and yield improvement of optical communication module production process technology.
6. Capability and automation construction of optical module production and testing equipment.
7. Application and cooperative development of other optical products.

### 【3C Retail and Peripheral Products】

1. According to the regulations of the European Parliament, 13 specific categories of radio equipment to be sold in the European Union in the future must be equipped with USB-C as the unified wired charging port standard and USB PD as the unified fast charging protocol. With the first phase implemented in 2024, iPhone series products were impacted the most, as USB-C replaced the previously used Lightning charging port, making USB-C the sole charging standard for small- and medium-sized consumer electronic devices. The second phase is expected to take effect in 2026, requiring laptops to use USB-C as the unified charging receptacle. Beyond unifying the USB-C hardware receptacle, USB IF has introduced USB-C fast charging protocols with support for charging power up to 240W. This allows electronic devices that comply with these protocols to charge faster and have a wider range of applications, successfully including high-wattage products like laptops. In the second half of 2025, more diverse design elements are expected to be incorporated into consumer electronics, further diversifying the USB-C charging ecosystem. Power adapters for laptops are expected to become a standalone product line in 2025.
2. Wireless magnetic charging has become an alternative charging option for iPhone and Android phones beyond wired charging. There are currently two major technological camps and certifications for wireless charging. They are applicable to Apple's MagSafe for iPhone and WPC's Qi for Android phones. The Qi2 standard introduced by WPC in 2024 incorporated magnetic attachment, making the two wireless charging methods nearly indistinguishable. It is estimated that in 2025, wireless charging will become more cost-effective as user adoption increases, creating a positive feedback loop that will encourage more users to consider Qi2 products.
3. As iPhone and several non-Apple Android phone manufacturers removed the traditional headphone jack from their devices, demand for TWS (True Wireless Stereo) Bluetooth earphones has surged. Competition among TWS earphone products has shifted from wired vs. wireless to a competition over value-added features. TWS has benefited from being free of wired limitations, expanding its usage scenarios and applications. Besides providing consumers with more product choices, manufacturers need to introduce more product features to attract consumer interest.
- 4.

### 【Energy Service Management】

1. Developing renewable energy and clean energy markets.
2. The project contracting business of power plants and improvement of the operation efficiency of power plant maintenance.

### 【System and Peripheral Products】

1. Participating in the development process of customers' new products to providing customers with various solutions and technical support.
2. We are also actively striving to cultivate R&D talents across the strait, including talents of software, firmware, optics, electronics and institutions, strengthening on-the-job training, and enriching the capability of the R&D team.

3. Continuing to develop related products such as digital imaging and automatic paper feeder modules and actively investing in mold development to increase the company's core mold technology and enhance mold competitiveness to strengthen one-stop service to customers.
4. Establishing a complete testing centers in Taiwan, Dongguan Qingxi and Shandong Weihai to provide rapid testing and verification services during the R&D phase, as well as rapid support and improved product design quality.
5. To promote the control of prohibited substances, lead-free products, record and control carbon emissions, and to develop materials and products that meet environmental protection requirements. Paying close attention to environmental requirements and restrictions in different countries.
6. Committed to bridging the gaps in the world of conservation and continuing to promote ESG sustainability.

## II. Summary of 2025 Business Plan

### (I) Business Policy

After the establishment of the Company, Glory Science Co., Ltd., Power Quotient International and Foxlink Image Technology can further strengthen the advantages in their respective professional fields; later, Shifeng Power and Shinfox Energy will get on board to get a foothold in the energy service field. Under the complementary resource sharing and full cooperation of marketing, procurement and R&D, each company's resources are integrated to give full play to the advantage of integrated marketing. After the vertical integration between upstream and downstream products, the scale of operations will be expanded to increase economic benefits and improve overall operating performance and competitiveness, thereby increasing the future room for growth between each other. At the same time, commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging businesses can be obtained to provide customers with quality, efficient and comprehensive services so as to create the company's best operating performance and seek the maximum profit for shareholders.

The company assists in the integration of resources within the Group so that each business entity can focus on its business while taking into account the flexibility and efficiency of its independent operation and development and improving the efficiency of the corporate division of labor.

### (II) Expected Sales Volume and Its Basis

The Group's products are mainly consumer electronics and engineering business, power plant investment and energy services. With the active expansion of customer base, new product development and renewable energy development, it is expected that each business will grow stably.

### (III) Important Production and Marketing Policies

The Group will enhance its internal management capabilities to reduce various production costs, continue to expand production capacity, actively cultivate talents, strengthen employee training, make good use of group resources, as well as provide customers with the best service and technical resources and establish a good cooperative relationship with customers, in order to achieve a win-win goal.

## III. Future Company Development Strategy

The subsidiaries of the Group have strengthened each other's advantages in their respective professional fields. Under the complementary resource sharing and full cooperation of marketing, procurement and R&D, the resources of each company are integrated to give full play to the advantage of integrated marketing. After the vertical integration between upstream and downstream products, the scale of operations will be expanded to increase



economic benefits and improve overall operating performance and competitiveness, thereby increasing the room for future growth between each other. At the same time, commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging businesses can be obtained to provide customers with quality, efficient and comprehensive services.

#### IV. Impact of External Competition Environment, Legal Environment and Overall Business Environment

Faced with the rapidly changing industry and operating environment, the Group will further implement business management, improve operating efficiency, and respond to the company's operations with a more positive attitude and service. In addition to continuing to control fixed marketing costs, the Group will also use its relevant resources to develop and produce products to strengthen its cost competitiveness and timeliness. In the meantime, the company will integrate the technical guidance of the Group to develop forward-looking products, strengthen product differentiation and enhance competitiveness. Green energy is supported by current policies and regulations and will bring a greater vision to the FIT Holding Group.

Responsible person: T.C.Gou    Managerial Officer: Wilson Hu    Chief Accounting Officer: Kufn Lin

## II. Corporate Governance Report

### I. Information of Directors, President, Vice Presidents, Senior Managers and Heads of Various Departments and Branches

#### (I) Directors and Supervisors

##### Information of Directors (I)

March 30, 2025

Unit: Share

Job title	Nationality or place of registration	Name	Gender Age	Appointment (taking office) Date	Term of office	First appointment Date	Appointed Shareholding		Current Shareholding		Shareholding of spouse and minor children		Shareholdings in the names of other people		Major work experience (education background)	Positions at the company and other companies concurrently held	Other managers, directors or supervisors with a spouse or second degree of kinship			Remarks
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Chairman of the board	Republic of China	Foxlink International Investment Co., Ltd.	-	June 17, 2022	3 years	June 19, 2018	58,303,464	23.68%	58,303,464	23.68%	0	0%	0	0%	None	None	None	None	None	None
	Republic of China	T.C. Gou (note 1)	Male 71-75	June 17, 2022	3 years	June 19, 2018	0	0%	0	0%	0	0%	0	0%	Department of Law, Chung Hsing University President of Hon Hai Precision Industry Co., Ltd.	Note5	None	None	None	None
Director	Republic of China	Foxlink International Investment Co., Ltd.	-	June 17, 2022	3 years	June 19, 2018	58,303,464	23.68%	58,303,464	23.68%	0	0.00%	0	0.00%	None	None	None	None	None	None
	Republic of China	Kufn Lin (note 1)	Male 61-70	June 17, 2022	3 years	June 19, 2018	6,310	0%	6,310	0%	0	0.00%	0	0.00%	Department of Accounting, Fu Jen Catholic University Special Assistant to the Chairman's Office of Cheng Uei Precision Industry Co., Ltd.	Note 5	None	None	None	None
Director	Republic of China	Hsin Hung International Investment Co., Ltd.	-	June 17, 2022	3 years	June 17, 2022	5,419,329	2.20%	5,419,329	2.20%	0	0%	0	0%	None	None	None	None	None	None
	Republic of China	Jeffrey Cheng (note 2)	Male 61-70	June 17, 2022	3 years	June 21, 2019	0	0%	0	0%	0	0%	0	0%	Department of Foreign Languages, National Taiwan University (Evening Class) Vice President of Cheng Uei Precision Industry Co., Ltd.	Note 5	None	None	None	None
Director	Republic of China	Hsin Hung International Investment Co., Ltd.	-	June 17, 2022	3 years	June 17, 2022	5,419,329	2.20%	5,419,329	2.20%	0	0.00%	0	0.00%	None	None	None	None	None	None
	Singapore	Hwee Kian Lim (note 2)	Female 51-60	June 17, 2022	3 years	December 16, 2019	281,851	0.11%	281,851	0.11%	0	0.00%	0	0.00%	Department of Mechanical Engineering, Nanyang Technological University President, Foxlink Image Technology Co., Ltd.	Note 5	None	None	None	None

Job title	Nationality or place of registration	Name	Gender Age	Appointment (taking office) Date	Term of office	First appointment Date	Appointed Shareholding		Current Shareholding		Shareholding of spouse and minor children		Shareholdings in the names of other people		Major work experience (education background)	Positions at the company and other companies concurrently held	Other managers, directors or supervisors with a spouse or second degree of kinship			Remarks
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Director	Republic of China	Foxlink Taiwan Investment Co., Ltd.	-	June 17, 2022	3 years	June 17, 2022	2,771,276	1.13%	2,771,276	1.13%	0	0.00%	0	0.00%	None	None	None	None	None	None
	Republic of China	Wilson Hu (Note 3)	Male 51-60	June 17, 2022	3 years	June 21, 2019	0	0%	0	0%	0	0.00%	0	0.00%	M.S. in Information Management, National Taiwan University President and Director, Shinfox Energy Co., Ltd. Chairman, Foxwell Energy Co., Ltd. Standing Supervisor, Taiwan Electrical and Electronic Manufacturers' Association Standing Director, Association of National Tsing Hua University Alumni Director, Friends of the Police Association of the Republic of China	Note 5	None	None	None	None
Director	Republic of China	Foxlink Taiwan Investment Co., Ltd.	-	June 17, 2022	3 years	June 17, 2022	2,771,276	1.13%	2,771,276	1.13%	0	0.00%	0	0.00%	None	None	None	None	None	None
	Republic of China	Semi Wang (Note 3)	Male 61-70	June 17, 2022	3 years	June 29, 2020	0	0%	0	0%	0	0.00%	0	0.00%	MBA, University of Leicester, UK President and Vice Chairman of NexPower Optoelectronics Co., Ltd.	Note 5	None	None	None	None
Independent Director	Republic of China	Ralph Chen	Male 61-70	June 17, 2022	3 years	June 21, 2019	0	0%	0	0%	0	0.00%	0	0.00%	Department of Accounting, Tunghai University CPA of Shangjin Certified Public Accountants	Note 5	None	None	None	None
Independent Director	Republic of China	Cheng-Rong Chiang	Male 71-75	June 17, 2022	3 years	June 21, 2019	0	0%	0	0%	0	0.00%	0	0.00%	Master's of Business Administration, National Chengchi University PhD in Business Administration, University of Maryland, USA Chairman of the Taiwan Environmental Protection Equipment Industry Association, Minister of the "Domestic Environmental Protection Equipment Quality Certification Review Committee" of the Industrial Bureau of the Ministry of Economic Affairs Independent Director, HONY TECHNOLOGY CORPORATION, LTD. Independent Director, Chen Full International Co., Ltd. Independent Director, Glory Science Co., Ltd. Independent Director, Sampo Corporation	Note 5	None	None	None	None

Independent Director	Republic of China	Hong Te Lu (Note 4)	Male 61-70	May 27, 2024	3 years	May 27, 2024	0	0%	0	0%	0	0.00%	0	0.00%	Doctor of Marketing, Graduate Institute of Business Administration, National Taiwan University Master of Business Administration, College of Management, Graduate Institute of Business Administration, National Taiwan University Consultant, Taiwan's Straits Exchange Foundation Consultant, Mainland China Committee, Taiwan Electrical and Electronic Manufacturers' Association	Note 5	None	None	None	None
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Note 1: Legal representative of Foxlink International Investment Ltd.

Note 2: Legal representative of Hsin Hung International Investment Co., Ltd.

Note 3: Legal representative of Foxlink Taiwan Industry Co., Ltd.

Note 4: Hong Te Lu was appointed as an independent director on May 27, 2024.

Note 5:

Directors:	Positions at the company and other companies concurrently held
T.C. Gou	Chairman of Cheng Uei Precision Industry Co., Ltd., Shinfox Energy Co., Ltd., Foxlink Image Technology Co., Ltd., Microlink Communications Inc., DU Precision Industry, Studio A Inc., Power Quotient International Co., Ltd., Hsin Hung International Investment, Foxlink International Investment, Central Motion Picture, Central Motion Picture Corporation, CMPC Cultural & Creative, CMPC Bade, CMPC Cultural City, CMPC International, Deepwaters Digital Support Corp Director of Central Motion Picture USA Corporation ,Luminys Systems Corp,WELL BENEFIT LIMITED, PILOT TIME LIMITED and REMARKABLE FIRST LIMITED
Kufn Lin	Director of Well Shin Technology Co., Ltd., Shinfox Energy Co., Ltd., Microlink Communications Inc., Darts Technologies, Studio A Inc., Foxwell Energy,Trinity Investment Corporation, Central Motion Picture, CMPC Cultural & Creative, CMPC International, Deepwaters Digital Support,Foxlink International Investment, Taifu International Investment, Fulian International Investment,Shinfox Natural Gas, Straight A, Jing Jing Technology,Shih Fong Power, Fu Uei Power,Ashop Co., Ltd., Changpin wind power Ltd., SHINFOX FAR EAST COMPANY PTE LTD., ACCU-IMAGE TECHNOLOGY LIMITED,CULINK International, New Start Industries, Foxlink Technology, Glory Tek (BVI), Glory Optics (BVI), Glory Tek (Samoa), Power Channel Limited, Foxlink Technical India Private Electric, Foxlink India Electric Private Limited, Sinobest Brothers, Foxlink Myanmar Company, Glorytek Science India Private Limited, Hong Kong Hualinde, Value Success Ltd., Capital Guardian Ltd.,CU INTERNATIONAL LTD.,FU QIANG ELECTRIC (MAANSHAN) CO.,LTD.,Foxlink Taiwan Industry International Co., Ltd., Eastern Rainbow Green Energy Environmental Technology Co., Ltd., CU INTERNATIONAL LTD., STUDIO A TECHNOLOGY LIMITED, LUMINYS SYSTEMS CORP., TEGNA ELECTRONICS PRIVATE LIMITED and SHINFOX ENERGY INTERNATIONAL INC. Chairman of VA Product, CMPC Management Consulting, Dachuan HsuanHsiu,Music, Fresh Air and Fu Uei International Investment Vice Chairman of Sharetronic Data Technology Co., Ltd. Special Assistant to the Chairman's Office of Cheng Uei Precision Industry Co., Ltd. Legal representative of Fuqiang Electric (Yancheng), Fugang Electric (Kunshan), Dongguan Fuqiang Electronics, Fugang Electric (Maanshan), Fuqiang Electric (Ma'anshan), Dongguan Fu Uei Electronics, Kunshan Fugang Electric, Kunshan Fugang Investment, Dong Guan Fu Zhang Precision Industry, Wei Hai Fu Kang Electric ,Dong Guan HanYang Computer,CULINK TIANJIN CO., LTD , FOXLINK ENERGY (TIANJIN) LTD., Glory Optics (Yancheng) Co., Ltd., Yancheng Yaowei, Suzhou Keyu Rui Automobile Technology Co., Ltd. , Glorytek (Suzhou) Co., Ltd., Glorytek (Yancheng) Co., Ltd., and Shanghai Fugang Electric
Jeffrey Cheng	Chairman of Jing Jing Technology, Jingsheng Technology and Ashop Co., Ltd. Director of VA Product International, Kunshan Fugang Electric Trading, Jingshi Hong Kong, Shanghai Fugang Electronic Trading, Kunshan Fu Shi You Trading, Sinocity Industries Limited, Shanghai Benchmarking Information and Straight A Limited. Legal representative of DG Lifestyle Store Limited. President of Studio A Inc., Studio A Hong Kong, Kunshan Fugang Electric Trading
Hwee Kian Lim	President of Foxlink Image Technology Co., Ltd. Director of Dongguan Fuwei, Dongguan Fuzhang and Weihai Fukang
Semi Wang	Chairman of Minghsing Creative Management Consulting Company, Independent Director of KYEC, Independent Director of Creative Sensor Inc., Director of Taiwan Electrical and Electronic Manufacturers' Association
Wilson Hu	President and Director of Shinfox Energy Co., Ltd. Chairman of Shih Fong Power Co., Ltd.,FOXWELL ENERGY CORPORATION LTD., FOXWELL Power Co., Ltd., SHINFOX NATURAL GAS CO.,LTD., Jiuwei Power

	Co., Ltd. Yuanshan Forest Natural Resources Co., Ltd., Elegant Energy TECH Co., Ltd., Changpin wind power Ltd., Kuan Wei Power Co., Ltd., Shinwei Power Co., Ltd., JuneWei Power Co., Ltd., Eastern Rainbow Green Energy Environmental Technology Co., Ltd and Taiwan Shinfox Far East Company Pte Ltd., Youde Wind Power Co., Ltd., Ubilink.AI Co., Ltd. Director of SFI ELECTRONICS TECHNOLOGY INC.,Unicon Optical Co., Ltd. and SHINFOX FAR EAST COMPANY PTE LTD., APEX Wind Power Equipment Manufacturing Co., Ltd., Good Will Instrument Co.,Ltd., Sfe Hercules Company Corporation Legal representative of Kunshan Jiuwei Info Tech, FOX NAM ENERGY CO., LTD and CHENGDU XINFUWEI ENERGY CO., LTD. Independent Director of Gudeng Precision Co., Ltd. and EBM Technologies Incorporated Supervisor of Paul Hsu and Partners Co., Ltd.
Ralph Chen	Certified Public Accountant of Shangjin Certified Public Accountants, Independent Director of Ruibao Gene Co., Ltd., and Independent Director of TungThih Electronic Co., Ltd.
Cheng-Rong Chiang	Chairman and President of Taiwan-Asahi Environmental Technology Co., Ltd., Chairman and President of Diamond Technical & Trading Corp.,Independent Director of Alpha Networks Inc. and Adjunct Professor of Tamkang University Department of Aerospace Engineering, Director and Strategic Advisor of Commerce Development Research Institute, Ministry of Economic Affairs
Hong Te Lu	Part-time Professor, Department of Business Administration, Chung Yuan Christian University, Independent Director of Lanner Electronics Inc., Director of Liton Technology Corp.

### Major Shareholders of Corporate Shareholders

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Foxlink International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd. (100%)
Chi-De Investment Co., Ltd.	Fu Uei International Investment Ltd. (100%)
Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd. (100%)

### Major Shareholders of Major Shareholders That Are Corporates

Name of the corporate	Major shareholders of the corporate
Cheng Uei Precision Industry Co., Ltd.	Hsin Hung International Investment Co., Ltd. (19.62%),Foxlink Image Technology Co., Ltd.(9.66%),CENTRAL MOTION PICTURE CORPORATION(6.36%),T.C GOU(1.17%),Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.88%),FIRST COMMERCIAL BANK CO., LTD.(0.74%),VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS(0.71%),FU LIN INTERNATIONAL INVESTMENT CO., LTD.(0.63%),MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD.-EQUITY TRADING DIVISION (PROPRIETARY TRADING DESK) FOR TRI-PARTY SBL TRADING(0.45%),Vanguard Fiduciary Trust Company Institutional Total International Stock MarketIndex Trust II(0.45%)

Information of Director (2)

1. Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman of the board T.C. Gou (Note 1)	Graduated from National Chung Hsing University with a degree in Law. T. C. Gou is currently the Chairman of the Board for the Company, Chairman and President of Cheng Uei Precision Industry Co., Ltd., Chairman of the Board and President of Shinfox Energy Co., Ltd. and Chairman of the Board for many other companies. He has more than five years of experience in business, law, finance and corporate business, and has sufficient industry experience, leadership, decision-making and operational management skills to lead the Company towards the goal of sustainability. T.C. Gou has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	0
Director Kufn Lin (note 1)	Graduated from Fu Jen Catholic University with a degree in Accounting. He is currently the director, chief of corporate governance and chief financial officer of the Company, the special assistant to the chairman's office of Cheng Uei Precision Industry Co., Ltd., the director of Shinfox Energy Co., Ltd. and the director and legal representative of several companies. Kufn Lin has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	0
Director Jeffrey Cheng (Note 2)	Graduated from National Taiwan University with a degree in Foreign Languages. He is currently a director of the Company, the president of Sinocity Industries Ltd. and a director and president of many other companies. He has more than five years of working experience in business and corporate business and has relevant industry experience, leadership and decision making and management skills. Jeffrey Cheng has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	0
Director Hwee Kian Lim (Note 2)	Graduated from Nanyang Technological University with a degree in Mechanical Engineering. She is currently a director of the Company, the President of Foxlink Image Technology Co., Ltd. and a director of many other companies. She has more than five years of working experience in business and corporate business and has relevant industry experience, leadership and decision making and management skills. Hwee Kian Lim has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	0

Criteria Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Director Wilson Hu (Note 3)	Graduated from National Taiwan University with an EMBA in Information Management, he is currently a director of the Company, President of Shinfox Energy, Chairman of Foxwell Energy and Foxwell Power and a director of many other companies. He has more than five years of experience in business and corporate operations with professional knowledge, leadership, decision making and operational management skills. Jeffrey Cheng has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	1
Director Semi Wang (Note 3)	Graduated from the University of Leicester, UK with an MBA, he is currently a director of the Company, the Chairman of the Ming Hsin Creative Management Consultants, Inc., and the Director of Taiwan Electrical and Electronics Industry Association, Independent Director of Creative Sensor Inc. and King Yuan Electronics Co., Ltd. He has more than five years of commercial and corporate experience and has relevant business experience, leadership and management skills. Jeffrey Cheng has not been in or is under any circumstances stated in Article 30 of the Company Act.	-	2
Independent Director Ralph Chen	Graduated from Tunghai University with a degree in accounting, he is currently an independent director of the Company, a CPA of Shang-Jin Certified Public Accountants, an independent director and a member of the remuneration committee of Tung Thih Electronic Co., Ltd. and Reber Genetics Co., Ltd., he is the convener of the audit committee of the Company. He has more than five years of experiences in business, finance, accounting and corporate operation with leadership, decision making and management skills. Ralph Chen has not been in or is under any circumstances stated in Article 30 of the Company Act.	Items listed in Note 4: None Compliance with the independence criteria	2
Independent Director Cheng-Rong Chiang	Graduated from the University of Maryland with a Ph.D. in Business Administration, he is currently an independent director of the Company, the Chairman and President of Taiwan-Asahi Environmental Technology Co., Ltd. and Diamond Technical & Trading Corp., independent director and member of the remuneration committee of Alpha Networks Inc., as well as the director and strategic advisor of the Commerce Development Research Institute, Ministry of Economic Affairs. He has more than five years of experience in business and corporate operations with relevant industrial experience, leadership, decision making and management skills. Cheng-Rong Chiang has not been in or is under any circumstances stated in Article 30 of the Company Act.	Items listed in Note 4: None Compliance with the independence criteria	1
Independent Director Hong Te Lu	Graduated from National Taiwan University with a doctorate in marketing; currently a part-time professor of the Department of Business Administration of Chung Yuan	Items listed in Note 4: None	1

Criteria Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	Christian University and an independent director of Lanner Electronics Inc. and director of Liton Technology Corp., with over five years of experience teaching relevant subjects in business and corporate affairs at private institutions of higher education. He also possesses expertise in marketing management, strategic management, corporate competition, and growth strategy.	Compliance with the independence criteria	

## 2. Board Diversity and Independence:

In accordance with Paragraph 4 of Article 20 of the Company's "Corporate Governance Best Practice Principles", all members of the board shall have the knowledge, skills, and competencies necessary.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make judgments about operations.
2. Ability to perform accounting and financial analysis.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

The Company's Board of Directors is diverse and has the knowledge, skills and professional backgrounds required for their positions. Many of the directors serve as the chairman or directors of public companies. The directors are highly valued by the Company for their extensive knowledge, personal insight and business judgment capabilities. The Directors review the reports from the management team at the Board meetings and provide guidance and advice to maintain good communication with the management team to work together for the best interests of the shareholders.



Implementation of the board diversity policy:

Director's name \ Diversity Policy	Nationality	Gender	Age			Term of office and seniority of independent directors		Professional Skill							
			51-60	61-70	71-75	Less than 3 years	3 - 6 years	Administration Manage	Leadership Decision	Industry Knowledge	Finance Accounting	Marketing	Technology	Law	Sustainability Development
Foxlink International Investment Ltd. Representative: T.C. Gou	Republic of China	Male			✓			✓	✓	✓		✓		✓	✓
Foxlink International Investment Ltd. Representative: Kufn Lin	Republic of China	Male		✓				✓	✓	✓	✓				✓
Hsin Hung International Investment Co., Ltd.. Representative: Jeffrey Cheng	Republic of China	Male		✓				✓	✓	✓		✓			✓
Hsin Hung International Investment Co., Ltd. Representative: Hwee Kian Lim	Singapore	Female	✓					✓	✓	✓		✓	✓		✓
Foxlink Taiwan Industry Co., Ltd. Representative: Wilson Hu	Republic of China	Male	✓					✓	✓	✓		✓	✓		✓
Foxlink Taiwan Industry Co., Ltd. Representative: Semi Wang	Republic of China	Male		✓				✓	✓	✓			✓		✓
Ralph Chen	Republic of China	Male		✓			✓	✓	✓		✓				✓
Cheng-Rong Chiang	Republic of China	Male			✓		✓	✓	✓	✓		✓	✓		✓
Hong Te Lu	Republic of China	Male		✓				✓	✓			✓			✓

The Company has considered the overall composition of the board of directors, which should be composed of different genders, ages, expertise and backgrounds, with at least one female board member, at least one with a financial and accounting background and at least three with relevant industry experience. The Company's current Board of Directors consists of 9 directors, including 1 female director (account for 11%), 3 independent directors (account for 33%), the tenure of one director is less than 3 years, while two directors have served between 3 to 6 years. Two directors are aged between 51-60 years, five directors are aged between 61-70 years, and two directors are aged between 71-75 years.; 2 have a professional background in finance and accounting, 1 has a professional background in law, 4 have a professional background in technology, and 7 directors have relevant industry experience. The specific management objectives of the board diversity policy have been achieved and the diversity objectives of the board members have been fulfilled. The Company's directors do not have any of the circumstances specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act which are necessary to maintain the independence of the Board of Directors.

Each member of the Company's Board of Directors has different professional backgrounds. Each director can provide diversified opinions from different perspectives based on their expertise and experience, and can fully communicate in the Board of Directors meetings. The overall operation is sound. However, the members of the Board of Directors, the number of directors of a single gender has not yet reached one-third of the total seats. This is mainly due to the consideration of candidates' professional backgrounds, industry experience, and the overall functional positioning of the Board during the nomination process, which has resulted in the gender diversity principle not being fully achieved. To continuously promote greater diversity in the composition of the Board, the Company will, in future evaluations of director candidates, prioritize individuals who possess both professional expertise and diverse backgrounds (including gender), in order to enhance the overall gender diversity and governance effectiveness of the Board.

Note 1: Legal representative of Foxlink International Investment Ltd.

Note 2: Legal representative of Hsin Hung International Investment Co., Ltd.

Note 3: Legal representative of Foxlink Taiwan Industry Co., Ltd.

Note 4: (1) The director is not an employee of the company or its affiliated enterprises.

(2) A director or supervisor of the company or any of its affiliates.

(3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.

(4) The manager in (1) or the spouse, relative of second degree kinship or third-tier relative of the persons listed in (1) or (2).

(5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act.

(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.

(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

(8) A director, supervisor, executive officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

(9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to this Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) The director or supervisor has spouse or relative with second degree of kinship with other directors.

(11) He/She does not fall into the circumstances in the provisions of Article 30 of the Company Act.

(12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.

## (II) Information of President, Vice Presidents, Senior Managers and Heads of Various Departments and Branches

March 30, 2025 Unit: Share

Job title	Nationality	Name	Gender	Date of election (taking office)	Shareholding		Shares held by spouses and minor children		Shares held under the names of other parties		Major work experience (education background)	Concurrent positions at other companies	Managers who are spouses or within two degrees of kinship			Remarks
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
President	Republic of China	Wilson Hu	Male	2022.03.24	0	0%	0	0%	0	0%	EMBA in Information Management, National Taiwan University President and Director of Hsingwe Co., Ltd. Chairman of Foxwell Energy Corporation Ltd.	Please refer to page 9 of this handbook	None	None	None	None
Chief Financial Officer and	Republic of China	Kufn Lin	Male	2018.10.01 2021.03.26	6,310	0%	0	0%	0	0%	Department of Accounting, Fu Jen Catholic University Cheng Uei Precision Industry Co., Ltd. Special Assistant, Chairman's Office	Please refer to page 8 of this handbook	None	None	None	None

## II. Remuneration paid to Directors, President and Vice Presidents in the Last Year

### 1. Remuneration paid to Directors, President and Vice Presidents in 2024

#### (1) Remuneration of General and Independent Directors

Unit: 1000 shares, NT\$ thousand

Job title	Name	Remuneration of directors								Total Remuneration (A+B+C+D) and its ratio to net income		Remuneration received for concurrent employee positions								Total compensation (A+B+C+D+E+F+G) and its ratio to net income		Compensation paid to directors from non-consolidated affiliates or parent company
		Remuneration (A)		Retirement pension (B)		Directors' remuneration (C)		Business execution fee (D)				Salary, bonuses, and allowances (E)		Retirement pension (F)		Employee's remuneration (G)						
		FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all Consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.		All companies in the financial statements		FIT Holding Co., Ltd.	From all Consolidated entities			
														Cash Amount	Stock Amount	Cash Amount	Stock Amount					
Director	Foxlink International Investment Co., Ltd.	560	560	0	0	7,200	11,650	40	40	7,800 0.69%	12,250 1.09%	0	24,493	0	108	0	0	21,467	0	7,800 0.69%	58,319 5.19%	39,291
	Corporate representative : T.C. Gou																					
	Corporate representative : Kufn Lin																					
	Hsin Hung International Investment Co., Ltd.,																					
	Corporate representative : Jeffrey Cheng																					
	Corporate representative : Hwee Kian Lim																					
	Taiwan Foxlink Investment Co., Ltd.																					

	Corporate representative : Wilson Hu																					
	Corporate representative : Semi Wang																					
Independent Director	Ralph Chen	930	930	0	0	3,410	3,410	100	100	4,440 0.39%	4,440 0.39%	0	0	0	0	0	0	0	0	4,440 0.39%	4,440 0.39%	0
	Cheng-Rong Chiang																					
	Hong Te Lu (Note 3)																					

1. The policy, system, standards and structure for the remuneration of independent directors, and the correlation between the amount of remuneration paid and the responsibilities, risks and time commitment of the directors:  
In accordance with the evaluation results of the "Measures for the Performance Evaluation of the Board of Directors" and the "Compensation Committee Organizational Rules," the independent director's individual responsibility and invested are taken into account. The individual performance achievement rate and contribution are also referred to in order to give appropriate remuneration. The proposal shall be approved by the Compensation Committee and then submitted to the board meeting for resolution.

2. Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee) to all consolidated entities in the 2021 financial statements: None.

Note: (1) All the 2024 retirement pension amount is allocated under the old and new pension systems.  
(2) The proposed amount is calculated according to the proportion of the actual amount allocated last year according to the amount of remuneration to be distributed approved by the board meeting in 2024.  
(3) Hong Te Lu was appointed as an independent director on May 27, 2024.

Remuneration Table

Tiers of Remuneration Paid to Each Director of the Company	Director's name			
	The total amount of the first four remuneration amounts (A+B+C+D)		The total amount of the first seven remuneration amounts (A+B+C+D+E+F+G)	
	FIT Holding Co., Ltd.	All companies in the financial statements	FIT Holding Co., Ltd.	Remuneration from the parent company and from ventures other than subsidiaries
Less than NT\$1,000,000	General directors: T.C. Gou, Kufn Lin, Jeffrey Cheng, Hwee Kian Lim, Wilson Hu, Semi Wang	General directors: Jeffrey Cheng, Hwee Kian Lim, Semi Wang	General directors: T.C. Gou, Kufn Lin, Jeffrey Cheng, Hwee Kian Lim, Wilson Hu, Semi Wang	General directors: Semi Wang
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Independent directors: Ralph Chen, Cheng-Rong Chiang, Hong Te Lu	General directors: T.C. Gou, Kufn Lin,, Wilson Hu  Independent directors: Ralph Chen, Cheng-Rong Chiang, Hong Te Lu	Independent directors: Ralph Chen, Cheng-Rong Chiang,, Hong Te Lu	Independent directors: Ralph Chen, Cheng-Rong Chiang, Hong Te Lu
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	General directors: Foxlink International Investment Ltd., Hsin Hung International Investment Co., Ltd., Taiwan Foxlink Investment Co., Ltd.	General directors: Foxlink International Investment Ltd., Hsin Hung International Investment Co., Ltd., Taiwan Foxlink Investment Co., Ltd.	General directors: Foxlink International Investment Ltd., Hsin Hung International Investment Co., Ltd., Taiwan Foxlink Investment Co., Ltd.	General directors: Foxlink International Investment Ltd., Hsin Hung International Investment Co., Ltd., Taiwan Foxlink Investment Co., Ltd., Jeffrey Cheng
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	-	General directors: Kufn Lin
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	General director: TC Guo, Hwee Kian Lim, Wilson Hu
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	12	12	12	12

(2) Remuneration paid to President and Vice Presidents

December 31, 2024 Unit: 1000 shares, NT\$ thousand

Job title	Name	Salary (A)		Retirement pension (B)		Bonuses and allowances (C)		Employee remuneration (D)				(A+B+C+D) as a percentage (%) of Net Income		Compensation paid to directors from non-consolidated affiliates or parent company
		FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.	From all consolidated entities	FIT Holding Co., Ltd.		All companies in the financial statements		FIT Holding Co., Ltd.	From all consolidated entities	
								Cash	Stock (fair market value)	Cash Amount	Stock Amount			
President	Wilson Hu	0	6,707	0	108	0	0	0	0	9,707	0	0 0%	16,522 1.47%	8,443
Chief Financial Officer and Chief Corporate Governance Officer	Kufn Lin													

Remuneration Table

Tiers of Remuneration of President and Vice Presidents of the Company	Name of President and Vice Presidents	
	FIT Holding Co., Ltd.	Remuneration from the parent company and from ventures other than subsidiaries
Less than NT\$1,000,000	Wilson Hu, Kufn Lin	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	Kufn Lin
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	Wilson Hu
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	2	2

## Employees' Profit Sharing Paid to Management Team

December 31, 2024

Unit: NT\$ thousand

	Job title	Name	Monetary amount of shares	Cash amount	Total	Percentage of net profit after tax (%)
Managerial Officer	President	Wilson Hu	0	0	0	0%
	Chief Financial Officer and Chief Corporate Governance Officer	Kufn Lin				

2. An analysis of the proportion of the total remuneration paid to the Directors, Supervisors, President and Vice Presidents of the company and all the companies in the consolidated statements to the net profit after tax in the last two years, and an explanation of the policy, standard and combination of the remuneration, the procedures for setting the remuneration, and the relevance to the business performance and future risks:

(1) The proportion of the total remuneration paid to the company's Directors, President and Vice Presidents to the net profit after tax in the last two years:

Item  Job title	Total remuneration as a percentage of the net profit after tax			
	2024		2023	
	FIT Holding Co., Ltd.	All companies in the financial statements	FIT Holding Co., Ltd.	All companies in the financial statements
Director	1.08%	1.48%	1.01%	1.72%
President and Vice Presidents	0%	1.47%	0%	2.50%

(2) The policy, standard and combination of the remuneration, the procedures for setting the remuneration, and the relevance to the business performance and future risks:

① Policies, standards and packages of compensation:

For the remuneration to the directors of the Company for performing their duties, in addition to the fixed remuneration regardless of the Company's operating profit or loss, the remuneration of the directors shall not be higher than 3% according to the Company's profit for the year and in accordance with Article 26 of the Company's Articles of Incorporation. The Company regularly evaluates directors' remuneration in accordance with the "Procedures for Performance Evaluation of the Board of Directors". The important evaluation items include I. business performance; II. attendance at Board meetings; III. standards in the industry. and the relevant performance evaluations and the reasonableness of compensation have all been reviewed by the Compensation Committee and the Board of Directors.

The Company periodically evaluates the remuneration of directors in accordance with the "Board of Directors' Performance Evaluation Method", and the related performance evaluation and reasonableness of remuneration are reviewed by the Compensation Committee and the Board of Directors.



The remuneration of the Company's managers is based on allowances and bonuses specified in the "Salary Management Regulations" to motivate employees to grow and improve. Relevant bonuses are also granted according to the Company's annual operating performance, financial status and individual performance. In addition, if the Company makes any profit in the year, no less than 6% shall be allocated to employees' remuneration in accordance with Article 26 of the Company's Articles of Incorporation. The results of the performance evaluation conducted by the Company in accordance with the "Performance Evaluation Method" shall be a reference for managers' bonus payment. Managers' performance evaluation shall be based on 1) financial indicators: e.g. the company's revenue, managers' target achievement rate, etc.; 2) non-financial indicators: capabilities to make leadership decisions, significant failure of the departments in compliance with laws and regulations and operational risks, etc., to calculate their compensation for operational performance.

The Company's compensation package, as defined by the Compensation Committee's organizational charter, includes cash compensation, stock options, retirement benefits or severance pay, allowances and other tangible incentives. The scope of the compensation package is consistent with the provisions related to directors' and managers' remuneration in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

② Procedures for determining remuneration:

In order to periodically evaluate the compensation of directors and managers, the evaluation results are based on the "Performance Evaluation Method of the Board of Directors" and the "Performance Evaluation Method" applicable to managers and employees of the Company. The performance evaluation of directors includes: mastery of the company's objectives and tasks, knowledge of directors' responsibilities, participation in the company's operations, internal relations management and communication, directors' expertise and continuing education and internal control. The annual performance appraisal of the managers includes the performance indicators corresponding to their major duties and responsibilities, as well as the evaluation of management functions and core functions. The performance appraisal and the reasonableness of the remuneration are evaluated and reviewed by the Compensation Committee and the Board of Directors on an annual basis, with reference to the individual's performance achievement rate and contribution to the Company, the overall operational performance of the Company, the future risks and development trends of the industry, and the timely review of the remuneration system in light of the actual operating conditions and relevant laws and regulations. In addition, the Company also considers the current trend of corporate governance and provide reasonable compensation in order to strike a balance between sustainable operation and risk control.

The performance self-evaluation results of the Board of Directors, members of the Board of Directors and functional committees and the evaluation of the performance of the managers for the year 2024 were good. The performance appraisal and the reasonableness of the remuneration of the Company's directors and managers are evaluated and reviewed by the Compensation Committee and the Board of Directors on an annual basis, with reference to the individual's performance achievement rate and contribution to the Company, the overall operational performance of the Company, the future risks and development trends of the industry, and the timely review of the remuneration system in light of the actual operating conditions and relevant laws and regulations. In addition, the Company also considers the current trend of corporate governance and provides reasonable compensation in order to strike a balance between sustainable operation and risk control. The actual amounts of directors' and managers' remuneration for the year 2024 were reviewed by the Compensation Committee and submitted to the Board of Directors' meeting for approval.

The Company's compensation policy and related payment standards and system are reviewed based on the Company's overall operating conditions, and the payment standards are approved based on performance achievement rate and contribution, in order to enhance the team competencies of the Board of Directors and the management. The Company also makes reference to industry salary standards to ensure that its management's salaries are competitive in the industry in order to retain outstanding management personnel.

The performance objectives of our managers are integrated with "risk control" to ensure that possible risks within the scope of duties and responsibilities are managed and prevented; the results of the actual performance evaluation are linked to the relevant human resources and related salary and compensation policies. The important decisions of the Company's management are made after balancing various risk factors. The performance of relevant decisions is reflected in the profitability of the Company, and the compensation of the management is related to the performance of risk management.

### III. Corporate Governance Status:

#### (I) Operation of the board of directors:

In the last year (2024), the board of directors held 4 meetings (A) and the voting and non-voting attendance of directors is as follows:

Job title	Name	Number of actual (voting and non-voting) attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman of the board	T.C. Gou (Note 1)	4	0	100%	
Director	Kufn Lin (note 1)	4	0	100%	
Director	Jeffrey Cheng (Note 2)	4	0	100%	
Director	Hwee Kian Lim (Note 2)	4	0	100%	
Director	Wilson Hu (Note 3)	4	0	100%	
Director	Semi Wang (Note 3)	4	0	100%	
Independent Director	Ralph Chen	4	0	100%	
Independent Director	Cheng-Rong Chiang	4	0	100%	
Independent Director	Hong Te Lu	2	0	100%	Two meetings were held after assuming office on May27, 2024.

#### Other issues to be noted:

- I. In case of any of the following circumstances in the operation of the board of directors, state the date of the board meeting, the number of the meeting session, the contents of the proposal, all the opinions of the independent directors and the company's handling of such opinions of the independent directors:
  - (I) Items in Article 14-3 of the Securities and Exchange Act: Please refer to page 65 for all resolutions of the board meetings in 2024. Independent directors have approved all the resolutions on matters listed in Article 14-3 of the Securities and Exchange Act.
  - (II) In addition to the matters above, other resolutions of the board meeting with objections or reservation of independent directors and records or written statements: None.
- II. For the implementation of avoidance of motions by directors due to a conflict of interest involved, state the name of the director, the content of the motion, the reason for withdrawal from the meeting for interest avoidance and the voting results:
  1. On August 9, 2024, the board meeting made a resolution on the remuneration of the directors of the Company for 2023. Directors T.C. Gou, Kufn Lin, Jeffrey Cheng, Hwee Kian Lim, Wilson Hu, Semi Wang, Ralph Chen and Cheng-Rong Chiang avoided the discussion and voting in accordance with the law, and the remaining eight directors approved the case without objection.

#### III. Board of Directors' Performance Evaluation Implementation Status:

Evaluation on cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation aspect
Carried out annually	January 1, 2024 to December 31, 2024	Board of Directors Individual Board Members Functional committees (including the	Internal Self-evaluation of the Board of Directors Self-evaluation of board members Self-evaluation of functional	I. Items of performance evaluation for the board of directors: 1. Involvement in the Company's operation. 2. Enhancement of the quality of the board's decision-making. 3. Composition and structure of the board of directors.

		<p>Audit Committee, the Compensation Committee, and the Corporate Governance and Sustainability Committee)</p>	<p>committees (including the Audit Committee, the Compensation Committee, and the Corporate Governance and Sustainability Committee)</p>	<p>4. Election of board members and continuing knowledge development.  5. Internal controls.  II. Items of performance evaluation for the board members:  1. Understanding of the Company's goals and mission.  2. Awareness of director's duties.  3. Involvement in the Company's operation.  4. Internal relationship and communication.  5. Director's professionalism and continuing knowledge development.  6. Internal controls.  III. Items of performance evaluation for the Audit Committee:  1. Involvement in the Company's operation  2. Awareness of the Audit Committee's duties  3. Enhancement of the quality of the Audit Committee's decision-making  4. Composition of the Audit Committee and election of its members  5. Internal controls.  IV. Items of performance evaluation for the Compensation Committee:  1. Involvement in the Company's operation  2. Awareness of the Compensation Committee's duties  3. Enhancement of the quality of the Compensation Committee's decision-making  4. Composition of the Compensation Committee and election of its members  5. Internal controls.  V. Items of performance evaluation for the Corporate Governance and Sustainability Committee:  1. Involvement in the Company's operation  2. Awareness of the Corporate Governance and Sustainability Committee's duties  3. Enhancement of the quality of the Corporate Governance and Sustainability Committee's decision-making  4. Composition of the Corporate Governance and Sustainability Committee and election of its members  5. Internal controls.</p>
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The Company completed the performance evaluations of the Board of Directors, individual board members, and functional committees for the year 2024 in January 2025. The evaluation results were reported to the Board of Directors on March 7, 2025, and will serve as a basis for review and improvement. The evaluation results are as follows:

1. The average score of the Board of Directors performance self-evaluation is 4.95 out of 5, the average score of the Board members' individual performance self-evaluation is 4.81 out of 5, and the performance self-evaluation results of the functional committees - Audit Committee, Compensation Committee and Corporate Governance and Sustainability Committee are 5 out of 5, respectively.
2. The results of the Company's 2024 Board of Directors' and functional committees' performance evaluation ranged between 5 "strongly agree" and 4 "agree". The directors are very positive about the performance of the various evaluation indicators. The Board and functional committees are generally operating well and in compliance with the corporate governance requirements, and they are effectively strengthening the functions of the Board to protect the shareholders' interests.
3. The results of the performance evaluation of the Company's Board of Directors will be a reference for the selection or nomination of directors; the results of the performance evaluation of individual directors will be a reference for setting their individual remuneration.
- IV. Objectives of strengthening the functions of the board of directors in the current year and the latest year (such as setting up an audit committee, improving information transparency, etc.) and evaluation of the implementation status: The company has set up a compensation committee, an audit committee and a corporate governance committee and a sustainable development committee to assist the board of directors to respectively perform their supervisory duties.

Note 1: Legal representative of Foxlink International Investment Ltd.

Note 2: Legal representative of Hsin Hung International Investment Co., Ltd.

Note 3: Legal representative of Foxlink Taiwan Industry Co., Ltd.

## (II) Information on the Operation of the Audit Committee

The Audit Committee of the Company is composed entirely of independent directors. For their professional qualifications and experience, please refer to pages 11–12 of this manual.

In the last year (2024), the Audit Committee held 4 meetings (A) and the voting and non-voting attendance of independent directors is as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chair	Ralph Chen	4	0	100%	
Member	Cheng-Rong Chiang	4	0	100%	
Member	Hong Te Lu	2	0	100%	Two meetings were held after assuming office on May27, 2024.

Other issues to be noted:

I. In case of any of the following circumstances in the operation of the Audit Committee, state the date of the audit committee meeting, the meeting session, the contents of the proposal, the objections, reservations or major recommendations of the independent directors, the resolution of the Audit Committee members and the company's handling of the opinion of the Audit Committee:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Meeting date	Proposal contents, resolution status and follow-up processing
2024.03.07 (8th session of the 2nd term)	I. Proposal contents: 1. The Company's 2023 financial statements and business report. 2. The proposed endorsement and guarantee for the subsidiary. 3. The independence and competency assessment report on the independent auditor.

	<p>4. The 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement".</p> <p>II. Independent directors' dissenting opinions: N/A</p> <p>III. Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to approve.</p> <p>IV. The Company's handling of the opinions of the Audit Committee: Submitted to the board meeting and approved by all the directors present.</p>
2024.05.14 (9th session of the 2nd term)	<p>I. Proposal contents:</p> <p>1. The Company's consolidated financial report for the third quarter of 2024.</p> <p>2. Amendment to the Company's Authority Approval Matrix</p> <p>II. Independent directors' dissenting opinions: N/A</p> <p>III. Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to approve.</p> <p>IV. The Company's handling of the opinions of the Audit Committee: Submitted to the board meeting and approved by all the directors present.</p>
2024.08.09 (10th session of the 2nd term)	<p>I. Proposal contents:</p> <p>1. The Company's consolidated financial report for the second quarter of 2024.</p> <p>II. Independent directors' dissenting opinions: N/A</p> <p>III. Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to approve.</p> <p>IV. The Company's handling of the opinions of the Audit Committee: Submitted to the board meeting and approved by all the directors present.</p>
2024.11.13 (11th session of the 2nd term)	<p>I. Proposal contents:</p> <p>1. The Company's consolidated financial report for the third quarter of 2024.</p> <p>2. The remuneration of CPAs of the Company for 2024 and 2025</p> <p>3. The proposed endorsement and guarantee for the subsidiary POWER QUOTIENT INTERNATIONAL CO., LTD</p> <p>4. Proposal to amend the Company's "Sustainability Information Management Procedures"</p> <p>5. Proposal to establish the "Internal Control System for Sustainability Information Management" and the "Internal Audit Implementation Rules for Sustainability Information Management"</p> <p>6. The company's 2025 internal audit plan.</p> <p>II. Independent directors' dissenting opinions: N/A</p> <p>III. Results of the resolution of the Audit Committee: All members of the Audit Committee agreed to approve.</p> <p>IV. The Company's handling of the opinions of the Audit Committee: Submitted to the board meeting and approved by all the directors present.</p>

(II) Except for the matters previously mentioned, the other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. For the implementation of avoidance of motions by independent directors due to a conflict of interest involved, the name of the independent director, the content of the motion, the reason for withdrawal from the meeting for interest avoidance and the voting results shall be stated: None.

III. Communication among the independent directors, the internal audit director and the independent auditor (including major matters, methods and results of communication on the company's finance and business conditions).

1. In addition to submitting audit reports to each independent director for review on a monthly basis, the Company's Chief Internal Auditor holds at least one one-on-one meeting with independent directors each quarter to communicate audit findings. The Chief Internal Auditor also reports on the execution

of internal audits during each quarterly Audit Committee meeting. In the event of any special circumstances, immediate reports are made to the Audit Committee members.

2. The Company's certifying CPA attends quarterly one-on-one meetings with independent directors or is present at Audit Committee meetings to report on the results of the financial statement reviews and other matters required by relevant regulations. The CPA also attends at least one Audit Committee meeting annually to report on the annual audit. In the event of any special circumstances, the CPA will promptly report to the Audit Committee members.
3. The communication between the Company's Chief Internal Auditor and certifying CPA with the independent directors is smooth and effective.
4. The following is the communication record among the independent directors, head of internal audit and CPA for 2024:

Meeting date	Communication with head of the internal audit
Individual meeting on March 7, 2024	Internal audit report review
Audit Committee meeting on March 7, 2024	Implementation status for internal audit from October 2023 to December 2023 Statement of Internal Control System
Individual meeting on May 14, 2024	Internal audit report review
Audit Committee meeting on May 14, 2024	Implementation status for internal audit from January 2024 to March 2024
Individual meeting on August 9, 2024	Internal audit report review
Audit Committee meeting on August 09, 2024	Implementation status for internal audit from April to June 2024
Individual meeting on November 13, 2024	Internal audit report review
Audit Committee meeting on November 13, 2024	Implementation status for internal audit from July to September 2024 2025 Audit Plan Report

Meeting date	Communication with the independent auditor (CPA).
Audit Committee meeting on March 7, 2024	Audit quality indicator
Audit Committee meeting on March 7, 2024	The important matters and the latest legal information for 2023 annual financial report audit.
Individual meeting on May 14, 2024	The important matters and the latest legal information for 2024 Q1 financial report audit.
Individual meeting on August 9, 2024	The important matters and the latest legal information for 2024 Q2 financial report audit.
Individual meeting on November 13, 2023	The important matters and the latest legal information for 2024 Q3 financial report audit.

Results: The above matters were reviewed or approved by the Audit Committee, and there was no objection from the independent directors.

#### IV. Annual Work Focus of the Audit Committee:

The Audit Committee of the company convened 4 meetings in 2024. Its main work priorities and responsibilities are as follows:

1. Adoption or amendment of an internal control system pursuant to Article 14-1.
2. Assessment of the effectiveness of the internal control system.

3. Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction. Significant asset or derivative transactions.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual financial reports and quarter financial reports.
11. Implementation status of internal audit operations.
12. Any other material matter so required by the company or the Competent Authority.



(III) The operation of corporate governance and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
I. Has the company been in compliance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed the company’s own corporate governance best practice principles?	✓		The company has established its “Corporate Governance Best Practice Principles,” and disclosed them on the company's website for inquiry.	No difference.
II. Equity structure and shareholders' equity of the company (I) Has the company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and lawsuits, and implemented them in accordance with the procedures? (II) Does the company have a list of major shareholders and ultimate controllers of major shareholders who actually control the company? (III) Has the company established and implemented risk control and firewall mechanisms with affiliated enterprises? (IV) Does the company have internal regulations that prohibit insiders of the company from buying and selling securities using non-public information?	✓ ✓ ✓ ✓		(I) The company has a spokesperson, an acting spokesperson and a stock affairs unit to handle shareholder related issues. Legal issues will be transferred to the company’s Legal Department or legal counsel for handling. (II) The Company keeps up-to-date with the shareholdings of its directors, managers and major shareholders with more than 10% shareholdings and reports any changes in their shareholdings on time. (III) The company has established affiliated enterprise trading procedures and risk control management measures to control various operating procedures and various risk issues, as well as to eliminate exceptional trading. (IV) The Company has established the "Procedures for Handling Material Inside Information" and periodically educates internal personnel on the Securities and Exchange Act and related regulations every year. The Company's Code of Corporate Governance Practices also specifies that insiders are prohibited from trading in the Company's shares from the date they are informed of the Company's financial reports or related results. Directors are also prohibited from trading their shares during the closed period of 30 days prior to the publishing of the annual financial report and 15 days prior to the publishing of the quarterly financial report.	No difference.
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors established a			(I) The Company, based on the Sample Template of “Procedures for	No difference.

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
diversity policy, set specific goals, and implemented them accordingly?	✓		Election of Directors” issued by the TWSE, integrates the concept of diversity into the measures for directors election and takes into consideration the overall configuration of the board of directors. The specific objective is that the board of directors is composed of directors of different genders, ages, nationalities, professional knowledge and backgrounds. At present, the Company's board of directors has 9 seats of directors (including 3 seats of independent directors), including one female director. The company's board members have diversified backgrounds, with their professional knowledge and skills covering the fields of business management, law, finance and accounting, machinery, aviation and electro machines, and the diversification objective for the board members is fully met. In addition to their professional knowledge and skills, the directors may contribute to supervision and decision-making through the operation of functional committees in corporate governance, environmental sustainability and legal compliance.	
(II) In addition to setting up the Compensation Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?	✓		(II) The Company has established a Compensation Committee and an Audit Committee in accordance with the laws, and a Corporate Governance and Sustainability Committee in November 2021. The functional committees have been operating smoothly and have been performing sound supervisory functions and strengthening the management mechanism, as well as contributing to the implementation of corporate social responsibility and sustainable management.	
(III) Has the Company established performance evaluation measures and methods for the board of directors, conducted performance evaluation annually and regularly, reported performance evaluation results to the board of directors, and applied them to the reference of salary and remuneration of individual directors and nomination and renewal?	✓		(III) The Company has set up the "Regulations Governing Evaluation of the Performance of the Board of Directors" and the scope of evaluation includes the performance evaluation of the overall board of directors, individual directors and functional committees; the methods of performance evaluation include internal self-evaluation of the board of directors, self-evaluation of directors, appointment of external professional bodies, experts or other appropriate methods; The results of performance evaluation of the Board of Directors shall be reported to the Board of Directors in the first quarter of the following year. the measurement items of the performance evaluation of the board	

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
(IV) Does the Company regularly evaluate the independence of the independent auditor?	√		<p>of directors of the Company cover the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company.</li> <li>2. Improvement of the quality of the board of directors' decision making.</li> <li>3. Composition and structure of the board of directors.</li> <li>4. Election and continuing education of the directors.</li> <li>5. Internal control.</li> </ol> <p>(IV)The Company's Audit Committee evaluates the independence and suitability of CPAs every year. In addition to requiring CPAs to provide the Statement of Independence and Audit Work and Audit Quality Indicators (AQIs), the evaluation is conducted based on the evaluation criteria specified in Note 1 and the five major components and 13 indicators specified in Note 2 on pages 36. After the discussion and approval of the Audit Committee on March 7, 2025, the evaluation results of the most recent year were submitted to the Board of Directors on March 7, 2025 for the evaluation of the independence and suitability of the CPAs.</p>	
IV. For a listed or OTC company, is it equipped with a competent and appropriate number of corporate governance personnel, and has it designated a corporate governance director to be responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to carry out business, assisting directors and supervisors in complying with laws and regulations, managing related matters of the board meeting and shareholders' meeting in accordance with laws, taking minutes of the board meeting and shareholders' meeting, etc.)?	√		<p>On March 26, 2021, the board meeting of the Company approved the establishment of the position of Corporate Governance Officer, which is concurrently taken by the Chief Financial Officer. He has more than three years of experience in the financial and stock affairs of public companies. The main responsibilities are to supervise the shareholder services unit to handle matters related to board meetings and shareholder' meetings in accordance with the law, preparing meeting minutes and information disclosure, providing directors with information required for business execution, assisting directors to comply with laws and regulations, to assist directors in onboarding and continuing education, and reporting to the board on the examination results of the qualifications of independent directors during nomination, appointment, and tenure in accordance with the relevant laws and regulations. Please refer to Note 3 on page 36 of this annual report for information on the training of corporate governance officers in 2024.</p>	No difference.

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder area on the company's website, and properly responded to major corporate social responsibility issues of concern to stakeholders?	✓		The Company has set up a stakeholder area on its website, where specialists serve as a communication channel for stakeholders and respond appropriately to important CSR issues of concern to stakeholders.	No difference.
VI. Has the Company appointed a professional agency to handle the affairs of the shareholders' meeting?	✓		The Company has appointed a professional stock affairs agency, the stock Affairs Agency Department of Fubang Securities Co., Ltd., to handle the stock affairs of the company.	No difference.
VII. Information Disclosure (I) Has the Company set up a website to disclose financial and corporate governance information?  (II) Does the Company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person to be responsible for the collection and disclosure of the company's information, implementing the spokesperson system, and placing on the company's website the process of the seminar for institutional investors)? (III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second and third quarter financial report and the operation of each month ahead of the required time limit?	✓  ✓	✓	(I) The Company has set up a website to disclose various financial information and corporate governance related information.  (II) The Company has established a website with relevant information on investors' conference and implemented a spokesperson system. The Company has also designated a specialist responsible for the collection and disclosure of corporate information.  (III) As the Company has a large number of subsidiaries, it is unable to announce and declare the annual financial report within two months after the end of the accounting year; however, the financial reports for the first, second and third quarters and the operation of each month are all announced and declared before the specified deadlines.	There is no difference between the first and second items, and the third item is completed before the specified deadline.
VIII. Does the Company have other important information to help understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, the status of directors' and	✓		(I) Employee rights and interests: The company has formulated a number of employee welfare policies and management procedures, which comply with local laws and regulations on labor relations, labor conditions and social responsibility and protect a number of employee rights and interests. (II) Employee care: In order to expand the scope of employees' leisure	No difference.

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
supervisors' further education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance policy for directors and supervisors, etc.)?			<p>activities, the company subsidizes employees' club activities and signs contracts with a number of leisure sports centers for employees to keep fit. In addition, the company regularly carries out staff health examinations and provides medical consultations to maintain the physical and mental health of employees, and continuously improves the working environment of employees to meet the needs of international norms. Therefore, all employees are able to complete the work agreed with the company according to their wishes, without physical or psychological coercion, and without discrimination on the basis of race, gender, age, religion or political orientation.</p> <p>(III) Investor relations: A stock affairs department and a spokesperson system are set up to handle stock affairs, shareholder suggestions and disputes.</p> <p>(IV) Supplier relations: The Company has signed purchase contracts with suppliers and has always been able to maintain a good relationship with them.</p> <p>(V) Rights of interested parties: The Company has a spokesperson system in place. Interested parties can communicate with the company through the company's website, telephone and fax. At the same time, the company's audit department personnel can directly contact and talk with interested parties if they think it necessary.</p> <p>(VI) Directors' training records: All directors of the Company have industrial and professional backgrounds and practical management experience, and the company arranges directors to attend seminars on corporate governance from time to time. Please refer to page 113-114 of the annual report for more information on directors' training records.</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The Company focuses on its core business, complies with relevant laws and regulations to implement and promote various policies, and establishes various standard operation standards to reduce and avoid any possible risks. For details of the implementation of the company's risk management policies and risk</p>	

Evaluation items	Operation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
			<p>measurement standards, please refer to page 110 of the annual report.</p> <p>(VIII) Implementation of customer policies: The Company has operating bases at home and abroad and has business service offices to serve as channels to answer customer queries or provide services. The Company can maintain good relations with customers and create profits for the Company.</p> <p>(IX) Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for all directors.</p>	
<p>IX. Please explain the improvement of the corporate governance evaluation results according to the findings issued by the Corporate Governance Center of the Taiwan Stock Exchange for the latest year, and put forward the priorities and measures for those that have not been improved: The Company has set up an audit committee on June 21, 2019, the Corporate Governance Officer on March 26, 2021 and Corporate Governance and Sustainable Development Committee on November 12, 2021 to strengthen corporate governance related matters.</p> <p>The indicators improved by the Company in 2024 are as follows:</p> <p>(1) In December 2024, the Company commissioned an external professional independent agency to execute the performance evaluation of the Board of Directors</p> <p>(2) The Company has established an English website</p>				

Note 1: Criteria for evaluating the independence of CPAs:

Evaluation items	Evaluation results	Compliant with the independence criteria
1. The tenure of the CPA does not exceed seven years.	Yes	Yes
2. The CPA and members of the audit service team have not served as directors, executives, or in positions significantly affecting audit matters of the Company currently or in the past two years.	Yes	Yes
3. The CPA and members of the audit service team are not related to the Company's directors, managers, or personnel who have a significant impact on the audit cases.	Yes	Yes
4. The CPAs have not served as directors, managers, or in positions that have a significant impact on the audit cases of the Company within one year after retirement.	Yes	Yes
5. No direct or indirect substantial financial interest between the CPAs and the Company.	Yes	Yes
6. No substantially close business relationship between the CPAs and the Company.	Yes	Yes
7. No potential employment relationship exists when the CPAs audit the Company's report.	Yes	Yes
8. The CPAs did not receive contingent fees related to the audit cases.	Yes	Yes
9. The non-audit services provided by the CPAs to the Company had no key items that directly affected the audit cases.	Yes	Yes
10. The CPAs did not act as counsels of the Company or represent the Company in coordinating matters relating to	Yes	Yes

conflicts with a third party.		
11. The CPAs do not promote or broker shares or other securities issued by the Company.	Yes	Yes
12. The CPAs did not receive gifts or special offers of significant value from the Company or its directors, managers, or major shareholders.	Yes	Yes

Note 2: The competency assessment report on the independent auditors:

Dimension	Item	Audit quality indicator	Evaluation conclusion
Professionalism	1	Audit experience	The accountants and auditors at the managerial level or above have sufficient audit experience.
	2	Training hours	The accountants and auditors at the managerial level and above receive adequate training each year to continuously acquire professional knowledge and skills.
	3	Turnover rate	The firm maintains sufficiently experienced human resources.
	4	Professional support	The firm has sufficient professional staff to support the audit team.
Quality control	5	CPA workload	The number of public companies for which the accountant is the lead certifying officer is not overburdening.
	6	Audit input	The audit team members engage an appropriate number of people in each audit phase.
	7	Case quality control review status	The case quality control reviewer devotes sufficient hours to perform the review of audit cases.
	8	Quality control support capability	The firm has sufficient quality control human resources to support the audit team.
Independence	9	Percentage of non-audit services	The proportion of non-audit service fees charged to the Group by the firm and its affiliates is consistent with their independence.
	10	Client familiarity	The cumulative number of years that the firm has provided audit services for the Company's financial statements is moderate and does not affect independence.
Supervision	11	External inspection deficiencies and disposition	The quality control and audit cases of the firm are performed in accordance with the relevant laws and regulations and standards.
	12	Number of letters from the competent authorities	The quality control and audit cases of the firm are performed in accordance with the relevant laws and regulations and standards.
Innovation capability	13	Innovative planning or initiatives	The firm has planned initiatives or projects related to the improvement of audit quality.

Note 3: The 2024 information on continuing training for the Corporate Governance Officer(s) is as follows:

Date	Host by	Course title	Hours
2024/02/23	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations 1. Preventing insider trading from an internal control perspective 2. Regulatory requirements and applicable issues related to dividend policy	3
2024/05/14	Taiwan Corporate Governance Association	Master the AI risk management framework and enhance trust in AI integrated applications	3
2024/08/08	Taiwan Corporate Governance Association	Business Administration and Management Practice: Strategy and execution	3
2024/08/23	Taiwan Corporate Governance Association	Prevention of labor disputes and corporate governance	3

(IV) Compositions and operations of the Compensation Committee and Corporate Governance and Sustainability Committee:

1. Information of Compensation Committee members

	Criteria	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	Name			
Chair	Ralph Chen	Please refer to page 11	Please refer to page 11	2
Member	Cheng-Rong Chiang	Please refer to page 11	Please refer to page 11	1
Member	Hong-Te Lu	Please refer to page 11-12	Please refer to page 11-12	1

2. Information on the Operation of the Compensation Committee

(1) There are three members on the Compensation Committee of the Company.

(2) Term of office of current members: from June 17, 2022 to June 16, 2025. In the last year, the Compensation Committee held 2 meetings (A), and the member qualification and attendance are as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Chair	Ralph Chen	2	0	100	-
Member	Cheng-Rong Chiang	2	0	100	-
Member	Hong-Te Lu	2	0	100	-

Other issues to be noted:

I. Scope of responsibilities of the Compensation Committee:

(I) Members of the Committee shall faithfully fulfill the following responsibilities with the attention of good managers, be responsible to the board of directors, and submit their suggestions to the board of directors for discussion:

1. Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and compensation of directors, supervisors and managers.
2. Regularly evaluate and determine the remuneration of directors, supervisors and managers.

(II) When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:

1. For the performance evaluation and remuneration of directors, supervisors and managers, references shall be made to the general level of payment in the same industry. The reasonable association with personal performance, company performance and future risks shall be taken into consideration.
2. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
3. The proportion of short-term performance bonuses paid to directors and senior managers and the payment time of partial variable salaries shall be determined by considering the industry characteristics and the nature of the company's business.

(III) The salary and remuneration referred to in the preceding two paragraphs include cash



remuneration, stock options, stock dividends, retirement benefits or severance payment, various allowances and other measures with substantial incentives.

II. If the board meeting does not adopt or amends the recommendation of the Compensation Committee, state the date, period, content of the proposal, resolution results of the board meeting, and the Company's handling of the opinions of the Compensation Committee (if the compensation adopted by the board meeting is better than the proposal of the Compensation Committee, state the difference and reason): None.

III. In case of any objection or reservation of any member to the resolution of the Compensation Committee with a record or written statement in place, please state the date, period, proposal content, opinions of all members and the handling of the opinions of the members:

IV. The date, the number of the meeting session, the contents of the proposal and the resolution of the remuneration committee meetings in the latest year, and the company's handling of the opinions of the remuneration committee:

Meeting date	Proposal Contents	Result	Company's Response
4th term 2nd session 2024.03.07	1. Allocation of remuneration of employees, directors and supervisors of the company and its major subsidiaries for 2023.	Approved by all committee members present unanimously.	Submitted to the board meeting and approved by all the directors present.
5th term 3rd session 2024.08.09	1. The Company's 2023 distribution of directors' remuneration 2. The Company's 2023 remuneration to managerial officers and employees	Approved by all committee members present unanimously.	Submitted to the board meeting and approved by all the directors present.

### 3. The Company's Corporate Governance and Sustainability Committee

(1) The Company's Corporate Governance and Sustainability Committee consists of four directors, two of whom are independent.

(2) Term of office of current members: from June 17, 2022 to June 16, 2025.

In the last year, the Corporate Governance and Sustainability Committee held 2 meetings (A), and the member qualification and attendance are as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Main expertise	Remarks
Chair (Independent Director)	Cheng-Rong Chiang	2	0	100	Aerospace engineering Industry experience	
Member (Independent Director)	Ralph Chen	2	0	100	Accounting review	
Member (Director)	Kufn Lin	2	0	100	Operational management Finance/Accounting	
Member (Director)	Wilson Hu	2	0	100	Operational management Industry experience	
Member (Independent Director)	Hong-Te Lu	0	0	0	Business Management	No meetings were held after assuming office on May27, 2024.

Other issues to be noted:

I. The scope of authority (responsibility) of the Company's Corporate Governance and Sustainability Committee:

- 1.To oversee the implementation of corporate social responsibility and sustainable management, and evaluate the implementation status.
- 2.To review the formulation and amendment of the Company's code of corporate social responsibility, code of corporate governance and code of ethical management, and submit them to the board of directors for resolution.
- 3.To review the formulation and amendment of the Company's articles of incorporation, rules of procedure for shareholders' meetings, procedures for the election of directors and regulations for board meetings, and to propose such matters to the board of directors for resolution.
- 4.To review the formulation and amendment of the organizational rules of the functional committees of the Company's Board of Directors, and to submit them to the Board of Directors for resolution.
- 5.To oversee and direct the Company's participation in various corporate governance evaluations, assessment results and board performance evaluations, and present the evaluation results to the board of directors
- 6.To evaluate the Board of Directors' information gathering channels, as well as the quality and timeliness of the information obtained
- 7.To review the governance relationship between the Company and its subsidiaries and other affiliates
- 8.Any other material matter so required by the company or the Competent Authority.

II. The date, the number of the meeting session, the contents of the proposal and the resolution of the Corporate Governance and Sustainability Committee meetings in the latest year, and the company's handling of the opinions of the Corporate Governance and Sustainability Committee:

Meeting date	Proposal Contents	Result	The Company's handling of the opinions of the Corporate Governance and Sustainability Committee
4th term 2nd session 2024.02.26	1.The implementation status of the work plan for the Corporate Governance and Sustainable Operation Task Force in the second half of 2023 and the drafting of the work plan in 2024 2.Results of performance evaluation of the Company's Board of Directors and functional committees 3.Proposal for tracking the implementation progress of GHG emissions inventories of the Company and its subsidiaries	Approved by all committee members present unanimously.	Submitted to the board meeting and approved by all the directors present.
5th term 2nd session 2024.08.09	1.The Company's corporate governance and sustainability performance for the first half of 2024 2.Proposal for tracking the implementation progress of GHG emissions inventories of the Company and its subsidiaries	Approved by all committee members present unanimously.	Submitted to the board meeting and approved by all the directors present.

(V) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
I. Has the Company created a governance structure for promotion of sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors appointed executive-level positions with responsibility for such units, and what is the status of the board of directors' supervision?	✓		<p>In line with the vision and mission of the Company's ESG policy, the Company established a Sustainability Committee in November 2021. The Committee consists of three independent directors and two directors. The Sustainability Team prepares medium- and long-term sustainable development plans, which are reviewed and then reported to the Board of Directors. The Board of Directors reviews and evaluates the plan and makes appropriate recommendations to ensure that sustainable development strategies are fully implemented in the Company's daily operations.</p> <p>The Sustainability Committee serves as a cross-departmental communication platform that integrates all departments' opinions. The task force is established through quarterly meetings and based on issues to identify sustainability issues that are relevant to the Company's operations and stakeholders' concerns. The task force prepares strategies and work directions, plans and implements annual initiatives, and tracks the effectiveness of implementation to ensure that sustainable development strategies are fully implemented in the Company's daily operations.</p> <p>The convener of the Sustainability Committee shall report to the Board of Directors on a semi-annual basis regarding the implementation results of sustainable development and future work plans. The Company held the meeting on February 26, 2025, and the motions included: (1) Identifying issues that require attention and preparing an implementation plan for 2025 (2) Overseeing the implementation of sustainable management issues and evaluating the implementation status.</p> <p>The Company's Board of Directors regularly evaluates the implementation plans and results proposed by the Sustainable Management team, reviews the progress of the plan's objectives, and urges the management to make</p>	No difference.

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			adjustments when necessary.	
II. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	✓		<p>The Sustainability Committee continues to stay abreast of domestic and international trends as well as industry developments, focusing on issues related to corporate governance, economic development, environmental protection, and social responsibility, while placing great importance on stakeholders' concerns. The Company conducts annual risk identification and assessment in accordance with the GRI Standards for sustainability reporting and SASB industry guidelines, and regularly convenes risk meetings to develop countermeasures and review the implementation. The disclosure herein covers the period from January to December 2024, and is compiled based on the principle of materiality. The scope of this assessment includes the Company's operations and its subsidiaries, with a focus on environmental, social, and governance (ESG) risks and performance. After the materiality analysis, the major risks identified and the response strategies are as follows:</p> <p><b>Major Issues→Environment:</b> The environmental impact and countermeasures for management are as follows</p> <ol style="list-style-type: none"> <li>1. Implement the ISO 14001 environmental management system into the operation, and promote climate sustainable development in terms of climate change, energy, water resources, waste and pollution prevention.</li> <li>2. U. S., European Union and Japan are our main markets. So, our products are in compliance with ErP LOT 6, Energy star, Eco Mark and WEEE environmental regulations. We have also been qualified by ISO 14001 environmental management system and have been certified on a regular basis.</li> </ol> <p>Foxlink Image Technology Co., Ltd. ISO 14001 certificate validity period: 2020/11/24 - 2026/12/3  Glory Science Co.,Ltd. ISO 14001 certificate validity period: 2024/7/3 - 2027/7/2</p> <p><b>Social→Occupational Safety:</b> The management response is as follows</p>	No difference.

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			<p>1. In 2023, all the factories in China have been qualified by "ISO 45001 Occupational Health and Safety Management System" Conduct RBA review and have been certified on a regular basis.</p> <p>2. Fire drills and industrial safety education training are held annually to raise awareness of the importance of fire safety, and to provide employees with the ability to respond to emergencies and to manage their own safety.</p> <p><b>Social→Product Safety:</b> The management response is as follows</p> <p>1. All products of the Company comply with the laws and regulations, meet the EU RoHS standards, and are free of hazardous substances. In order to ensure the quality of customer service, we have set up a customer service hotline and a communication website, and conduct customer service satisfaction surveys every year to ensure a better relationship with our customers.</p> <p>2. In order to transfer the risk of commodity liability, minimize property loss and enhance product safety, the Company has taken out product liability insurance in the amount of US\$10 million.</p> <p><b>Corporate Governance → Social Economic and Legal Compliance:</b> The following are the countermeasures</p> <p>1.By establishing a governance organization and implementing internal control mechanisms, we ensure that all of our employees and operations comply with the relevant laws and regulations.</p> <p>2. We apply for patent to protect the rights of the Company for the products we developed.</p> <p><b>Corporate Governance→Strengthening Board of Directors' Functions:</b> The management response is as follows</p> <p>1.We plan training for directors and update the latest regulations, institutional development and policies for directors every year.</p> <p>2.The Company provides directors' liability insurance to prevent litigation or claims against directors.</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			<b>Corporate Governance→Communicate with stakeholders:</b> The management response is as follows 1.The Company analyzes the major stakeholders and the important issues they are concerned about every year to avoid misunderstandings that may lead to operational or litigation risks if the stakeholders' opinions differ from those of the Company. 2. Establish various communication channels to actively communicate and reduce dispute and misunderstanding. Set up a mailbox for investors, and the Company's spokesperson is in charge of handling and responding to the inquiries from investors.	
III. Environmental Issues				
(I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(I) In 2024, all the factories in China have been qualified by "ISO 14001 Environmental Management System" and have been certified on a regular basis, the tracking and emission reduction results are disclosed in the Sustainability Report and on the Company's website.	No difference.
(II) Is the Company committed to improving energy use efficiency and using renewable materials with low impact on the environment?	✓		(II) The Company actively promotes various energy reduction measures, adopts energy saving and emission reduction initiatives, reduces product energy consumption, to optimize energy use efficiency. We expect to build solar panels to improve the renewable energy efficiency every year. The raw materials used by the Company are all in compliance with the EU RoHS halogen-free specifications, we recycled the packaging materials and minimized the waste generated from the manufacturing process in order to reduce the impact on the environment. For green manufacturing, we reduce unnecessary resource consumption, seek waste reduction and develop reuse technology, to maximize environmental and economic benefits in the upstream and downstream of the value chain. We create recycling value by recycling the materials for	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
(III) Does the Company assess the potential risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?	✓		<p>the manufacturing process and developing waste reduction technology.</p> <p>(III) The Corporate Governance and Sustainability Committee is the highest authority to manage climate change related issues. The President of the Company serves as a convener. The Committee reviews the implementation status and discusses future plans annually, and reports to the Board of Directors.</p> <p>The Company implements energy saving and carbon reduction measures, including innovative research and development, improvement of lighting equipment, use of electronic forms and documents, energy saving and resource and energy recycling, and will continue to promote the energy saving policy.</p>	
(IV) Does the Company prepare statistics of greenhouse gas emissions, water consumption and the total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓		<p>(IV) The Company will completed the ISO 14064:2018 scope I, II, III inventory and third party verification in 2024.</p> <p>In addition, in response to climate change and to promote the sustainability of the Company, the Company will continue to purchase renewable energy, install solar energy equipment and invest in energy-saving technology to adopt renewable energy gradually in the future.</p> <p>The Company has concerned about the issue of water conservation and environmental protection for years. In terms of water conservation plan, we have been replacing old pipelines and flushing valves, conducting spot checks and inspections on water switches, and strengthening the daily management in each factory, such as education and promotion, in order to reduce the water consumption in the infrastructure facilities, such as air conditioning, air pressure, and other circulating water, as well as employees' daily water consumption. Water consumption in 2024 was 142.99 million liters and</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			2023 water consumption was 145.43 million liters. All waste is handled and sorted centrally. The Company has designated the administration as the dedicated management unit in accordance with ISO 14001 management procedures, the administration unit selects qualified suppliers with effective waste handling capabilities and signs recycling contracts to ensure that the waste generated by the Company will not have a significant impact on the environment. In 2024, the total amount of hazardous waste was 557.46 tons, of which 7.46 tons were hazardous waste and 550 tons were non-hazardous waste. In 2023, the total weight of hazardous waste was 607.50 tons, 10.5 tons for hazardous waste, and 597 tons for non-hazardous waste. The waste disposal providers at each factory had no environmental violations and fines in 2024 through legal disposal by suppliers, all waste management process was in compliance with the contract and legal obligations.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?	✓		(1)The Company supports and follows internationally recognized human rights norms and principles such as the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, complies with local laws and regulations, takes actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, treats all staff members with dignity and respect, and establishes human rights policies applicable to the Company and its subsidiaries. The Company's Headquarters in Taiwan and the Manufacturing Center in China have formulated the "Corporate Social Responsibility Manual", insisting that employees must be hired according to their	No difference.



Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(II)Has the Company established and implemented reasonable employee welfare measures (including compensation, vacation and other benefits) and properly reflected the operating performance or results in employee compensation?	✓		<p>personal characteristics, ability and the suitability for the positions, and that they will not be treated differently regardless their race, nationality or origin, social class, ancestry, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, political opinions, age or other discrimination. In addition, the headquarters and each factory have established management procedure documents such as the non-compulsory, non-discriminatory and anti-harassment regulations. In 2024, a total of 21 hours of human rights protection-related training was provided to employees, and 14 employees completed the training In the future, we will continue paying attention to human rights protection issues and conduct related training sessions to raise awareness of human rights protection and reduce the possibility of related risks. As for child labor and underage workers, in 2024, there were no violations and complaints related to child labor and freedom of association at our factories.</p> <p><b>(2) Employees' remuneration:</b> In accordance with the Company's Articles of Incorporation, no less than 6% of the Company's profit for the year shall be appropriated for employee compensation. In order to attract and retain the best talents and reward colleagues for their performance, the Company has connected employee salaries to company performance and designed a competitive compensation structure to attract talents. Employee remuneration has three major sources: fixed salary, year-end bonuses and performance bonuses. In addition to occasional salary adjustments, bonus payments are made annually based on the operating performance of the business unit in order to provide more immediate motivation. The Company provides rewards for R&amp;D and engineering personnel, as well as high-performance and outstanding individuals. A</p>	No difference.

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			<p>patent proposal and approval bonus incentive is also available to encourage innovative research and development.</p> <p><b>Employee welfare:</b> The Company has established an employee welfare committee to provide annual employee welfare funds and to plan and provide quality benefits for employees, such as: birthday cash gifts, major holiday cash gifts, occasional afternoon tea, meal and parking subsidies, employee travel subsidies, lifestyle and art course subsidies, wedding subsidies, maternity subsidies, funeral subsidies, etc. The Company also provides a free health checkup program for its employees. In addition, the Company has a comprehensive leave system so that employees can have a work-life balance. The system includes annual leave, funeral leave, marriage leave, maternity leave, miscarriage leave, paternity leave, maternity examination leave, breastfeeding leave, menstruation leave, and family care leave. In the event of childcare, serious injury or illness, or a major accident that requires a longer leave of absence, employees can apply for leave without pay to take care of both personal and family needs.</p> <p><b>Workplace diversity and equality:</b> The Company aims for equal pay for equal work and equal promotion opportunities for men and women. In the Taiwan headquarters, which is mainly engaged in administration and research and development, the ratio of men to women is 64% to 36%; the China plant, which is primarily a manufacturing center, has a 57% to 43% men to women ratio. The composition of the Company is diverse, including different age groups, overseas talents, different industries, academic and other professional backgrounds.</p> <p><b>Promote gender equality policy</b> FIT Holding continues to promote a positive and</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(III) Does the Company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	✓		<p>mother-friendly environment in the workplace. The Company provides family care leave, paternity leave for men, menstrual leave for women, maternity exam leave, childbirth leave and the establishment of a nursing room. Additionally, a parental leave without pay mechanism is in place. These measures aim to support employees throughout all stages, from pregnancy and childbirth to parenting, ensuring peace of mind and helping maintain a healthy work-life balance. At the same time, in order to enhance the concept of gender equality and eliminate sexual or gender-based hostility in the workplace, the Company has established sexual harassment prevention measures and complaint channels to provide a work environment free from sexual harassment.</p> <p><b>Operating performance is reflected in employee compensation:</b></p> <p>(1) Article 26 of the Articles of Incorporation: If the Company makes a profit in a year, it shall contribute no less than 6% to employees' remuneration. However, when the Company still has a cumulative loss, it shall reserve the compensation amount in advance.</p> <p>(2) Overall remuneration policy: The Company participates in annual market remuneration surveys and adjusts salaries according to salary levels in the market, economic trends and individual performance in order to maintain overall pay competitiveness. In 2024, the average annual salary adjustment for both management and non-management positions in the Company's locations in China was 2%.</p> <p>(III) We are committed to avoiding major losses caused by occupational safety and fulfilling our corporate social responsibility. Based on the core concept of disaster prevention and disaster control, the Company uses appropriate management tools, mature technologies</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			<p>and available resources to integrate occupational safety and health issues in the factory, propose effective countermeasures, continuously improve and promote the occupational safety culture, strengthen the protection management for employees, and invest more resources in occupational disease prevention to create a zero-hazard environment.</p> <p>In 2024, a total of RMB2,642,916 was invested in occupational health and safety in China to improve the health and safety working environment including protective measures and equipment, education and training, and work environment inspection. In 2024, the rate of disabling injury in Taiwan was 0; the rate of disabling injury in China was 0. 1 mechanical injury and 1 other injury (Lower back sprain) (accounting for 0.08% of the total number of employees at the end of 2024). There were no major accidents and 0 fire incidents.</p> <p>After a thorough review and for improvement, the Company immediately revised the automatic inspection items and reaffirmed the Company's safety and life-saving policies, and urged managerial officers to pay attention to the physical and mental condition of employees to ensure their safety during work.</p> <p>The Company is certified by "ISO 45001 Occupational Health and Safety Management System" to provide employees with a safe and healthy working environment and regularly conducts safety and health training for employees. The content is as follows:</p> <p>1.Access control security: The Company has monitors or access control equipment for all external and internal access control to strictly control the access status, and has a police team to patrol day and night; the company has also established the "Factory Access Management</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			<p>Measures" and "Building Access Control Management Measures..", etc. which clearly regulate the movement of personnel, vehicles, and articles entering and exiting the factory to maintain the safety of employees.</p> <p>2.Occupational safety and disaster prevention measures and response: (1) The Company has a "Safety Production Committee" with the person in charge of the China plant as the general convener. Quarterly meetings on safety production are held to study and review major issues related to safety production. (2) New employees must attend labor safety and health training to raise their occupational safety awareness. (3) The Company has in place the "Occupational Health and Safety Management Procedures," "Emergency Response Procedures," "Accident Handling and Investigation Management Measures", etc. which clearly regulate the timely handling and investigation of accidents occurred and existing, in order to minimize the degree of damage and prevent similar accidents from recurring after investigation and review of the causes and prevention methods. (4) Due to the company's good occupational safety and health control, there were no occupational injury cases this year.</p> <p>3. Equipment maintenance: (1) According to the Fire Services Act, self-inspection of refuge facilities shall be conducted at least once a month. 12 self-inspection and maintenance operations were completed this year, and a contract was signed with the vendor for bi-monthly inspection and maintenance. (2) In accordance with the Occupational Safety and Health Management Measures, regular maintenance and inspection of various equipment in the working environment have been completed, and environmental testing</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Explanation	
			<p>has been completed twice this year; the results of the environmental testing are in compliance with the requirements of the regulations. (3) An annual inspection on electrical equipment and circuit inspections has been completed, and the results are all in compliance with relevant national safety regulations. The electrical equipment has fusible insurance and leakage protection, the insulation performance is good, and there are reliable grounding or zero-connection protection measures. (4) The Company regulates dangerous machinery and equipment according to the law and conducts detailed inspections to ensure that the equipment is operated safely. The company's dangerous machinery is regularly inspected and maintained in accordance with the "Rules of Operation for Machines and Equipment" to ensure the safety of the use of the equipment.</p> <p>4. Health and hygiene: (1) New recruits are required to undergo a physical examination before taking up their jobs, while the company assists incumbents in arranging health examinations every two years, and the frequency is superior to that in the regulations. The employee physics and health examination results are analyzed and evaluated by professionals. (2) The Company regularly organizes health and hygiene lectures to improve the employees' relevant health knowledge and health care. (3) The Company implements plans and activities to prevent human hazards and labor overload, protect maternal health, and prevent illegal infringements. (4) The Company has a mother-friendly working environment and has a nursing room available. (5) To prevent workplace violence and sexual harassment, the company has formulated the "Sexual Harassment Prevention and Management</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
<p>(IV) Has the Company established an effective career development training program for its employees?</p> <p>(V) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect the rights and interests of consumers?</p> <p>(VI) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and their implementation in environmental protection, occupational safety and health or labor human rights issues?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>Measures," which provides and establishes complaint channels and punishment measures. (6) The Company appoints medical (nursing) personnel to provide on-site services for labor health services. (7) The Company regularly conducts environmental disinfection in the factory. Professionals maintain the environmental cleaning, and deep cleaning is regularly arranged to ensure a healthy working environment. 2 environmental disinfection and cleaning sessions have been completed this year.</p> <p>5. Insurance: The Company provides employee group insurance, which covers term life insurance, critical illness insurance, accident insurance, accidental medical insurance as well as hospitalization, cancer medical insurance and preferential family insurance.</p> <p>(IV) Our human resources are closely integrated with the future development strategies and goals of the Company. In addition, HR provides annual training for new employees, professional and functional education to strengthen their professional skills and encourage employee to seek for diversified development.</p> <p>(V) The marketing and labeling of the company's products and services are handled in accordance with relevant laws and international standards. The Company also has dedicated personnel and an e-mail box to deal with issues related to company complaints and deal with consumer or customer complaints immediately.</p> <p>(VI) When cooperating with new suppliers, suppliers are required to sign a "supply-side social responsibility commitment"; in order to eliminate any unfair, unjust and discriminatory behavior in procurement activities, suppliers are instructed in the contracts that the products traded must comply with international, national and regional laws and regulations related to</p>	

Item	Implementation Status			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			environmental protection. In the case of a breach of the procurement contract, the supplier shall be liable for legal responsibility and damage. The key suppliers involved in the cooperation transactions, must comply with the Responsible Business Alliance (RBA) Code of Conduct and sign the Conflict Minerals Declaration in addition to the procurement contract and the "supply-side social responsibility commitment".	
V. Does the Company prepare reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification unit?	✓		The company's 2024 sustainability report follows the latest version of the guidelines (hereinafter referred to as GRI Standards) issued by the Global Reporting Initiative (Global Reporting Initiative, hereinafter referred to as GRI), with accuracy, balance, clarity, comparability, completeness, The 8 principles of sustainability, timeliness, and verifiability are disclosed, and the writing is compiled with reference to international guidelines such as the United Nations Sustainable Development Goals and the Climate-related Financial Disclosure Framework (TCFD). AFNOR Asia Ltd., a third-party verification agency, is entrusted to conduct independent verification according to the AA1000 V3 assurance standard and the first application type (Type 1) in 2018. Please refer to the report for details See our website.	The company has formulated the "Code of Practice for Sustainable Development", and the 2024 sustainability report will be uploaded before August 31, 2025.
VI. If the Company has its own sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies,” please state the implementation status and the differences: No difference. In accordance with the requirements of relevant regulations and standards, the company has formulated the "Corporate Social Responsibility Handbook" and formulated appropriate management plans to ensure that the goals are achieved.				
VII. Any other important information that may help to understand the operation of sustainable development: The Company and the companies in the group make donations to related charity organizations in Taiwan and mainland China every year. For instance, a donation of NT\$2 million was made to the Hualien County Government for post-disaster reconstruction, along with NT\$1.814 million in various emergency relief funds. In addition, fundraising activities were launched to donate clothes, children's shoes, and daily necessities to local kindergartens and African children, providing care for disadvantaged groups at the end of the year and donating funds to help them through the cold winter. The Company also participates in the beach cleaning and tree-planting events held by the group and regularly organizes employee blood donation activities to make a contribution to society.				



## Climate-related information of listed companies

### 1. Implementation status of climate-related information

Item	Implementation Status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<ul style="list-style-type: none"> <li>● The Corporate Governance and Sustainability Committee is the highest body for the Company's climate change management. The President of the Company serves as the convener and assigns each functional unit to form a risk assessment team. The relevant person-in-charge of the subsidiaries shall identify risks and opportunities in accordance with the Company's Risk Management Policy and Procedures. The Sustainability Committee members shall assist in compiling relevant cross-company information and statistics. Conduct climate change-related risk and opportunity identification at least once a year, assess and manage their financial impact, develop response strategies and set goals based on relevant initiatives, manage actions on climate change risks and opportunities, and report the implementation results to the Board of Directors annually.</li> <li>● The Board of Directors is responsible for guiding and reviewing climate change risk and opportunity projects, assessment results, response strategies and management performance, and continuously tracking the implementation and status of response measures for high-risk projects. The climate change risk management, strategy, and goal setting were approved by the Board of Directors on August 12, 2022. The Company's Board of Directors regularly evaluates the implementation plans and results proposed by the Sustainability Task Force, reviews the progress of emission reduction targets, monitors risk events, and urges the management to make adjustments when necessary.</li> </ul>
2. Describe how the identified climate risks and opportunities affect the Company's businesses, strategies, and finance (short-, medium-, and long-term).	<ul style="list-style-type: none"> <li>● In 2021, the Company participated in the Cheng Uei Group's Science Based Target initiative (SBTi). Using the year 2021 as the base year and setting the year 2030 as the target year, Scope 1 &amp; 2 absolute emissions are to be reduced by 42% compared to the base year. Referring to the carbon reduction target schedule, short-term risks are defined as less than 3 years, medium-term risks are defined as 3 to 5 years, and long-term risks are defined as more than 5 years.</li> <li>● Short-, medium-, and long-term risks: <ol style="list-style-type: none"> <li>1. Short-term: The extreme weather events result in the increase of raw material costs, which increases the material costs.</li> <li>2. Mid-term: Increased cost of renewable energy acquisition and transformation to a low-carbon economy.</li> <li>3. Long-term: Invest in the clean energy industry, strive to achieve the goal of carbon reduction, fulfill our corporate environmental responsibility, and move towards sustainable development.</li> </ol> </li> <li>● Short-, medium-, and long-term opportunities: <ol style="list-style-type: none"> <li>1. Short-term: Improve the factory's ability to resist risks and create a circular economy for raw materials.</li> <li>2. Mid-term: Continue to develop low-carbon technologies, actively cooperate with customers,</li> </ol> </li> </ul>

Item	Implementation Status
	<p>and improve the image and value of customers' products.</p> <p>3. Long-term: Invest in the clean energy industry, strive to achieve the goal of carbon reduction, fulfill our corporate environmental responsibility, and move towards sustainable development.</p>
3. Describe the financial impact of extreme climate events and transformation actions.	<ul style="list-style-type: none"> <li>● Review the Company's risk tolerance and asset risk pricing. Based on the analysis results, the Company establishes climate VaR indicators to monitor the loss of value caused by extreme climate risks.</li> <li>● Properly manage extreme weather events and risks associated with the transformation to a low-carbon economy, incorporate climate change risks into operational decision-making, fully respond to the trend of energy conservation and carbon reduction, and carry out financial planning to solve climate risks and complete the transformation.</li> </ul>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<ul style="list-style-type: none"> <li>● The Board of Directors assigns the Sustainability Committee to manage climate issues. Based on the climate-related risk topics collected, the Committee adopts the Task Force on Climate-related Financial Disclosures risk framework to identify, analyze, and track the implementation status of climate change-related initiatives/actions, taking appropriate mitigation and adaptation measures based on the likelihood and impact severity of climate risks.</li> <li>● Led by the Sustainability Task Force - Environmental Sustainability Group, the management process for prioritizing risks and opportunities related to climate change based on "impact severity" and "likelihood of occurrence" ensures that significant climate-related risks/opportunities are appropriately assessed and managed.</li> </ul>
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The scenario analysis shows that the Company sets 2021 as the base year and adopts an emission scenario whose absolute carbon reduction must meet the 1.5°C target. The source of the scenario is IPCC AR6(2021), Absolute contraction, and the main financial impact comes from the installation of carbon reduction equipment. Procurement of renewable energy power certificates increases operating costs.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	The Company follows the low-carbon operation management indicators, and through the construction of solar energy equipment, the factories in mainland China use green energy. As of December 2023, the green energy consumption was 1,451,250 (kWh), resulting in an emission reduction of 765 tCO <sub>2e</sub> .
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	As the Company sets 2022 as the base year, the number of years in operation is still short, and internal carbon pricing has not yet been implemented.
8. If climate-related goals are set,	The Company adheres to the Cheng Uei Group's greenhouse gas emissions reduction target

Item	Implementation Status
information should be provided on the activities covered, greenhouse gas emission scopes, planning timelines, and progress achieved each year. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, details should be provided on the source and quantity of offset carbon emissions or the number of RECs exchanged.	(hereinafter referred to as the carbon reduction target), and commits to pass the STBi, aiming to reduce the absolute emissions of Scope 1 & 2 by 42% by 2030 compared to the base year of 2021. Scope 3: Reduce emissions by 25% from the base year, 2021, from the purchase of goods, services, and sales.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).	<ul style="list-style-type: none"> <li>● Reduce the absolute emissions of Scope 1 &amp; 2 by 42% in 2030 compared to the base year of 2021 .</li> <li>● The following energy-saving and carbon reduction strategies are implemented under the greenhouse gas reduction program: <ol style="list-style-type: none"> <li>1. Implement lighting control in the office during lunch breaks and overtime hours.</li> <li>2. Plan for eco-friendly and energy-saving light tubes and motion sensor lights to reduce energy waste.</li> <li>3. Promote energy conservation by turning off lights and computers when leaving work, and regularly shutting off unnecessary power sources.</li> <li>4. Indoor air conditioning is set at 26 Celsius in summer and 28 Celsius in winter to reduce energy waste.</li> <li>5. Regularly inspect office energy equipment and prioritize purchasing high-efficiency products with eco-friendly and energy-saving labels.</li> <li>6. Encourage employees to take public transportation more often, or adopt ride-sharing, or set up video conferences to reduce transportation carbon emissions.</li> </ol> </li> </ul>

## 1-1 GHG inventory and assurance of the Company in the last 2 years

### 1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (tCO <sub>2</sub> e), intensity (tCO <sub>2</sub> e /NTD million), and data coverage for the most recent two years.
<ul style="list-style-type: none"> <li>● Coverage scope of greenhouse gas emissions for 2023: FIT Holding Co., Ltd, 4F, No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City 236</li> <li>1.Scope 1: The total emission amount is 0.3024 tCO<sub>2</sub>e and the intensity is 0.000519.</li> <li>2.Scope 2: The total emission amount is 7.1168 tCO<sub>2</sub>e and the intensity is 0.012216.</li> <li>3.Scope 3: The total emission amount is 3.8131 tCO<sub>2</sub>e and the intensity is 0.006545.</li> </ul> <p>Note: 2023 revenue: 582.57 (NTD million)</p>

- Coverage scope of greenhouse gas emissions for 2024: FIT Holding Co., Ltd, 4F, No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City 236
  1. Scope 1: The total emission amount is 1.7715 tCO<sub>2</sub>e and the intensity is 0.001502.
  2. Scope 2: The total emission amount is 6.7879 tCO<sub>2</sub>e and the intensity is 0.005758.
  3. Scope 3: The total emission amount is 4.0023 tCO<sub>2</sub>e and the intensity is 0.003395.

Note: 2024 revenue: 1178.79 (NTD million)

#### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last two years, including the scope of assurance, institutions of assurance, standards of assurance, and assurance opinions.

- 2023
 

Coverage scope: FIT Holding Co., Ltd, 4F, No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City 236

Assurance institution: AFNOR Asia Ltd

Assurance standards: ISO 14064-1: 2018

Assurance opinion: Unqualified opinion
- 2024
 

Coverage scope: FIT Holding Co., Ltd, 4F, No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City 236

Assurance institution: AFNOR Asia Ltd

Assurance standards: ISO 14064-1: 2018

Assurance opinion: Verification is expected to be completed in April 2025, and the full information will be disclosed in the company's 2024 Sustainability Report.

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

Evaluation items	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Explanation	
<p>I. Establishment of ethical corporate management policy and plans</p> <p>(I) Does the Company have an ethical corporate management policy approved by the board of directors, and clearly state the ethical corporate management policy and practice in the internal regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the corporate management policy?</p> <p>(II) Has the Company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope, and formulated a plan to prevent unethical behavior accordingly, which at least covers the preventive measures for the behaviors in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Does the Company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them, and regularly review and revise the plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has established a "Code of Ethical Management" which was approved by the Board of Directors. The "Corporate Governance and Sustainability Committee" under the Board of Directors and its affiliated "Corporate Governance Group" are responsible for promoting the Group's ethical management, anti-bribery and compliance with laws and regulations, as well as assisting the Board of Directors and the management in formulating and monitoring the implementation of ethical management policies and preventive programs to ensure the implementation of the Code of Conduct for Ethical Management, and annually reporting its implementation status to the Board of Directors.</p> <p>(II) In order to ensure the implementation of ethical corporate management, all employees of the companies in the group have signed the "Integrity Commitment Letter" to prevent through the inspection mechanism of the internal audit unit the occurrence of unethical business activities and bribery giving and taking, and regular reviews are conducted.</p> <p>(III) During the regular inspection, the internal audit unit also includes in its inspection whether there is any unethical behavior internally. Employees with unethical behaviors will be punished in accordance with the "Employee Reward and Punishment Measures" based on the circumstances and impact.</p>	No difference.
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company assess its counterparties' ethical corporate management records and specify the ethical corporate management terms in the contracts it enters into with them?</p>	<p>✓</p>		<p>(I) The Company and its suppliers have signed the "Manufacturer's Integrity Commitment." When signing</p>	

Evaluation items	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Explanation	
<p>(II) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of the implementation?</p> <p>(III) Does the Company have a conflict of interest prevention policy to provide appropriate channels for explanation and implement it?</p> <p>(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?</p> <p>(V) Does the Company regularly conduct internal and external ethical corporate management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p>	<p>the contract, the rights and obligations of both parties are specified in detail, and all suppliers are required to abide by them.</p> <p>(II) The Company's stock affairs unit is responsible for formulating and monitoring the implementation of corporate ethical management policies and prevention programs, and reports to the Board of Directors on the implementation status at least once a year -- most recently reported to the Board of Directors on August 9, 2024. See page 63 of this Annual Report for the status of the Company's ethical management in 2024.</p> <p>(III) The Company's employees have signed the "Employee Integrity Commitment Letter," and complaint channels are available. For any violations and petitions, employees can report to their direct supervisors, Human Resources or the audit unit.</p> <p>(IV) The Company has established an effective accounting system and internal control system, and formulates an internal audit plan every year. According to the audit plan, the internal audit unit implements various audit operations; in case of special circumstances, special inspections will be arranged separately.</p> <p>(V) The Company has a code of conduct for ethical management; its employees and suppliers have signed integrity pledges, and the Company also regularly educates its staff on ethical management-related regulations.</p>	<p>The company is in compliance with the second item, and there is no difference from the rest.</p>
<p>III. Operation of the company's accusation system</p> <p>(I) Does the company have a specific accusation and reward system, establish a convenient accusation channel, and assign appropriate</p>	<p>✓</p>		<p>(I)The Company has a dedicated line and mailbox for appeals and has dedicated personnel to handle related affairs.</p>	<p>No difference.</p>

Evaluation items	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Explanation	
personnel to the accused person? (II) Has the Company established the standard operating procedures for the investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism? (III) Does the Company take measures to protect the accuser from improper treatment due to the accusation?	~  ~		(II) The Company has established operating procedures and related confidentiality mechanisms for accepting accusation matters.  (III) The Company protects the identity of the accuser and avoids improper handling and threats to him/her due to the accusation.	
IV. Enhancement of information disclosure Does the Company disclose the content and promotion effect of its ethical corporate management best practice principles on its website and MOPS?	~		The Company discloses its corporate culture and business policies on its website and ethical management information on the Market Observation Post System.	No difference.
V. If the company has its own ethical corporate management best practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please state the differences between its operation and the principles: The Company has established its "Ethical Corporate Management Best Practice Principles", which is not materially different from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".				
VI. Other important information helpful to understand the company's ethical corporate management operation: (such as the company's review and amendment of the ethical corporate management best practice principles) The company has formulated relevant prevention plans to prevent unethical behaviors from occurring. The prevention plans formulated shall comply with the relevant laws and regulations of where the company and the group companies and organizations operate.				

The Company's 2024 ethical management status is as follows:

Item	Content
Supplier Commitment	<ul style="list-style-type: none"> <li>●All of the Company's suppliers shall sign the "Vendor Integrity Pledge" (100%).</li> </ul>
Education and Training	<ul style="list-style-type: none"> <li>●At least once a year, we provide training sessions to our directors, managers and employees on the "Regulations for the Prevention of Insider Trading", "Procedures for Handling Material Inside Information" and related laws and regulations.</li> <li>●Integrity management was incorporated into the onboarding training program for new hires, with a total of 10 participants and 5 training hours.</li> <li>●In 2024, the Company held an educational training "Trade Secret Law and Practice Case Analysis and Confidentiality Obligation Promotion" related to ethical corporate management with a total of 15 participants and 23 training hours.</li> </ul>
Commitment	<ul style="list-style-type: none"> <li>●All employees shall sign the "Employee Integrity Pledge" upon joining the Group (100%).</li> <li>●New directors shall sign material information confidentiality agreements upon assuming office.</li> </ul>
Education	<ul style="list-style-type: none"> <li>●As new directors and managers take office, the Company educates them on various laws and regulations and promotes the concept of ethical management from time to time.</li> <li>●Directors are reminded that they are prohibited from trading their shares during the closed period of 30 days prior to the publishing of the annual financial report and 15 days prior to the publishing of the quarterly financial report, in order to prevent unintentional violation of the rules.</li> <li>●We communicate ethics and confidentiality responsibilities to employees through bulletin boards.</li> <li>●Whistleblowing mechanism - email: FITH_3712@fit-holding.com</li> </ul>

(VII)Other important information which may improve the understanding of the operation of the company's corporate governance: None.



(VIII) Implementation status of internal control system:

1. Internal Control Statement: Please refer to the Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement.

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. If an independent auditor is entrusted with auditing the internal control system, the independent auditor's report shall be disclosed: None.

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

1. Board resolutions in 2024 and through March 31, 2025

Date	Important resolutions
2024.03.07	<ol style="list-style-type: none"> <li>1. Approved the Company's 2024 business plan.</li> <li>2. Approved the Company's and its important subsidiaries' allocation of remuneration of employees, directors and supervisors for 2023.</li> <li>3. Approved the Company's 2023 financial statements and business report.</li> <li>4. Approved the Company's 2023 earnings distribution plan and cash distribution from capital reserve.</li> <li>5. Approved the Company's proposed endorsement and guarantee for its subsidiaries.</li> <li>6. Approved the contract signing with financial institutions for credit lines and the application for foreign exchange hedging credit with banks.</li> <li>7. Approved the assessment of the independence and eligibility of the Company's certified public accountants</li> <li>8. Approved the Company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement".</li> <li>9. Approved the nomination list of independent director candidates.</li> <li>10. Approved the release of non-competition restrictions for newly elected independent directors of the Company.</li> <li>11. Approved the date of the Company's 2024 Annual General Meeting of Shareholders and its motions.</li> </ol>
2024.05.14	<ol style="list-style-type: none"> <li>1. Approved the Company's consolidated financial report for the third quarter of 2024.</li> <li>2. Approved the amendment to the Company's Authority Approval Matrix</li> </ol>
2024.08.09	<ol style="list-style-type: none"> <li>1. Approved the Company's consolidated financial report for the second quarter of 2024.</li> <li>2. Approved the Company's 2023 distribution of directors' remuneration</li> <li>3. Approved the Company's 2023 remuneration to managerial officers and employees</li> <li>4. Approved the Company's 2023 sustainability report</li> <li>5. Approval of the appointment of one member to the Corporate Governance and Sustainability Committee.</li> </ol>
2024.11.13	<ol style="list-style-type: none"> <li>1. Approved the Company's consolidated financial report for the third quarter of 2024.</li> <li>2. Approved the remuneration of CPAs of the Company for 2024 and 2025</li> <li>3. Approved the proposed endorsement and guarantee for the subsidiary POWER QUOTIENT INTERNATIONAL CO., LTD</li> <li>4. Approved the contract signing with financial institutions for credit lines and the application for foreign exchange hedging credit with banks.</li> <li>5. Approved the proposal to amend the Company's "Sustainability Information Management Procedures"</li> <li>6. Approved the proposal to establish the "Internal Control System for Sustainability Information Management" and the "Internal Audit Implementation Rules for Sustainability Information Management"</li> <li>7. Approved the company's 2025 internal audit plan.</li> </ol>
2025.03.07	<ol style="list-style-type: none"> <li>1. Approved the Company's 2025 business plan.</li> <li>2. Approved the Company's and its important subsidiaries' allocation of remuneration of employees, directors and supervisors for 2024.</li> <li>3. Approved the Company's 2024 financial statements and business report.</li> <li>4. Approved the Company's 2024 earnings distribution plan.</li> <li>5. Approved the replacement of the CPA and the assessment of the CPA's independence and suitability</li> <li>6. Approved the Company's proposed endorsement and guarantee for its subsidiaries POWER QUOTIENT INTERNATIONAL CO., LTD and GLORY SCIENCE CO., LTD.</li> <li>7. Approved the contract signing with financial institutions for credit lines and the application for foreign exchange hedging credit with banks.</li> </ol>

Date	Important resolutions
	8. Approved the Company's 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement". 9. Approved the amendments to the Company's salary cycle and the scope of junior employees 10. Approved the amendment to the Company's Articles of Incorporation 11. Approved the amendment to the Company's "Board Meeting Rules of Procedure" 12. Approved the amendment to the Company's "Organizational Rules of the Audit Committee" 13. Approved the re-election of the Company's directors upon the expiration of the term of office. 14. Approval of the nomination and review of the list of director (including independent director) candidates 15. Approved the release of non-competition restrictions for the newly elected 4th term of directors of the Company and their representatives. 16. Approved the related matters of the Company's 2025 Annual General Meeting of Shareholders and its motions.

2. Resolutions made by all attending shareholders at the general shareholders' meeting on May 27, 2024 and the status of their implementation

Important resolutions	Implementation Status
Approved 2023 Business Report and financial statements of the Company.	<ul style="list-style-type: none"> <li>The relevant financial statements have been filed with the competent authority for reference, announcement and declaration in accordance with the Company Act and other relevant laws and regulations.</li> </ul>
Approved 2023 earnings distribution of the Company.	The earnings distribution (including cash dividends resolved by the Board of Directors to distribute and reported to the shareholders' meeting) of NT\$2 per share cash dividends, set July 28, 2024 as the ex-dividend date, has been fully distributed on August 16, 2024.
The holding of a by-election for an independent director.	<ul style="list-style-type: none"> <li>Supplementary election of one independent director with a term of office from May 27, 2024 to June 16, 2025.</li> <li>List of elected candidates: Lu, Hung-Te</li> <li>The election of directors for the current session was registered with the Department of Commerce, Ministry of Economic Affairs in accordance with the regulations, and the registration was approved on June 18, 2024.</li> </ul>
Approved discharge of new directors from non-competition restrictions.	Effective after the resolution of the shareholders' general meeting, and a material information announcement will be made on the Market Observation Post System.

(X) In the most recent year and as of the date of printing the annual report, if the directors or supervisors have different opinions on the important resolutions passed by the board of directors' meeting with recorded or written statements in place, the main contents are: None.

#### IV. Certified Public Accountant Fee Information

##### Certified Public Accountant Fee Information

Unit: NT\$ thousand

Accounting Firm	Name of independent auditor	Audit period	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Hsiao-Zi, Zhou Liang, Yi-Chang	January 1, 2024 - December 31, 2024	2,650	750	3,400	

Note: Non-audit fees include audit of annual income tax returns, financial report translation and consultation service fees.

- (I) If the accounting firm is changed and the audit fee paid in the year of change is less than that in the year before the change, disclose the audit fees before and after the change and reason: None.
- (II) If the audit fee is reduced by more than 10% compared with the previous year, disclose the amount reduced, percentage and reason: None.

## V. Change of Independent Auditor:

### (1) Former independent auditors

Date of Change	January 1, 2025		
Reasons and Explanation of Changes	Due to the Company's accounting firm, PwC Taiwan, changing its internal management structure, the independent auditors Zhou, Hsiao-Zi and Liang, Yi-Chang were replaced by Zhou, Hsiao-Zi and Lin, Kuan-Hung.		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Counterparty	Certified Public Accountant	Consignor
	Status		
	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-
The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	None		
Is There Any Disagreement in Opinion with the Issuer	Yes	Accounting principle or practice	
		Disclosure of financial statements	
		Auditing scope or procedures	
		Others	
	None	✓	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4-7 of the Standards)	None		

### (2) Successor independent auditors

Accounting Firm	PwC Taiwan
Name of independent auditor	Zhou, Hsiao-Zi, Lin, Kuan-Hung
Date of Engagement	January 1, 2025
Consultation on the accounting treatment or accounting principles of specific transactions and the opinions that may be issued on the financial reports prior to the appointment, and the result of consultation	None
Written opinions of the successor CPA on matters of disagreement with the predecessor CPA	None

(3) The reply of former CPAs on Article 10.6.1 and Article 10, Paragraph 6, Item 1 and Item 2-3 of the Standards: None.

VI. Whether the chairman, president, or manager in charge of financial or accounting affairs of the company has worked in the firm of the independent auditor or its affiliated enterprises in the past year: None.

VII. Equity transfer and equity pledge by directors, managers, and shareholders with a shareholding ratio of more than 10%:

(I) Changes in shareholdings of directors, managers and major shareholders

Unit: share

Job title	Name	2024		2025 as of March 30	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Director and major shareholder	Foxlink International Investment Ltd.	0	0	0	0
Chairman of the board	Corporate representative: TC Gou	0	0	0	0
Director, CFO and Corporate Governance Officer	Corporate representative: Kufn Lin	0	0	0	0
Director	Hsin Hung International Investment Co., Ltd.	0	0	0	0
Director	Corporate representative: Jeffrey Cheng	0	0	0	0
Director	Corporate representative: Hwee Kian Lim	0	0	0	0
Director	Foxlink Taiwan Industry Co., Ltd.	0	0	0	0
Director and President	Corporate representative: Wilson Hu	0	0	0	0
Director	Corporate representative: Semi Wang	0	0	0	0
Independent Director	Ralph Chen	0	0	0	0
Independent Director	Cheng-Rong Chiang	0	0	0	0
Independent Director	Wei-Lin Wang (Note)	0	0	0	0

Note : Hong Te Lu was appointed as an independent director on May 27, 2024.

(II) The counterparty of share transfer or share pledge is a related party: None.

VIII. Information on the relationship among the top ten shareholders in terms of shareholding ratio who are related persons, spouses or second-tier relatives:

NAME	CURRENT SHAREHOLDING		SHAREHOLDINGS OF SPOUSE AND MINOR CHILDREN		SHAREHOLDINGS IN THE NAMES OF OTHERS		NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PERSONS, SPOUSES OR SECOND-TIER RELATIVES		REMARKS
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Foxlink International Investment Co., Ltd. Representative: T.C. Gou	58,303,464	23.68%	-	-	-	-	Hsin Hung International Investment Co., Ltd.	The Chairman is the same.	
	-	-	-	-	-	-	Fulian International Investment Co., Ltd.	The Chairman is the spouse	
Chi-De Investment Co., Ltd. Representative: Vivien Liu	21,055,687	8.55%	-	-	-	-	Foxlink Taiwan Industry Co., Ltd.	The Chairman is the same.	
	5,248	0%	-	-	-	-			
Fu Uei International Investment Ltd. Representative: Kufn Lin	14,690,257	5.97%	-	-	-	-	Cheng-Fa Investment Co., Ltd.	The Chairman is the same.	
	6,310	0%	-	-	-	-			
Chao Sung Investment Co., Ltd. Representative: Jianzhi Lin	5,580,000	2.27%							
	20,000	0%							
Hsin Hung International Investment Co., Ltd. Representative: T.C. Gou	5,419,329	2.20%	-	-	-	-	Foxlink International Investment Ltd.	The Chairman is the same.	
	-	-	-	-	-	-	Fulian International Investment Co., Ltd.	The Chairman is the spouse	
Fulian International Investment Co., Ltd. Representative: Yu-Chen Luo	4,197,772	1.71%	-	-	-	-	Foxlink International Investment Ltd.	The Chairman is the spouse	
	-	-	-	-	-	-	Hsin Hung International Investment Co., Ltd.	The Chairman is the spouse	
Yi-Ching Chuang	2,920,000	1.19%	-	-	-	-	-	-	

Foxlink Taiwan Investment Co., Ltd. Representative: Vivien Liu	2,771,276	1.13%	-	-	-	-	Chi-De Investment Co., Ltd.	The Chairman is the same.	
	5,248	0%	-	-	-	-			
UBS Europe SE	2,652,949	1.08%	-	-	-	-	-	-	
Japen Sercurities Finance Co.,Ltd	2,092,000	0.85%	-	-	-	-	-	-	

IX. The number of shares held by the company, its directors, managers, and the company's indirectly controlled enterprises in the same reinvested enterprise, and the consolidated shareholding ratio:

March 31, 2025

Unit: share; %

Reinvested enterprises	Investment of the company		Directors, managers, and the company's direct or indirectly controlled enterprises'		consolidated number of	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Glory Science Co.,Ltd.	60,000,001	100%	0	0%	60,000,001	100%
Foxlink Image Technology Co., Ltd.	164,993,974	100%	0	0%	164,993,974	100%
Power Quotient International Co., Ltd.	444,690,529	100%	0	0%	444,690,529	100%
Shih Fong Power Co., Ltd.	37,500,000	16.30%	79,800,000	34.70%	117,300,000	51%
Synergy Co., Ltd.	3,676,000	2.30%	80,001,000	50%	83,677,000	52.30%

### III. Fund Raising Status

#### I. Capital and shares

##### (1) Capitalization

##### 1. Capitalization

March 30, 2025

Unit: thousand shares; NT\$ thousand

Year and month	Issue price (NT\$)	Authorized share capital		Capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capitalization	Share capital paid with assets other than cash	Reference number of approval
October 2018	NT\$10	300,000	3,000,000	246,242	2,462,421	Initial investment NT\$2,462,421 thousand	None	October 1, 2018 ref. Jing-Shou-Shang No. 10701125670

##### 2. Types of shares issued

March 30, 2025

Unit: share

Shares Type	Authorized share capital				Remarks
	Outstanding shares (Note)	Unissued shares	Reserved shares for the issuance of employee stock options	Total	
Common shares	246,242,146	23,757,854	30,000,000	300,000,000	

Note: Listed shares.

##### 3. Information related to the blanket declaration system: Not applicable.

## (II) List of major shareholders

March 30, 2025  
Unit: share

Shareholder's Name	Number of shares held	Shareholding ratio
Foxlink International Investment Co., Ltd.	58,303,464	23.68%
Chi-De Investment Co., Ltd.	21,055,687	8.55%
Fu Uei International Investment Ltd.	14,690,257	5.97%
Chao Sung Investment Co., Ltd.	5,580,000	2.27%
Hsin Hung International Investment Co., Ltd.	5,419,329	2.20%
Fulian International Investment Co., Ltd.	4,197,772	1.71%
Yi-Ching Chuang	2,920,000	1.19%
Foxlink Taiwan Investment Co., Ltd.	2,771,276	1.13%
UBS Europe SE	2,652,949	1.08%
Japen Sercurities Finance Co.,Ltd	2,092,000	0.85%

## (III) Company dividend policy and implementation status

### 1. Dividend policy:

The Company's dividend policy is to distribute the company's distributable earnings up to 90% to shareholders in the form of dividends. According to the future capital expenditure budget and capital demand situation, the cash dividend of the company's dividends will not be less than 20%.

### 2. Dividend distribution proposal at the shareholders' meeting:

The company will allocate NT\$738,726,438 as shareholders' cash dividend from the distributable earnings of 2024, at NT\$3 per share. The board meeting has approved this proposal, and the chairman is authorized to set the ex-dividend date, payment date and other related matters.

(IV) Impact of the stock dividend distribution proposed by the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

### (V) Remuneration of employees, directors and supervisors

#### 1. The amount or range of the remuneration of employees, directors and supervisors as stated in the company's articles of association:

If the company makes a profit during the year (the so-called profit refers to the profit before tax minus the distribution of remuneration of employees, directors and supervisors), no less than 6% of it shall be allocated as employees' remuneration and no more than 3 % as the directors' remuneration. However, when the Company still has a cumulative loss, it shall reserve the compensation amount in advance.

The employee remuneration mentioned in the preceding paragraph can be paid in stocks or cash. The payment objects include employees of controlling or affiliated companies who meet certain conditions. The board of directors is authorized to make a resolution on the conditions and distribution methods. Directors' remuneration can only be paid in cash.

#### 2. The basis for the estimated amount of remuneration for employees, directors and supervisors in the current period, the calculation basis for the number of shares of employees' remuneration distributed in stock, and the accounting treatment if the actual distribution amount is different from the estimated amount:

The basis for the estimated amount of remuneration for employees, directors and supervisors is that If the company makes a profit during the year (the so-called profit refers to the profit before tax minus the distribution of remuneration of employees, directors and supervisors), no less than 6% of it shall be allocated as employees' remuneration and no more than 3 % as the directors' remuneration. However, when the Company still has a cumulative loss, it shall reserve the compensation amount in advance. If the shareholders'



meeting decides to pay shares as employee dividends, the number of stock dividends is determined by dividing the amount of the resolved remuneration by the fair value of the stock. The fair value of the stock is calculated based on the closing price on the day before the resolution of the shareholders' meeting of the following year while taking into consideration the effect of ex-stock or ex-cash dividend. However, if there is a discrepancy between the actual distribution amount by the resolution of the shareholders' meeting and the estimated amount, it will be listed as the income in the following year.

3. Remuneration distribution approved by the board meeting:

(1) Cash distribution of NT\$73,000,000 for employees' compensation and NT\$10,610,000 for directors' remuneration.

(2) The amount of employees' remuneration distributed in stock and its proportion of the total net profit after tax and total employees' remuneration in the individual financial report for the current period: Not applicable.

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price); if there are differences between the recognized remuneration of employees, directors and supervisors, state the differences, reasons and handling: In 2023, the Company recognized NT\$33,920,000 for employee compensation and NT\$4,080,000 for director remuneration.

However, the actual amount of employee compensation and director compensation for the year was NT\$28,730,000 and NT\$4,080,000, respectively. The difference between the actual distribution and the amount recognized was recorded as profit or loss in the following year.

(VI) The company's buyback of its shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Handling of overseas depositary receipts: None.

V. Handling of employee stock option certificates

(I) Processing of the company's unexpired employee stock options and its impact on shareholders' equity: None.

(II) As of the publication date of the annual report, the names, acquisition and subscription status of the managers who obtained employee stock option certificates and the top ten employees who obtained employee stock options certificates that can be converted into the largest number of shares: None.

(III) Issuance of new shares with restricted employee rights: None.

(IV) As of the publication date of the annual report, the names, acquisition and subscription status of the managers who obtained new shares with restricted employee rights, and the top ten employees who obtained employee stock options certificates that can be converted into the largest number of shares: None.

VI. Handling of M&A or receiving shares of other companies for issuing new shares: None.

VII. Implementation status of fund utilization plan: None.

## IV. Operation Overview

### I. Business Content

#### (I) Business Scope

##### 1. The main content of the Company's business

The main business of the Group is the production, manufacturing and trading of optical instrument components, computer peripheral components, 3C products, image scanners and multi-function printers, power plant investment and development, and clean energy services.

##### 2. Business Proportions

The business proportions of the various products of the company in 2024 are as follows:

Product	Business turnover (NT\$ thousand)	Proportion
Energy Service	19,644,719	73.02%
System and peripheral products	5,469,124	20.33%
3C retail and peripheral products	1,590,877	5.91%
3C components	199,142	0.74%
Total	26,903,862	100.00%

Note: The business turnover above is the revenue as in the consolidated financial report.

##### 3. The Company's current products (services)

Main product categories	Important application or function
3C Components: Optical communication component Data center, Telecommunications Local Area Network, high-speed optical communication transmission components Optical components Optical imaging lens, body motion sensing, intelligent AI optical recognition, secondary optical application components	Mainly used in data centers, local area network optical transmission centers, and high-capacity medium and long-distance optical transmission components, the application of AI computing power center.  Mainly used in smartphones, tablet computers, NB computers, Wearable AR/VR glasses, AI smart surveillance, 3D game consoles, Medical endoscopy product application, etc.
3C retail and peripheral products: Apple products and mobile peripheral products	iPhone, iPad, iMac, MacBook, iPod, cables, PPS fast chargers, PPS power strips, PD power banks, magnetic wireless charging (including MagSafe), HUBs, storage devices, encrypted disk applications, TWS wireless Bluetooth earbuds series, etc.
System and peripheral products	Various wired, wireless and cloud-based platform and portable image scanner, image recognition devices and automatic paper feed scanning modules
Energy Service: Power plant investment and energy services	Power plant investment and development and clean energy services

Others	Mainly system assembly and processing, SMT templates, mold design and production income, etc.
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#### 4. New products planned to be developed:

##### 3C Components:

- (1) 5M, 8M, 13M (high resolution) NB lens, PC AI lens
- (2) Home/environment, smart living recognition and monitoring
- (3) Wearable AR/VR game platform, ultra-micro sensor/body sensor lens, optical components
- (4) High-speed optical transmission components for high-speed optical communication and fiber optics, high-speed multi-channel Tx/Rx optical communication components
- (5) Data centers optical communication modules and components
- (6) Data center high-speed multi-channel fiber patch cord
- (7) Development of plastic materials for optical communication modules

##### 3C retail and peripheral products:

- (1) High wattage fast charger (PD3.1 protocol 140W)
- (2) High wattage output power banks (PD 100W up) and PPS plug
- (3) Wireless MagSafe /Qi2 All-in-One Charger
- (4) iPhone/iPad/Macbook/Apple Watch peripheral products
- (5) TWS Bluetooth wireless earbuds and multimedia related products

##### System and peripheral products:

- (1) Mid- and low-end 80/40 PPM A4 size duplex desktop scanner
- (2) High-end 80 PPM A3 size duplex desktop scanner
- (3) Different from L & C type, the new U type Paper Path duplex desktop scanners
- (4) 15 PPM A4 size single and double-sided portable scanner

##### Energy Service Management:

- (1) Expand the Development of Small Hydropower Generation
- (2) Expand development in the offshore wind power sector
- (3) Layout of offshore wind power generation turnkey projects and long-term maintenance market.
- (4) Overcome the technical challenges of intermittent power supply from renewable energy sources

#### (II) Industry overview

##### 1. Industry Status and Development

##### 【3C Components】

##### (1) 3C Components, Optical Components

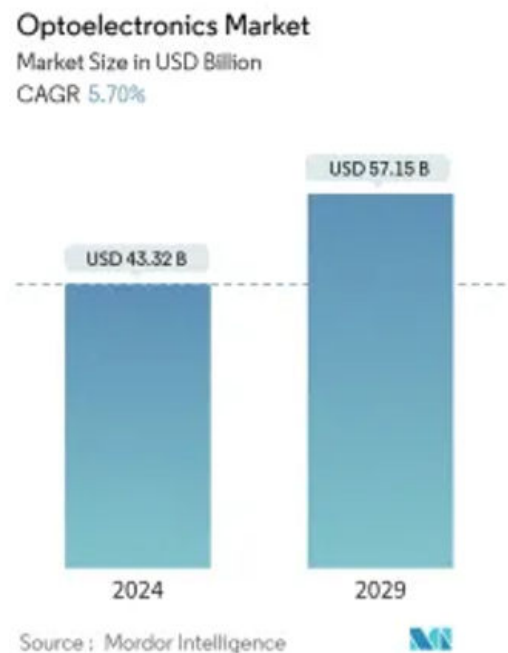
Optical components and lenses are core elements in optical imaging systems as well as in optical sensing and detection technologies. They have become essential technologies in modern information systems, network infrastructures, and AI imaging applications. The optoelectronics industry features a broad spectrum of applications, from traditional consumer electronics (such as smartphones, NB, and PC) to current innovations including miniature AR and VR devices, automotive optical sensing components, smart healthcare solutions, and mobile robotics. Depending on their optical properties, optical products are capable of serving diverse application needs across various environments including daily life, industrial settings, and medical contexts, all of which rely on the advancement of optical component technologies.

According to the sales forecast of the Consumer Technology Association (CTA), the retail sales of home electronics in the U.S. reached USD 442 billion. Smartphones are the largest product in the home electronics sector by retail sales.

Optical sensors are often integrated into smart phones, smart wearable devices and smart watches for ambient light and other purposes. The Internet of Things (IoT), wearable technology, and health and fitness technology are transforming the U.S. market and are the key drivers for the growth of optical sensor demand.

Due to the object detection and precision requirements, sensing devices are widely used in the industrial automation market. Sensing devices are being widely integrated into various automated mechanical environments, mainly for non-contact testing and measurement, such as counting, monitoring, conveyor mechanisms, transportation systems, machine tools, and assembly. However, it is widely used in daily life mobile environments, such as pedestrian flow, human body pose identification, and appearance environment identification.

Self-driving cars using optical sensors are also on the rise to promote the use of self-driving cars. As U.S. states expand inspection rules to support the development of autonomous vehicles, the application and sales of optical sensors are expected to continue to increase.



(2) Optical Communication Components

As the demand for data transmission continues to increase, the demand for hardware computing power for artificial intelligence (AI) also continues to increase. As a key component of data center interconnection, optical transceiver modules will benefit from the demand for high-speed data transmission.

Compared with the traditional electrical signal transmission, optical fiber communication has higher bandwidth, lower delay and lower signal degradation, and can meet the strict requirements of data center servers designed for high-performance data transmission. This makes optical communication technology an indispensable part of AI servers, the demand for AI servers continues to push the growth momentum of 400G/800Gbps and 1.6Tbps. In the future, data transmission between servers will require a large number of high-speed optical transceiver modules. These optical transceiver modules are responsible for converting electrical signals into optical signals, transmitting them through optical fibers, and converting the received optical signals back to electrical signals.

As the demand for AI hardware computing power continues to increase, the demand for data transmission is also rising. In the market, the high volume forecast for the application of optical transmission components is still hot, which means that the application market of data optical transmission components is the focus of attention. At present, Datacom and Telecom are the two major terminal application markets for optical communication modules. The optical communication application scenarios of the data center are mainly interconnected between internal servers or external data centers. Training of large AI models primarily relies on parallel computing performed by server clusters built on high-speed network architectures, which necessitates the deployment of a large number of optical communication modules.

According to market research, the rapid expansion of AI and 5G infrastructure will accelerate the growth of the optical communication market.

Years	Global Silicon Photonics Market Size (Billion USD)	Optical Communication Market Size (Billion USD)
2023	12.5	330.0
2024	15.7	380.0
2025	19.6	445.0
2026	24.5	510.0
2027	30.7	580.0
2030	50.0	850.0

### 【3C Retail and Peripheral Products】

#### (1) Apple products

The business is from Apple distributors in physical retail, and the main business is to sell Apple consoles and peripheral products. In the current environment, everyone has a handheld device. Consumers use handheld devices to search, compare prices or make purchases, making the link between physical channels and online stores gradually disappear. As consumers communicate through mobile devices, electronic media and social platforms, the integration of online and offline has also become an important trend in all-around retail.

#### (2) Diversified, fast, and high-power output of charging products:

In recent years, iPhone and Android series mobile phones have begun to fully support fast charging, regardless of whether they are high-end or low-end models, and thus drive the specification of high-power and ultra-fast charging related peripherals. The USB Implementers Forum (USBIF) has even launched a new generation of PD3.1 protocols that will push the maximum power from 100W to 240W, providing more diverse charging applications for products. Laptops equipped with USB-C ports can also share high-wattage PD chargers with smartphones. According to research, the USB-C connector is poised to become the most prevalent charging connector, thereby driving the market demand for related chargers.

#### (3) Solving "low-battery anxiety": power banks

With advancements in mobile device manufacturing technology, devices are becoming thinner and lighter compared to the past. Although battery and power control technologies have also improved, the increasing usage hours by users still lead to instances of "low-battery anxiety" being a common scenario. In addition, the market will continue to introduce electronic devices with new requirements, and the power charging demand for the devices will also exist.

Addressing the demand to avoid power shortages and ensure constant power supply will remain a niche for power banks

The market demand for mobile phones continues to exist, in addition, as the application items and application areas increase, so does the power consumption. Whether it is a new phone or a used phone, as long as it is an electronic product, users will continue to have a demand for power banks. Therefore, features such as fast charging technology, large battery capacity, and stable charging quality will become significant niches for breakthrough growth in the market.

#### 【Power Plant Investment and Energy Services】

With climate change and limited resources, environmental awareness is on the rise in various countries, leading to the rise of environmental protection, energy conservation and green economy. In order to strengthen energy security, innovate a green economy and promote environmental sustainability, Taiwan has also set a policy target of 20% of electricity to be generated by renewable energy by 2025.

In response to the deterioration of the environment, the world is entering a critical moment of "clean energy" transformation. In order to achieve the goal of generating 20% of electricity from renewable energy sources by 2025 and to promote the development of emerging green energy industries, the government has been promoting the "Green Energy Technology Industry Innovation Program" under the "5+2" industrial innovation framework. Based on the domestic green demand, the government has introduced large domestic and foreign investments, and along with the promotion of major policies such as the 5+2 Industrial Innovation Program, the Forward-Looking Infrastructure Program, the Digital National Innovation Economy Development Program, and the Action Plan for Welcoming Taiwan Businesses to Invest in Taiwan, it is expected to inject new momentum into Taiwan's economic growth and accelerate the development of related industries.

Given that the world is currently at a critical juncture in energy transition, green energy will be the new engine driving economic development in the future. In order to enhance our country's energy independence and develop emerging green energy industries, we are gradually moving towards the goal of a nuclear-free homeland. The Ministry of Economic Affairs passed the 'Green Energy Technology Industry Innovation Plan', one of the '5+2' innovative industries, on October 27, 2016. Based on domestic green demand, it aims to attract large-scale domestic and international investments, increase high-quality employment, and drive the leapfrogging of our country's green energy technology and industry. It envisions 'Green Energy Promotion', 'Industrial Development', and 'Technological Innovation' as the three major objectives. Through comprehensive promotion, including energy conservation, innovation, energy storage, smart system integration, and power industry reform, the goal is to achieve an early target of 8.7 GW for solar photovoltaic capacity by 2020, and to install smart meters for 3 million low-voltage households by 2024. To meet the target of renewable energy accounting for 20% of total generation by 2025, the long-term goal for renewable energy promotion is set at over 27 GW (2,700 MW) by 2025, including 20 GW of accumulated solar photovoltaic capacity (expected annual generation of 25 billion kWh), 1.2 GW of onshore wind power (expected annual generation of 2.76 billion kWh), 5.5 GW of offshore wind power (expected annual generation of 19.8 billion kWh), 2.15 GW of hydropower (expected annual generation of 6.6 billion kWh), marsh gas, etc. This aims to gradually reduce the proportion of nuclear power generation, with the aspiration to achieve the vision of a non-nuclear homeland by 2025.

## 【System and Peripheral Products】

### Commercial Scanner

#### ①End Market

The terminal application market for high-speed scanners is firms and government departments with moderate and heavy needs for digitizing daily documents, such as hospitals, banks, law firms, post offices, government administrative units, etc. In recent years, in addition to the continuous increase in the demand for the digitization of documents by various firms, due to the rapid development of online e-commerce, especially the rapid change in the retail market generated by cross-border e-commerce, the express delivery business volume has increased year after year. The digitization of express delivery documents is also one of the key factors leading to the continuous growth in demand for commercial scanners in recent years.

#### ②Brand Competition

This market has long been dominated by American and Japanese brands, including Fujitsu, Ricoh, Canon, Kodak, HP, Epson, Brother, etc.; the market share of regional brands such as Avison, Visioneer, Neat and Xerox cannot significantly increase but has a downward trend. Therefore, the market has a trend of growth of the largest, and the competition between Epson and Brother in the launch speed and price of new products is becoming fiercer. Although Fujitsu, Ricoh and Canon have a certain degree of brand loyalty in the market, their launch of new products is slow and it is difficult for them to expand the market.

#### ③Future Development

As the terminal demand (digitization of documents) continues to be strong, new retail industries (such as e-commerce, TV shopping, etc.) are impacting the demand for digitization of documents due to changes in the retail market. The market for low and medium-end high-speed scanners is expected to grow steadily; coupled with the maturity and widespread use of cloud-based digital file storage, management and sharing technologies, the demand for portable or miniaturized document scanners is also increasing gradually. When the price of low-end products falls to a sweet spot, it is expected that the household demand will significantly increase the overall industry demand. The market for high-end high-speed scanners is relatively stable. Although the volume is limited, the technical threshold is high and the gross profit is relatively attractive. As a result, major manufacturers are also making a lot of investment in R&D to develop a new generation of high-end scanners.

## 2. Correlation among the Industry's Upstream, Midstream and Downstream

### 【3C Components】

#### (1) Optical Components (Plastic Lens Set)

Precision optical functional components are usually assembled and processed based on various types of precision optical components and related structural parts, which are used to combine the components or parts in the optical system to achieve optical functions.

Precision optical components and functional components are characterized by high precision and high performance. The production process design and manufacturing process need to rely on advanced technologies and processes such as precision computer numerical control processing, precision coating, and ultra-precision processing. As the downstream application fields of precision optical products are becoming more and more extensive, customers have put forward higher requirements on the precision and quality

of products, which further promotes the development of the precision optical components industry.

The upstream of the optical lens industry includes optical materials, optical components and electronic components suppliers, the midstream is mainly the R&D and manufacturers of optical lenses, and the downstream of the industry is the various applications, so the optical lens industry has strong downstream linkage. Upstream raw materials, especially optical materials, price fluctuations of optical components, and quality levels have a greater impact on the cost and quality of the lens.

Precision optical components serve as the core parts of precision optical equipment, with their quality and performance determining the final functionality of downstream end products. As one of the core technologies supporting the development of modern science and technology, the technical level and industrialization scale of the precision optics industry have become an important indicator to measure the economic development and technological progress of a country or region. At present, optical components made of glass have been widely used in medical and life sciences, industrial testing, aerospace, and semiconductors. Optical components made of plastic and glass-plastic hybrid materials have been widely used in consumer electronics, automotive optics, and security monitoring, and so on. With the rapid development of applications such as artificial intelligence (AI) image recognition, automotive optics, autonomous driving, and AR/VR devices, the technology upgrades and application expansions in the optical lens market continue to stabilize demand growth.

## (2) Optical Communication Components (Optical Connector)

The upstream of the optical communication optical module industry mainly includes the optical device industry, integrated circuit chip industry and PCB industry. There are many suppliers in the optical component industry, with high-end optical components mainly provided by domestic and foreign suppliers; integrated circuit chips mainly include laser drivers and limiting amplifiers, and the suppliers of such chips are distributed across multiple regions globally; structure PCB is a fully competitive market, its demand is dominated by downstream demand, and its application field covers almost all electronic information products.

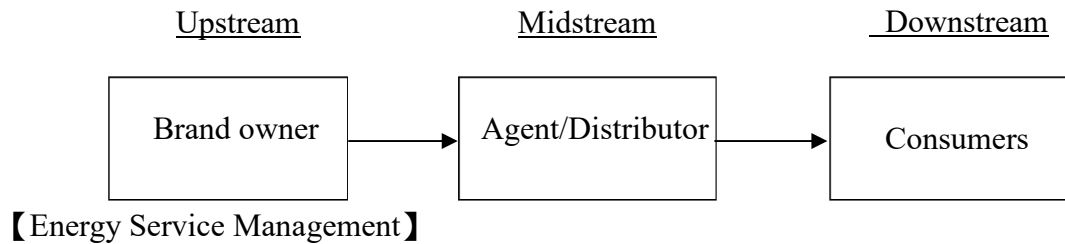
The downstream of the optical module industry is mainly communication equipment manufacturers and communication operators. The application fields of optical module products cover data broadband, telecommunications, Fttx, data centers, smart telecommunication networks and other industries.

With the development of the optical communication industry and the advancement of technology, the demand for bandwidth continues to increase. Communication equipment manufacturers and communication operators will continue to increase investment in optical communication networks and equipment, thereby driving the development of the optical module industry.

Full-scale construction of fiber access network project. With the rise of emerging technologies and new services such as cloud computing applications, mobile Internet, Internet of Things, and optical storage, the development of new technologies will place higher technical requirements on the optical module industry. Optical communication enterprises can only maintain their dominant position in the industry by continuously investing in R&D and developing new products that comply with market trends and technological developments.



【3C Retail and Peripheral Products: 】



<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>						
<table><tr><th>Owner</th></tr><tr><td><ul style="list-style-type: none"><li>▪ National land (National Property Administration)</li><li>▪ Private land</li></ul></td></tr></table>	Owner	<ul style="list-style-type: none"><li>▪ National land (National Property Administration)</li><li>▪ Private land</li></ul>	<table><tr><th>Energy service company</th></tr><tr><td><ul style="list-style-type: none"><li>▪ Green energy power plant development, evaluation, design planning and construction services</li><li>▪ Green power plant</li></ul></td></tr></table>	Energy service company	<ul style="list-style-type: none"><li>▪ Green energy power plant development, evaluation, design planning and construction services</li><li>▪ Green power plant</li></ul>	<table><tr><th>Electricity purchasers</th></tr><tr><td><ul style="list-style-type: none"><li>▪ Taiwan Power Company</li><li>▪ Electricity vendors</li></ul></td></tr></table>	Electricity purchasers	<ul style="list-style-type: none"><li>▪ Taiwan Power Company</li><li>▪ Electricity vendors</li></ul>
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Electricity purchasers								
<ul style="list-style-type: none"><li>▪ Taiwan Power Company</li><li>▪ Electricity vendors</li></ul>								

【System and Peripheral Products】

Mainly the production of optoelectronic and digital imaging related products. Its upstream materials cover a wide range of suppliers, such as those of optical materials, electronic materials, IC, plastic materials, metal materials, packaging materials and software; the downstream manufacturers include major international brands and distributors, distributors, PC manufacturers and other customers. The company is located in the midstream responsible for integrating the upstream materials, and conducts the design, producing, testing and packaging, and finally provides the finished products to downstream customers. The correlation among the industry's upstream, midstream and downstream is shown in the figure below:

<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>
<ul style="list-style-type: none"> <li>● IC industry: <ul style="list-style-type: none"> <li>● IC design <ul style="list-style-type: none"> <li>● DRAM.IC</li> </ul> </li> </ul> </li> <li>● Software <ul style="list-style-type: none"> <li>● PC Driver</li> </ul> </li> <li>● Optical industry <ul style="list-style-type: none"> <li>● Lens</li> </ul> </li> <li>● Electronic materials <ul style="list-style-type: none"> <li>● PCB</li> <li>● SMD RCL</li> </ul> </li> <li>● Plastic industry <ul style="list-style-type: none"> <li>● Case plastic parts</li> </ul> </li> <li>● Metal industry</li> <li>● Screw Gear Sheet metal parts</li> </ul>	<ul style="list-style-type: none"> <li>● Manufacturers of photoelectric and digital imaging equipment</li> <li>● Foxlink Image Technology Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>● International brand</li> <li>● Distributors</li> <li>● Dealer</li> <li>● Major PC brands</li> </ul>

### 3. Various Development Trends and Competitive Situation of Products

#### 【3C Components】

##### (1) Optical Components

At present, the optoelectronic application market trend continues to focus on the miniaturization of various devices and higher system integration, such as the integrated system miniaturization of on-chip electronic components with other electronic components, and AI intelligence. As consumers' demands for higher performance and higher resolution continue to grow, the industry standards for optical electronic equipment technology have increased the requirements for technology competition in consumer electronic products.

The future prospects of the global precision optics market are bright, with opportunities in consumer electronics, aerospace and defense, semiconductors, automobiles, biomedicine, and manufacturing. It is expected that the global precision optics market will reach USD 51.2 billion by 2030, and the compound annual growth rate from 2024 to 2030 will be 10.5%. The key drivers for this market are the growing demand for these optical devices in the medical and life sciences industries, increasing adoption of autonomous vehicles, and increasing investments in the microelectronics and semiconductor industries.

**Development of advanced imaging systems:** Driven by medical diagnosis, aerospace, and industrial testing, the market for imaging systems has high growth potential. New trends in imaging technologies such as high-resolution sensors and adaptive optics are improving the accuracy of diagnosis and testing and creating new opportunities in these markets.

**Miniaturization and integration strategies:** The high demand for miniaturization and integration of optical components has brought opportunities to consumer electronics, medical equipment, and mobile devices. The demand for miniaturized optical components has led to the production of smaller and more functional products to meet space-saving needs and additional functions in various applications.

**R&D investment in new optical technology:** R&D investment in new optical technology is a promising growth direction, which stimulates the advancement of imaging, sensors and coating technologies. Companies that prioritize R&D will make great progress in developing next-generation products, improving capabilities, and gaining market share in precision optics.

##### (2) Optical Communication Components

The global optical communication system market size is expected to expand from USD 24.3 billion in 2023 to USD 55.6 billion in 2033, with a compound annual growth rate of about 8.7%.

The optical communication system/network market includes technologies and solutions that promote high-speed data transmission with optical fibers. The surge in cloud services, data centers, and connected devices has created a growing market for fast and reliable communication networks. Fiber, especially Dense Wavelength Division Multiplexing (DWDM) systems, is leading the market due to its ability to increase bandwidth and data transmission efficiency. The second most promising market segment is PON (Passive Optical Network), which reflects the increasing penetration of residential and commercial broadband services. With the advanced infrastructure and major technical support in North America, the Company has occupied a leading position in the market. With rapid urbanization and massive investment in communications infrastructure, the Asia Pacific region ranked second. Driven by the penetration of the internet and the

government's development of smart cities, the continuous development of 5G technology and the growing demand for data centers to support global digital transformation are further driving the market development.

Limited by the restrictions of optical communication standards and regulations and the investment threshold of infrastructure-intensive capital, large-scale system companies have most of the market share, and the midstream and downstream companies compete with each other to be included in the supply chain of large-scale system companies. However, because optical communications are an infrastructure industry, the volatility is small, and with the increasing demand for network communications in emerging countries, it is showing steady growth. Major European, American and Japanese manufacturers have gone to the Asia-Pacific region to purchase or produce due to cost considerations. This has increased the business opportunities of OEM or ODM for manufacturers. It has also become a development niche for Taiwanese manufacturers and an opportunity for the Company's growth.

### 【3C Retail and Peripheral Products】

The 3C retail market is highly competitive, and its development and competition are as follows:

- (1) Integrity of the brand's product line: As 3C products continue to mature and technological advancements accelerate, developing a more diversified product line enables products to better meet consumer needs. Enhancing product completeness not only increases brand recognition but also strengthens customer loyalty to the brand.
- (2) Social media management: In recent years, with the growing influence of media decentralization, traditional media channels have been significantly impacted. Online marketing and spokesperson-driven promotion now play crucial roles in the retail industry. Building a brand community and maintaining positive engagement with followers greatly contribute to the development and management of brand image.
- (3) Maintaining loyal members: Due to the increasing competition in the market, retaining existing members and regularly launching brand activities on the company's website/social media/sales channels can help increase member retention, so that members will keep an eye on new product launches.

### 【Energy Service Management】

In response to the international trend of developing green energy to mitigate climate change, transforming a green economy, enhancing independent energy, and building a good living environment in Taiwan, the Ministry of Economic Affairs actively promotes green energy in the country and has achieved fruitful results. Six principles (national energy independence, acceptability of electricity price impact, technical feasibility, cost-benefit orientation, phased and balanced development, and promotion of industrial development) have been planned for the promotion goals, focusing on the promotion of renewable energy with mature technology and low power generation costs, and investment in related research and development for more forward-looking and uncommercialized technologies. A rolling review of renewable energy promotion goals and their proportions are also conducted. In Taiwan, wind power generation (including land-based and offshore wind power generation), solar photovoltaic, biomass power generation and geothermal power generation are currently the main promotion projects.

The Electricity Act is being amended to open up to and encourage the power generation industry to develop renewable energy. Although market opportunities have increased, competitors have also increased. The company will invest in related businesses with an excellent management team and quality and technology to enhance the company's interests.

According to the government's plan, the installed capacity of solar power will reach 20GW in 2025, with rooftop type and ground type accounting for 3GW and 17GW. By the end of December 2024, the system had a installed capacity of 14.281145GW of solar power.

Wind energy is a very important part of the development of renewable energy in Taiwan. Since 2000, Taiwan has been actively promoting the development and application of wind energy. Through resource exploration, technical guidance, research and investigation, demonstration subsidies and promotion, Taipower and the private sector have invested in the development of onshore and offshore wind farms. By the end of December 2024, the system had a installed capacity of 3.89 GW of wind power.

The Company and its subsidiaries have installed 130MW of solar power, 29MW of onshore wind power and 300MW of offshore wind power. The Company continues to develop and invest in large-scale solar and wind power plants, and plans to establish special purpose vehicles (SPVs) as owners of the projects in order to improve the operation and capital efficiency. In addition, the Company plans to dispose of the SPV shares to recover the capital and realize profits in advance, and use the capital to expand solar power plants or develop other new businesses to achieve growth on a rolling basis.

## 【System and Peripheral Products】

### (1) Commercial Document Scanner

The trend of commercial document scanning has become more and more polarized. First, the scanning efficiency requirements are getting higher and higher; regardless of the cost involved, the smart recognition and automatic image adjustment functions of the scanner must be improved, and any risk of manuscript damage caused by high-speed scanning must be avoided to meet high-end commercial models with high data storage requirements. On the other hand, the market for mid-to-low-end scanners continues to grow steadily. In addition to prices that continue to challenge lows, the functions inherited from high-end commercial models are expected.

ODM scanner suppliers have experienced the rise and fall of more than a decade. Now, only a handful of manufacturers in the world can develop similar products. However, due to the limited market, there is only one Taiwanese supplier in the world for the key scanner-dedicated control IC. To provide customers with clear market segmentation, the company has developed two generations of dedicated ICs in succession. Recently, we have developed the 2.5 generation of dedicated ICs to provide a perfect solution for the mid-to-low-end and portable markets with smaller and more power-saving functions. We have developed an embedded perfect image adjustment and paper protection mechanism with the world's exclusive and patented advanced technology for software and firmware. For the medium and low-end commercial markets, we are undoubtedly the market technology leader.

### (2) Embedded Smart Image Recognition/Correction

As the direction of commercial scanners is becoming more high-speed, the requirements for embedded intelligent image recognition and correction are becoming more demanding. Especially for commercial models with a USB3.0 interface, the hardware scanning speed is far higher than that of the connected computer. Therefore, if the embedded image processing function inside the scanner cannot be used for processing in real-time while scanning, even after the document is scanned at high speed, the user still has to wait for the processing result of the computer, and the significance and efficiency of high-speed scanning will be greatly reduced.

### (3) Paper Feeding Module of Business Machines

In the development of new products of various brands, in order to enhance the added value of products, the proportion of business machines with additional paper feeding modules is increasing, and the requirements for double-sided scanning and speed are becoming clearer.

After years of intensive work in paper feeding technology, the Company has obtained many patent protections at home and abroad. The Company's paper-feeding style automatic paper feed module is a technological leader in the ODM industry. There has been actual development and shipment performance ranging from A4 low-end modules to A3 high-end double-sided modules. Our accumulated technical experience has been recognized and supported by Japanese and American customers. Therefore, our customer loyalty is very firm. Low-end paper-feeding modules generally have low entry barriers and high price sensitivity, so price competition is high. The geographical location of production also has a decisive factor in their packaging and transportation costs. In contrast, the entry barriers for mid-to-high-end modules are high. Generally speaking, apart from the customer's own development team, there are relatively few significant competitors.

### (III) Technology and R&D Overview

The company's R&D expenses and technologies or products successfully developed in the last year and as of the date of publication of the annual report are as follows:

Unit: NT\$ thousand

Segment	2024	2025 (as of March 31, 2025)
Expenses	403,661	70,480(Note)
New products or new technologies successfully developed	3C Components: 1. Two high-, mid-, and low-level NB products 2. Three VR application-oriented lens 3. Three infrared sensing applications 4. One TOF application 5. Two surveillance lenses 6. Six wide-angle special application lenses 7. Five optical communication components 8. Two lens array fiber optical connector	3C Components: 1. Two high-, mid-, and low-level NB products 2. Two VR application-oriented lens 3. One infrared sensing applications 4. One TOF application 5. Three surveillance lenses 6. Five wide-angle special application lenses 7. Four optical communication components 8. Two lens array fiber optical connector
	3C Retail and Peripheral Products: 1. Wireless charging deck 2. Fast Charger 3. Fast charging power bank 4. TWS Bluetooth wireless earbuds	3C Retail and Peripheral Products: 1. All-in-one wireless charging deck 2. Fast charging power bank 3. TWS Bluetooth wireless earbuds
	System and Peripheral Products: 1. High-end 80 PPM A3 size duplex desktop scanner 2. Intermediate 40 PPM A4 size U-shaped duplex desktop scanner	System and Peripheral Products: 1. High-end 80 PPM A3 size duplex desktop scanner 2. Intermediate 40 PPM A4 size U-shaped duplex desktop scanner
	Energy Service Management: 1. Green power sharing cloud service 2. Cloud platform	Energy Service Management: 1. Green power sharing cloud service 2. Cloud platform

Note: The data has not been reviewed by the CPAs.

#### ◆The Group's Intellectual Property Management Plan

1. Intellectual property rights application and process control / rights assessment and cost control
2. Intellectual property enquiry/infringement analysis
3. Assisting the legal department in intellectual property litigation
4. Technical committee project analysis on intellectual property rights
5. Patent mapping for products/technologies
6. Intellectual property management/search platform system construction and maintenance
7. Intellectual property management method development
8. Implementation of the intellectual property rights incentive bonus system
9. Enforcement of measures related to protection of business secrets

## Implementation and Results

The Company reports intellectual property-related matters to the Board of Directors at least once a year, with the most recent reporting date being August 9, 2024.

### ◆List of intellectual property acquisition and results in 2024:

1. Patents: The Group filed a total of 10 applications, including 1 patent for "novelties".  
- A total of 9 patents were pending for review, including 4 "invention" patents, 5 "model" patents, and 0 "design" patents.
2. Trademarks: The Group filed a total of 3 applications. (Under review)

As of today, intellectual property rights acquired by FIT Holding Co., Ltd's 100% subsidiaries include:

	Inventions	Novelties	Design	Trademarks
Quantity	67	121	6	55

### (IV) Long-term and Short-term Business Development Plans

In response to the future industrial development and the overall economic environment, the company has formulated long-term and short-term plans for the company's future business direction and competitiveness enhancement. The following is a summary of the company's short-term and long-term plans:

#### 1. Short-term Development Plan

- (1) Improve the achievement rate, profitability, product differentiation, product diversity, technical capabilities, product quality and management capability.
- (2) Reduce costs, expenses, product delivery time, inventory and product development time.
- (3) Give full play to the advantage of vertical integration and strengthen the integration of group resources.
- (4) Expand more product items for customers and develop product portfolio/series, which will stimulate customers and drive overall revenue growth. The centralized service capability enables the company to gain a deeper understanding of potential business opportunities, so that the company can more effectively grasp the dynamics of each sales channel and market and facilitate cooperation. By grasping the market and channel dynamics, the company will be able to accelerate the launch of the next generations for the best-selling products, and match them with the marketing of topical products, which will also increase the competitiveness of the brand.
- (5) Comply with the Government's promotion of renewable energy policy, continue to invest in the development and construction of clean energy, such as solar, wind, geothermal, and water power, and continue to find good cases for factory building; gradually accumulate engineering experience and actual performance, build or strengthen the teams with factory construction technology and maintenance competence in photovoltaic, wind power and hydropower, move from the power generation industry to the market of free electricity sales, and add value to business opportunities from renewable energy through the sales of electricity from green energy and the accompanying renewable energy certificates.

#### 2. Long-term Development Plan

- (1) We will continue to develop our core products and technologies with optical support to increase market size, strengthen customer relationships, and expand our market share in end-user products to create high-value output.
- (2) Expand market operations, diversified products and services.
- (3) Understand the market trend, and make good use of the Group's technical resources.
- (4) Continuously cultivate and develop talents.

- (5) Combine physical stores, online shopping and logistics resources; start from customer needs, use digital tools to improve the quality of customers' shopping experience and provide more software related value-added services.
- (6) Expand 3C consumer electronics to global markets.
- (7) In addition to the continuous investment in the development of domestic renewable energy and clean energy, the company actively integrates various renewable energy industry chains, including development, construction, maintenance operation and free buying and selling of electric energy. On December 3, 2019, the company obtained a license for the electricity sales business and invested in the natural gas market; it is now the second company in Taiwan that obtained a natural gas import business license. It is the only private natural gas import company in Taiwan. The company will continue to carry out market development plans for "clean energy" business opportunities to replace heavy oil or coal as fuel. To sum up, the company adopts the five major directions of "light, wind, water, gas, and big platform" in its operation strategy and cultivates professionals in each strategic field. At the same time, the company also participates in international bidding projects, assesses the potential for overseas investment, and uses the experience of domestic power plants to deploy in Southeast Asia and establish a foothold in the Asian market. Continue to develop the ESG business, create an ecological chain of resource recycling, and sustain the development in Taiwan.

## II. Overview of Market, Production and Sales

### (I) Market Analysis

#### 1. Sales areas of main products

Unit: NT\$ thousand

Area \ Year	2024		2023	
	Amount	Percentage	Amount	Percentage
Taiwan	19,670,039	73.11%	11,347,647	65.13%
Hong Kong	1,805,798	6.71%	1,779,215	10.21%
China	1,743,758	6.48%	1,291,362	7.41%
United States	797,781	2.97%	646,499	3.71%
Others	2,886,486	10.73%	2,358,279	13.54%
Total	26,903,862	100.00%	17,423,002	100.00%

Note: The amounts above are the revenues in the consolidated financial report.

#### 2. Market share and future supply and demand status and growth

##### 【3C Components】

##### (1) Optical Components

##### ① Lens Supply Status

The main lens manufacturers include Chinese, Taiwanese, and South Korean companies. The market shares are as follows:

- a. The mainland Chinese lens factories have a market share of about 70%, and the important manufacturers include Sunny, AAC, Spy Optical, and Johnlen.
- b. Taiwanese lens factories have a market share of about 25%, and the important manufacturers include Largan, Genius Electronic Optical, Newmax Technology, Ability Opto-Electronics Technology, Powertip Image and our company.
- c. South Korean lens factories have a market share of about 5%, and the important manufacturers include Diostech, Kolen and Sekonix.

Chinese manufacturers, the main lens manufacturers, have a conservative market share in recent days and are not actively expanding their factories. Taiwanese manufacturers,



such as Largan, Genius Electronic Optical and Ability Opto-Electronics Technology, due to mobile phones' multi-lenses, the trend of metaverse, and the successive addition of AR, MR and TOF to special application products, have a positive attitude towards expansion.

#### ② Lens Demand Status

The Group is a professional manufacturer of lenses, and mobile phones are the main source of demand for the lens industry. The main terminal applications of lenses include smartphones, NBs and tablets. Among them, smartphones account for the highest proportion of shipments. The 2024 estimated shipment volume by each research unit compiled by the company is as follows:

Product name	Estimated shipment volume (production volume)	Annual growth rate	Explanation
Smartphones	1.2 billion units	4%	Global shipments of smartphones are expected to reach 1.1814 billion units in 2024, up by 4.9% year-over-year. In the next 5 years, a large number of feature phone users in India, Southeast Asia, South America, and Africa will have the need to exchange for smart phones. 5G networks in these regions will continue to be deployed and their coverage will continue to expand, which is expected to further drive this market. The shipment growth of smart phones in the market is expected to grow between 3% - 4% annually, with a compound annual growth rate (CAGR) reaching 3.6%.
NB	183 million units	7%	In 2024, affected by high interest rates and geopolitical factors, the global notebook market will recover slowly. The annual shipment is expected to be 174 million units, with a year-on-year growth of 3.9%. Looking forward to 2025, the conclusion of the U.S. election will reduce political variables. The Federal Reserve cut interest rates in September 2024, which helping capital flow. Together with the stimulation caused by Windows 10 service discontinuation and commercial phone replacement demand, it is expected that the shipment of notebook computers will grow 4.9%, which comes to 183 million units. At present, the core positioning of notebooks is still a productivity tool, and the growth in volume is mainly due to the accumulated demand for deferred

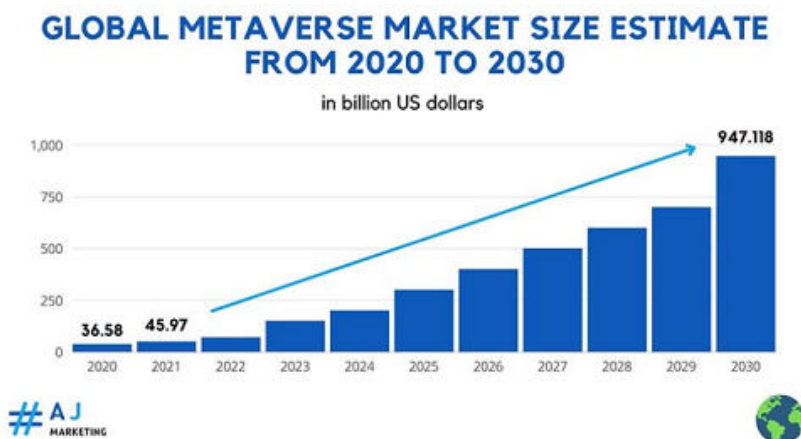
Product name	Estimated shipment volume (production volume)	Annual growth rate	Explanation
			<p>replacement. The contribution of AI notebooks is still quite limited. However, there is a trend of specification upgrades for additional AI functions. It is expected that the penetration rate of AI notebooks will naturally increase as brands integrate AI functions.</p> <p>Based on the analysis of products with different market positioning, the demand for business notebooks in 2024 will be conservative due to the global wave of layoffs and political and economic turbulence, and order release will not be as good as expected. In 2025, as the negative factors subside and the capital liquidity increases after the interest rate cut, the commercial market is expected to recover, and the shipment volume is expected to usher in an annual growth rate of more than 7%.</p>

### ③Supply and Demand Status and Growth of Special Applications

#### a. Security surveillance lens:

The global security lens market accounts for 53% of the overall video surveillance software and hardware revenue, and is expected to grow to about US\$204 billion by 2027. At the same time, the global security surveillance camera market continues to develop towards higher resolution. By 2022, 50% of the world's IP cameras will have a resolution higher than 4 million pixels. With the increasing demand for high-definition image quality and the popularity of multi-sensor cameras, it is expected that the proportion of high-resolution lens will exceed 70% by 2027.

- b. According to AJ Marketing, the global metaverse market will grow from 2022 and reach US\$947.118 billion by 2030, increasing the size of the industry and attracting more companies into the space.



The development of the metaverse can be traced back to 2013 and has been influenced by four key emerging technologies - augmented reality (AR), virtual reality (VR), artificial intelligence (AI), machine learning (ML), cloud computing and blockchain - leading to accelerated development. Among them, AR and VR technologies has matured to enhance the interactive and immersive virtual experience of the public, and thus these two technologies will become one of the key elements in the development of virtual worlds.

The future metaverse business opportunities will grow massively in six major areas. By leveraging technologies such as AR/VR, artificial intelligence, machine learning, cloud computing and blockchain, the metaverse service applications will shine in six major potential areas, including entertainment, shopping, social, work, education and finance. The metaverse is still in its infancy and needs to be improved step by step in terms of construction, equipment and technology. Although the metaverse has great economic potential, it depends on the speed of infrastructure development to reach the ideal economic state. The speed of deployment of the technology and the use of the metaverse by consumers and industry are key as well. It will take some time before the metaverse is fully developed. AR/VR seems to be the main focus platform for the development of related applications and technologies around the metaverse. Therefore, the most urgent task should be to improve the usage rate and quality of AR/VR technologies. Moreover, content is still an essential element in driving the concept of virtual worlds, so content creation is also a priority for the industry while creating virtual worlds. With good content and a rich cultural heritage, better immersive experience can be brought to the public, and a more scalable business opportunity can be brought to the industry.

- c. Due to the diversified development of 3D imaging and sensing applications, the global 3D imaging and sensing market is expected to reach USD 17.2 billion in 2028 from USD 8.2 billion in 2022, achieving an average annual growth rate of 13.2%. Research from Yole Intelligence indicates that in the coming years, the application of 3D imaging and sensing will increase in markets such as smart homes, drones, augmented reality (XR) headsets, robotic vacuum cleaners, smart locks, home appliances, and others. At the same time, driven by autonomous driving and new energy vehicles, applications such as LiDAR for advanced driver assistance systems (ADAS) and in-vehicle sensing will show significant growth. Yole Intelligence pointed out that the development of 3D imaging and sensing market is driven by the technologies of sensors, transmitters, optical components, and modules. The competition is gradually shifting to smaller pixels, which is expected to bring new market opportunities and increase the application penetration rate of these technologies. In addition, technological development and commercialization include in-pixel hybrid stacking, LiDAR light sources from near-infrared (NIR) to short-wave infrared (SWIR), and even frequency modulation continuous wave (FMCW), quantum dot sensors, and Metasurface, among others, are highly anticipated by the industry and are expected to reduce the cost and size of camera modules while introducing new functions.

## (2) Future Supply Status and Growth of Optical Communication Components

The output value of the global optical interconnection market in 2023 was USD 10.82 billion, and it is expected to grow to USD 27.63 billion by 2028, which means that the compound annual growth rate (CAGR) from 2023 to 2028 is about 20.62%. In particular, the rapid growth of the demand for optical components in data centers has promoted the

demand for optical communication products. This is because the optical communication industry is about to usher in a new revolution after 2025: The expansion of the silicon photonics application market.

There are three major markets for silicon photonics applications: data centers, telecommunication companies, and corporate customers. Data centers accounted for the highest proportion at 74.91%, while telecommunication providers accounted for 15.8%.

The application of silicon photonics technology in data centers is mainly driven by high-speed data transmission, low power consumption, and high-performance computing. The increasing penetration rate of AI data centers has driven the demand for high-speed transmission. This upgrade tide is faster than ever. In addition, the number of data centers will be increased by 100 every year, and the breadth and depth of the market are expanding at the same time.

Silicon photonics technology can solve the bottleneck of traditional electronic transmission, because with the co-packaged optics (CPO) technology, the transmission speed will be upgraded in the future, meeting the needs of AI data centers and making the prospect of this industry very promising.

The correct way of looking at the silicon photonics and CPO industry is to understand that the output value of this market is not large at present, but it will become very large in the future, because of the 2.5D and 3D packaging technologies required. The scale of the global silicon photonics market will exceed USD 5 billion in 2027, and the compound annual growth rate from 2022 to 2027 will be as high as 30%.

In addition, with the upgrade of optical communication specifications, the market penetration rate of silicon photonics technology is also increasing. For example, the silicon photonics transceiver market is expected to reach USD 3.9 billion in 2025, and the market share will increase from the current 6% to nearly 25%.

### **【3C Retail and Peripheral Products】**

3C peripherals are a product category with a rapid product life cycle and are also ancillary products of electronic products. The Company's products are now available for sale through the mainstream sales channels, so that users of electronic products across all levels can find the Company's products through appropriate channels. The sales of 3C peripherals include physical distribution channels and trading services, so it is not easy to estimate the accurate market share. In addition, as other products are diversified, they also face the difficulty of an accurate estimate of the market share. However, looking forward to the future, the company still aims to increase its market share and profitability of various products.

### **【Energy Service Management】**

- (1) The sources of solar market development are mainly the installation of rooftop solar photovoltaic systems such as the roofs of factories (enterprises) in various industrial zones across the country and government public bidding proposals. Completed construction of 14.281145 GW by the end of 2024, and the large-scale development of ground-based land, including the land of the salt industry, is gradually promoted.
- (2) Continue to develop land-based wind power plants and actively participate in the third-stage development of offshore wind power blocks, in expectation of bringing in the company's off-site wind power construction project income and long-term maintenance income.
- (3) Expand the Development of Small Hydropower Generation  
Hydropower is a clean, self-produced energy source. In line with government policies and the conclusions of the National Energy Conference, environment-friendly small

hydropower projects are worthy of active development and promotion in order to make full use of water resources. According to the 2008 National Small Hydropower Assessment Report of the Water Resources Administration, 79 sites were assessed to have small hydraulic potential, of which 47 belonged to rivers and 32 belonged to irrigation channels. In addition, the Taiwan Joint Irrigation Association investigated 27 potential sites for micro-hydro power generation in the initial stage.

- (4) In 2024, the Company assisted domestic large enterprises to provide temporary emergency gas supply services during the maintenance and replacement of natural gas pipeline equipment. By the end of 2024, the construction of natural gas project stations for 5 companies and their official gas supply had been completed. The Company will continue to implement market development plans to seize business opportunities in “clean energy” as a replacement for heavy oil or coal as fuel.

## 【System and Peripheral Products】

### (1) Commercial Scanner

#### ①End Market

High-speed scanners have entered a product stabilization period. As related technologies have reached a mature stage and market demand has stabilized and flattened, the company will continue to move toward image big data and impact processing capabilities.

#### ②Brand Competition

In the low-end market, the three major brands of Epson, Fujitsu, Ricoh and Brother are rushing to capture the high-end market. In addition, the portable automatic document feed scanner market has grown steadily. Brands such as Epson and Brother have actively entered the market. In recent years, they have launched new models to capture the market.

#### ③Future Development

In addition to expand the OEM business, for ODM in artificial intelligence technology has begun to sprout among high-speed scanners, especially in applications related to document classification and automation, providing users with a more convenient mode of use. For the new generation of scanners, it has become an R&D focus that various companies are competing to invest in.

### (2) Multifunction Printer Market

#### ①Desktop Multifunctional Business Machines:

Miniaturization and low price have become the trend of business machines in recent years, especially for the home market. At the same time, various companies have begun to provide lower-cost solutions for single-sheet printing, especially the original design models with continuous ink supply or even continuous carbon (powder) supply have become the mainstream of the market. As far as brand manufacturers are concerned, not only can they continue to actively oppress compatible consumables (ink and toner) on the market, but at the same time, they can also keep the profits of consumables to themselves as much as possible.

#### ②Large Multifunctional Copiers:

HP and EPSON have developed inkjet copiers that have the characteristics of low cost, low energy consumption, and low pollution but also have a printing speed that is superior to traditional copiers. Therefore, they have created considerable pressure for traditional Japanese copier companies and may produce a crowding effect among brands.

#### ③Evolution of New Technology:

Office automation technology may have the opportunity to enter the new industrial automation field, combining AI and smart technologies (FW/SW), bringing further industrial cooperation and business opportunities to Industry 4.0 and above.

### 3. Competitive Niche

#### 【3C Components】

- (1) The Company focuses on the R&D and manufacturing of high-precision optical plastic components and lenses; we combine ultra-precision mold machining technology, high-precision mold manufacturing technology and automated manufacturing process, and have the ability to master and penetrate the upstream, midstream, and downstream of the industrial supply chain to provide full service to International customers.
- (2) The management, R&D, and manufacturing teams combine the operation experience of industry-academia and multinational enterprises, share the same overall goals, and continuously challenge and make breakthroughs in optical technology and manufacturing processes to give full play to the company's overall capabilities.
- (3) Deeply culture optical communication components, and undertake OEM orders from major international customers with the integration of optical, mechanical and electrical technology and experience.
- (4) The R&D and manufacturing teams focus on the optical design and development of optical engines and the development of ultra-small high-precision transmission device molds, with a plan to use optical module component technology for high transmission above 400G.

#### 【3C Retail and Peripheral Products】

- (1) Apple's product channels have strong service capabilities and can reduce operating risks through diversified operating methods.
- (2) Leverage the Group's leading MFI technology to accelerate the development of Apple-related peripheral products.
- (3) Leverage the Group's supply chain resources to continuously improve the production capacity and product quality.
- (4) Leverage the Group's Apple product stores in mainland China, Hong Kong and Taiwan to develop product channels.
- (5) Maintain good and long-term relationship with clients.
- (6) Control costs while maintaining the brand's quality advantage.
- (7) Develop a diverse product portfolio and product offerings.

#### 【Energy Service Management】

The management team responsible for energy service management has rich experience in constructing and maintaining power plants. In addition to focusing on the investment, development and operation of renewable energy power plants, it is responsible for the full range of services, including power plant turnkey engineering and maintenance, from site survey, evaluation, planning, design, certificate application, installation and construction, technician certification, engineering control, city power parallel metering to warranty, maintenance and management after completion (one-stop integrated service).

#### 【System and Peripheral Products】

- (1) Continuous evolution of scanning control chips  
In addition to the low cost, low power consumption, and high flexibility features of the new generation of scanning chips that the company has developed and introduced into mass production, the company will effectively produce more intelligent scanners with AI

chips that have gradually matured in the market.

(2) Advantages of miniaturized and intelligent product design

Under the long-term technology accumulation of commercial and portable scanner products, the Company's incorporation of derivative design of related technologies into home-type business machines has become a special niche for the next generation of products and has also won praise and cooperation opportunities of many customers. The accumulation of related patents has also constructed a profit base higher than that of the company's peers.

(3) Long-term stable quality has won the trust of international manufacturers

The quality persistence and requirement for customers over the years have become the company's strongest competitive advantage. At the same time, the company has built an excellent bond and cooperated with brand customers in terms of supply chain management and flexibility under the highly changing market, thus being able to maintain a long-term stable relationship with them.

4. Favorable and Unfavorable Factors of Development Prospects and Countermeasures

**【3C Components】**

(1) Favorable Factors

① Main Business Contents and Development Prospects

- a. In order to enhance imaging capabilities, consumer electronic products have focused on NB, AR, and VR, with strengthened wide-angle and photographic functions. The launch of high-end lens products, along with the development of specialized wearable lenses and security surveillance applications, contributes to the growing demand for optical components.
- b. Optical communication optical transmission products are applied to AI data transmission, telecommunication fiber optic networks, the gradual popularization of smart AI, consumers' requirements for high transmission quality, and the driving trend of "cloud service", which has greatly increased the demand for optical communication component product manufacturing.

② Position in the Industry

- a. The R&D team is strong and complete, and the processing quality is affirmed by customers.
- b. The Company is one of the few manufacturers that can provide high-pixel lenses.

③ Supply Status of Main Raw Materials

The Company has long-term cooperation with raw material suppliers; the supply relation is stable and normal, and the prices are stable.

④ Sales Status of Main Products

- a. The Company's product quality and delivery time can meet the requirements of international manufacturers.
- b. It takes a long time for the certification of optical communication components, and it is not easy for competitors to enter.

(2) Unfavorable Factors

① Main Business Contents and Development Prospects

As the market is vast, there are many competitors.

② Position in the Industry

The business scale is still small and the market share is still low.

③ Supply Status of Main Raw Materials

Plasticized raw materials are formulated, and the prices are not easy to fall.

④ Sales Status of Main Products

Compete with industry leaders.

(3) Countermeasures

① Main Business Contents and Development Prospects

- a. In terms of products, we will continue to upgrade our products to FHD to 8 million pixels for laptops, and develop products with higher performance and resolution to meet market requirements.
- b. For marketing, actively develop new products and new customers.

② Position in the Industry

Timely expand production capacity, increase yield, and enhance product competitiveness.

③ Supply Status of Main Raw Materials

Start from product design to provide multiple utilities with one mold and reduce material consumption and costs.

④ Sales Status of Main Products

Automate production, improve product yield, and provide customers with better services.

**【3C Retail and Peripheral Products】**

(1) Favorable Factor:

- ① In recent years, as the gaps among the technical and production capabilities of various manufacturers have been greatly narrowed, the mastery of marketing channels has become the main reason for the rapid market occupation of commodities. The Apple product channel operated by the company's subsidiary in Hong Kong has reached a certain scale. It is attractive to accessory suppliers to accelerate their introduction of peripheral accessories, enrich the types of accessories, and form a virtuous circle of the channel's growth performance.
- ② With our long-standing insistence on product quality and customer service, the market has a good impression and trust in our brand, so we have been able to obtain a high level of customer support in promoting new products.
- ③ We continue to strengthen cost control, look for more competitive prices and stable quality vendors, and seize the opportunity to launch new products so that we can maintain a honeymoon period for new product launches and lengthen product cycles.

(2) Unfavorable Factors and Countermeasures

① High rent in Hong Kong

Countermeasure: For stores whose revenue and profit are disproportionate to their rents, shut them down and look for new stores in areas where the profit can support the rent.

② Wide fluctuation of exchange rate: Recent international exchange rates fluctuate widely and affect the control of costs.

Countermeasure: Closely observe price fluctuations in the foreign exchange market, and use various hedging methods to minimize potential risks.

③ Low entry threshold of 3C brands

Countermeasures: In view of the many brands in the market with different prices, consumers are more selective and tend to go for the lowest price, so we need to be more cautious in maintaining brand positioning and price considerations. The Company continues to develop new products and control cost and price, which will make it more competitive in the market to enhance the overall product profitability.

**【Energy Service Management】**

(1) Favorable Factors

The Government is promoting the "Non-nuclear Homeland," and the renewable energy goals will continue to expand under the green energy policy; these will help the development of the subsidiary's renewable energy business.

Sustainable development responsibility: As of 2024, the estimated benefits of energy



power plants (including power generation and construction) are: green energy power generation: 400 million kWh; carbon emission reduction: 197,600 metric tons.

(2) Unfavorable Factor and Countermeasure

A large amount of capital is required for capital expenditure, and the cost of capital is high. Countermeasures: Take advantage of the Group's strengths to borrow funds with lower capital costs: In order to improve the operation and capital efficiency, the Company has adopted a "asset-light" financial structure to invest in power plants and sell its shares after the completion of the construction in order to recover the capital in advance and realize profits. So the Company can allocate the capital to expand renewable energy power plants or develop other new businesses to achieve the goal.

**【System and Peripheral Products】**

(1) Favorable Factors

- ①The lightweight and miniaturization trend of the scanner market has driven the growth of relevant markets in recent years, and the company's design advantages can be brought into play under this development trend.
- ②As the design of the printing engine is gradually changed to the original factory's continuous ink (carbon) supply, growth in the new generation of multifunctional business machines due to replacement and update is expected.
- ③The changes in new industries and new technologies have increased the actual demand for commercial scanning; for example, the development of cross-border e-commerce and the rapid improvement of the C to C business model (such as the business opportunities of Taobao in the 1111 Singles Day in recent years) substantially improved the year-on-year growth of the express delivery business, and the demand for the scanning of express delivery related documents continues to increase as a result. Another example is the advancement and wide application of battery technology and cloud file management, increasing the demand for portable wireless cloud scanners to provide more effective and convenient solutions for mobile business people's file digitization, thus boosting related market demand.

(2) Unfavorable Factors

- ①The growth of the scanner market has slowed down, which in turn reduces the willingness and scale of customers to invest in new development projects, and extends the life cycle of products; This will cause considerable pressure on the investment of customers who rely on new development projects.
- ②In a saturated and highly competitive market environment, customers' emphasis on cost control will pose considerable challenges to the maintenance of related gross profit.
- ③Due to the political and trade tensions between the United States and China, changes in U.S. tax policies toward other countries, and the ongoing Russia-Ukraine conflict, there has been unstable supply in the market and in many countries, posing certain challenges.

(3) Countermeasures:

- ①Develop high-end industrial grade scanners for the new generation.
- ②Continue to develop high-end commercial and industrial scanners, and use the design sharing concept to reduce customers' development and mold costs, so as to enhance customers' willingness and ability to introduce new products.
- ③The company's layout includes production bases of Taiwan but outside mainland China to avoid the direct impact of the Sino-US trade war.
- ④Accelerate product development for other industrial applications in order to increase the momentum of long-term business growth.

- ⑤Continuously through the procurement strategy, the Company will pay attention to market trends and deploy in advance together with customers to reduce the market impact due to huge fluctuations in the raw material market.

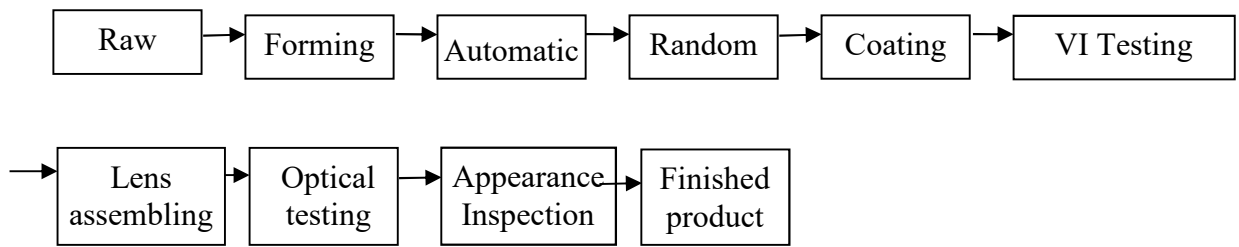
(II) Important Applications and Production Process of Main Products

1. Important Applications of Main Products

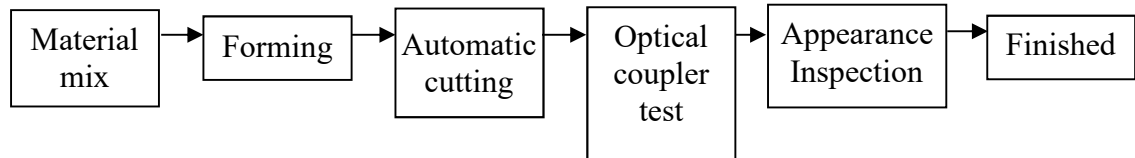
Main Products	Important Applications
Optical Components	Can be used for photography and videography, and on products such as smartphones, tablets, laptops, gaming consoles, wearable devices, VR/AR wearables, home environment monitors, security sensors, robot vacuums, and logistics robots.
Optical Communication Components	Provide standard optical fiber lens, MPO cables, MT Ferrule terminals, optical communication optical module products that are used in data transmission equipment, telecom PON transmission, data center storage equipment, local area network transmission applications. Supports optical transmission efficiency applications ranging from 25G, 50G, 100G, 400G, to 800G to work with communication fiber transmission applications lens and other products.
Apple products	Consumer communication products and entertainment or data processing equipment used by individuals or businesses.
Mobile peripheral products	Caters to various consumer entertainment products, communication products, data processing devices, and outdoor or indoor use.
Memory Products	Used in personal computers, printers and other information products and as data access or transmission equipment.
Power plant investment and energy services	Power plant investment and development and clean energy services.
Scanners	Optical image input can scan flat text, picture data and negatives, and store them in computers for editing, modification, and output via the desktop typesetting system.
Automatic Paper Feeder	Automatic paper feed module placed on scanners, multifunction printers or photocopiers.

## 2. Production Process

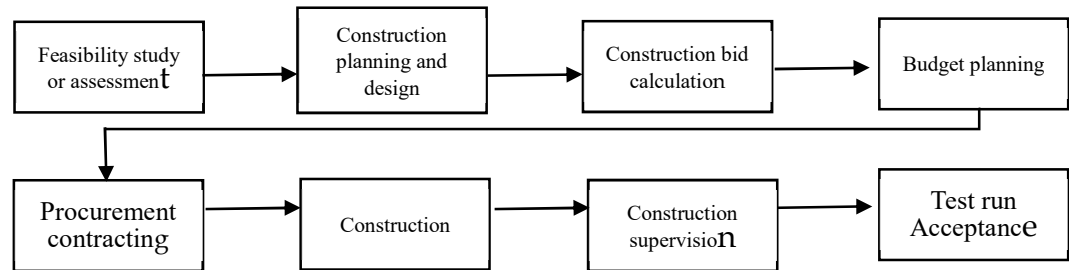
### A. Optical Components



### B. Optical Communication Components



### C.(1) Construction



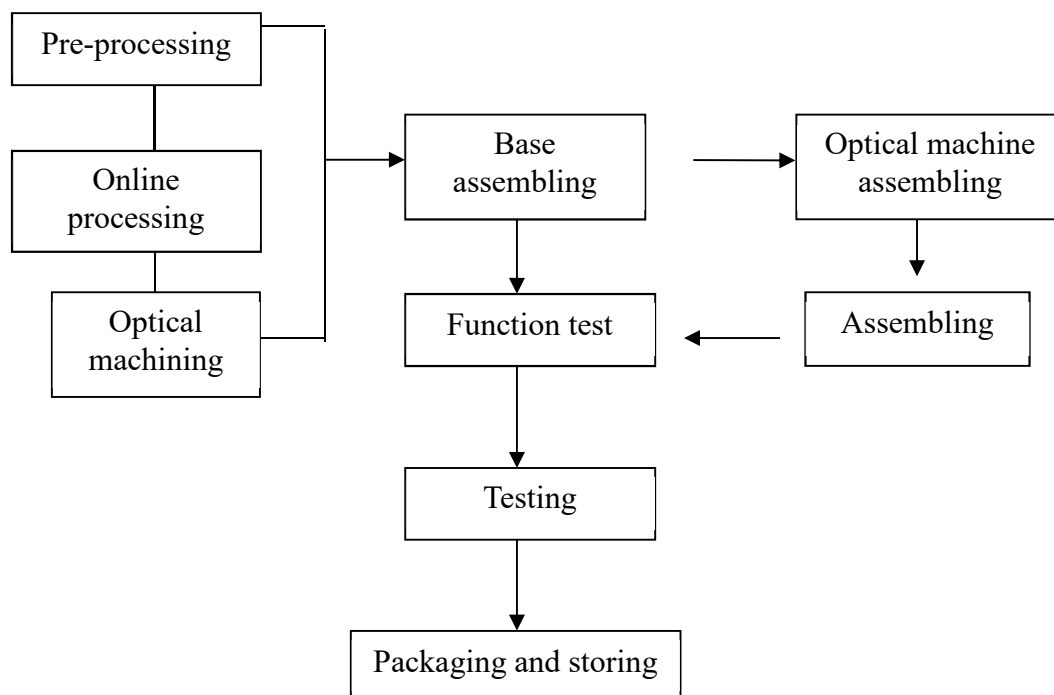
### (2) Technical services

Evaluate and plan the use of energy-saving lamps, inverter technology, network monitoring, and contracted power consumption to provide technical services for energy-saving and emissions-reduction for large shopping malls and department stores. Conduct regular maintenance and repairs for various power plants, substations, and telecommunications equipment rooms, provide rigorous testing of all electromechanical equipment, and help power plants, substations, and telecommunications equipment rooms maintain optimal safety and performance.

### (3) Sale of electricity

The installation of solar and wind power systems is primarily developed by personnel from the Power Plant Division or recommended by system integrators for suitable installation sites. After undergoing financial department calculations and assessments for approval, system integrators are commissioned to carry out construction and installation. Upon completion of construction, applications are submitted to the relevant authorities for meter installation, after which the system can commence operation. The Company's power plants are equipped with a monitoring system that can monitor the power generation status of the power plant at any time. In case of abnormal power generation, the power plant will send personnel to investigate, and depending on the power generation status of each power plant, module cleaning and maintenance are carried out to ensure good power generation performance.

#### D. Scanners



#### (III) Supply Status of Main Raw Materials

The company and various suppliers have established a stable supply cooperation relationship. For the purchase of major components, the company tries to diversify the source of purchase as much as possible to ensure the smoothness of purchase. Most of the raw material suppliers are original factories and well-known domestic and foreign manufacturers. They have a good quality reputation in the industry and have been with the company for many years with a stable cooperative relationship. At present, the supply of major raw materials is sufficient, and the company's raw material sources are not in short supply.

#### (IV) Names of customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease

##### 1. Information of Major Suppliers in the Last Two Years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer
1	Company I	4,188,958	31%	None	Company B	5,122,521	24%	None
2	Company J	2,068,358	15%	None	Company J	4,273,508	20%	None
	Company E	1,618,985	12%	None	Company E	1,360,335	6%	None
	Others	5,550,919	42%		Others	10,965,937	50%	
	Purchase Net amount	13,427,220	100%		Purchase Net amount	21,722,301	100%	

Reason for changes: Reason for changes: Companies B, I and J are energy service construction contractors. In

addition to raw material procurement, the construction costs also involve subcontracting specific projects to partner companies. The selection of suppliers varies depending on the nature of each project, client requirements, construction location, contractor construction quality, and cooperation. Therefore, changes in suppliers are considered reasonable.

## 2. Information of Major Sales Customers in the Last Two Years

Item	2023				2024			
	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer
1	Customer H	9,908,573	57%	None	Customer H	16,528,678	61%	None
	Others	7,514,429	43%	-	Others	10,375,184	39%	-
	Sales Net amount	17,423,002	100%		Sales Net amount	26,903,862	100%	

## III. Number of employees and the average length of service, average age and distribution of education level of the employees in the last two years and as of the publication date of the annual report

Year		2023	2024	The current year as of March 31, 2025
Number of employees	Clerical staff	1,122	1,157	1,124
	Operators	1,449	1,813	1,312
	Total	2,571	2,970	2,436
Average age		29.38	28.63	32.49
Average years of service		4.29	3.94	4.68
Distribution of education level	PhD	0.23%	0.20%	0.21%
	Master	5.95%	6.09%	7.18%
	College	26.02%	24.85%	28.86%
	High school	16.30%	11.28%	14.70%
	Under high school	51.50%	57.58%	49.05%

## IV. Environmental Protection Expenditure Information

- (I) Taking environmental protection as the starting point, the company selects the wash-free process with the least pollution in the production process, and at the same time, considers recyclable materials in material selection. Strictly follow the requirements of international environmental protection organizations and various environmental protection measures; the company has dedicated personnel for labor safety, hygiene and factory affairs who are responsible for the implementation of various environmental protection.
- (II) The company has not been punished for environmental pollution in the most recent year and as of the publication date of the annual report.
- (III) Implementation measures in response to the EU directives on the restriction of hazardous substances: In response to the rising awareness of environmental protection, the EU passed the Restriction on the Use of Hazardous Substances (RoHS) in 2003. The requirements of the directives fully promote the control of prohibited substances, and at the same time, make

every effort to develop materials that meet environmental protection requirements.

## V. Labor-management Relationship

(I) Various employee welfare measures, advanced studies, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. The Company has an employee welfare committee to facilitate the promotion of various welfare measures. The company has always treated its employees with integrity, and the labor-management relationship has always been harmonious. A complete system for employee training, communication, incentives and welfare has already been established.

2. Welfare Measures Provided by the Company

(1) Generous Welfare Items:

The company provides gift money or gifts for employee birthdays and the three major festivals, labor retirement pension allocation, employee travel subsidy, parking space, meal subsidy and various club activities.

(2) Perfect Insurance and Protection:

In accordance with government regulations, the company has purchased labor insurance for employees and national health insurance and complete group hospitalization medical insurance, life insurance, and accident insurance for employees and their family members.

(3) Subsidies for Wedding, Funeral and Emergencies:

There are various employee subsidies for events such as weddings, funerals and emergencies, including marriage, childbirth, condolences for major injuries and illnesses, and bereavement of employees and relatives.

3. Further Studies and Training

The Company attaches great importance to employee training and encourages colleagues to take the initiative to learn, and plans training courses for employees in general knowledge, professional technology and management for different job grades, in the hope that through training, the Company can create excellence and improve technical standards, and promote the common growth of employees and the company, in order to create the company's best operating performance.

4. Employee Retirement System:

The Company has established employee retirement measures covering all officially recruited employees.

(1) Allocation of Retirement Reserves on a Monthly Basis:

For those to whom the pension provisions of the Labor Standards Act apply, the company allocates retirement reserves on a monthly basis in accordance with the requirement of the Act.

(2) Individual Labor Pension Account:

Under the pension system governed by the Labor Pension Act, the Company contributes 6% of employees' monthly wages, as determined by the monthly wage classification table approved by the Executive Yuan, to individual pension accounts established with the Bureau of Labor Insurance. Employees may receive their pension benefits either in monthly payments or as a lump sum, based on the balance and accumulated earnings in their individual pension accounts. In accordance with the aforementioned pension plan, the Company recognized pension expenses of NT\$202 thousand and NT\$187 thousand for the years 2024 and 2023, respectively.

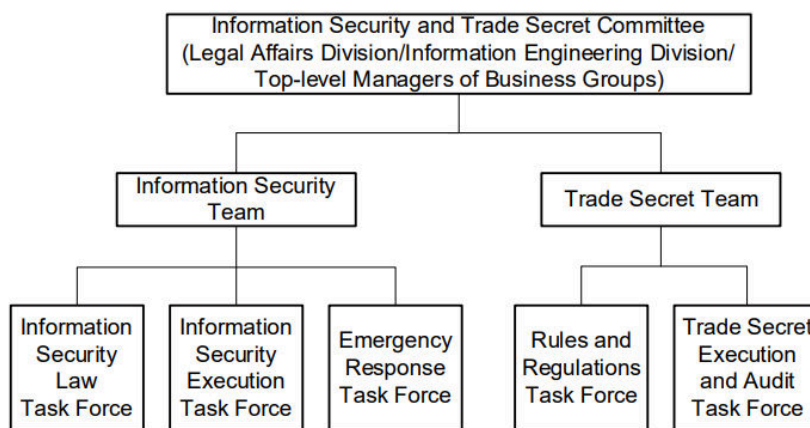
(II) The company has no labor dispute agreement in the last year and as of the printing date of the annual report.

## VI. Information Security Management

(I) Describe the risk management framework for information security, information security policy, specific management plan and the resources invested in information security management, etc.

### 1. Information Security Organizational Structure

In order to meet customers' information security requirements and safeguard their production and operational data, the Group, under the instruction of the Chairman, has established a Trade Secret Review Committee within the parent company, CHENG UEI PRECISION INDUSTRY CO., LTD., and subsequently formed an information security organization under the committee. The Group convenes the top executives of each business group as members of this Committee. The Chief Legal Officer and the Chief Information Officer jointly convene regular meetings of the Business Secrets Review Committee to implement, formulate and review the Group's information security control measures in order to effectively promote the Group's information security management policies. The information department of CHENG UEI consists of three personnel, including the information officer. CHENG UEI's implementation status of the current year is reported to the Board of Directors on an annual and regular basis.



### 2. Information Security Policy

The Group's information security policy is "To maintain the integrity, availability and confidentiality of the information of the Group's companies and to actively avoid damage caused by man-made or natural external forces to reduce the impact on the Company's operations and losses of the Company's interests". Through regular internal information security audits, we reinforce various information security measures and correct information equipment weaknesses to maintain normal operation of information systems. We hold regular internal information security meetings once a month to strengthen information security emergency response capabilities and deepen and adjust annual information security management goals.

### 3. Specific management plan and resources invested in information security management [Information Security Organization Performance]

In the past, the information security organization was responsible for the review and implementation of information security work items. For the information security items required by customers, the Company conducts regular inventory and review of information security. Strengthen the management and control of sensitive data. Only after organizational review can it be passed on to customers. Under the secure control mechanism, the customer's information security requirements can be fulfilled, winning the recognition of customers. The group conducts security inventory and review regularly to enhance the control of sensitive information. In the end control of the office

environment, we have also invested in relevant control mechanisms so that the employees' information security can be protected in the office. Colleagues are now able to keep up to date on information security news and regulations through information bulletins posted by the information security organization weekly—which is a significant achievement for the information security organization.

[Internal Audit of Information Security]

The information security team conducts audits of each unit in accordance with the resolutions of the Business Secrets Committee and internal audits items, provides improvement measures, and reports the results of the audits and improvements to the Business Secrets Committee and Board of Directors. In 2024, we have implemented the Group's e-signature website into the firewall (WAF) to strengthen information security. There were no major information security incidents during the year.

[Concrete management plan]

1. Network security

- Implement network segmentation by setting up office network segments and production environments to prevent malicious attacks from spreading across factories.
- Set up solutions such as next-generation firewalls, intrusion detection systems, and online behavior monitoring to implement abnormal reporting and incident handling.
- Reduce the access to the production environment on the office network segment to reduce the information security risk of the production line system.

2. Endpoint security

- Cooperate with system vendors to update and patch computer equipment, and install anti-virus software for regular scanning.

3. Data security and protection

- E-mail anti-spam control, flexible policy adjustment for external malicious e-mail.

4. Information security reporting and awareness enhancement

- Enhance the employees' vigilance against email social engineering attacks and phishing websites, and improve their information security awareness.
- Regularly verify the information security notification procedures with customers, and strengthen the ability to communicate with customers in response to changes.
- Participation in the Information Security Alliance and Taiwan Information Security Executives Alliance to maintain the understanding of threat intelligence and the transmission of internal information within the Group.

5. Implement vulnerability scanning and patching

- Carrying out the vulnerability scanning plan. For the core information system, the Company conducts regular scanning on a monthly basis and arranges for vulnerability repair.
- To improve the security of the production environment and system to maintain the normal operation of the production system.

- (II) Please specify the losses and potential impacts caused by material information security incidents and countermeasures in the last year and up to the publication date of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be specified: None.



## VII. Important Contracts

Nature of contract	Parties concerned	Contract start and end date	Main content	Restricted clauses
OEM Agreement	Company BA	2013/11/01~Until termination	OEM Production	OEM Production by the Company
OEM Agreement	Company BB	2013/12/10~Until termination	OEM Production	OEM Production by the Company
OEM Agreement	Company BC	2017/01/20~Until termination	OEM Production	OEM Production by the Company
License Agreement	Company BD	2019/03/15~Until termination	Sales License Agreement	1. Confidentiality Clause 2. Intellectual Property Warranty Clause
EPC Contract	Taiwan Power Company	2020/06/15~2030/12/31	Phase II Offshore Wind Power Project	Non-transferable, Breach Clause, Confidentiality Clause
EPC & Procurement Contract	Company IA	2021/06/03~Until warranty expiry	Phase II Offshore Wind Power Project - Engineering & Procurement	Non-transferable, Breach Clause, Confidentiality Clause
EPC & Procurement Contract	Company IB	2024/10/11~Until termination	Installation Contract & Equipment Procurement Contract	
Credit Facility Agreement	CTBC Bank	2025/03/03~2026/03/03	Credit facility amounting to NT\$2 billion	
Credit Facility Agreement	E.SUN Bank	2025/03/07~2026/03/07	Credit facility amounting to NT\$2 billion	
Credit Facility Agreement	Chailease (Singapore)	2024/03/25~2025/03/24	Financing amounting to USD 1.05 billion	
Credit Facility Agreement	CTBC Bank / Bank of Taiwan	2024/01/08~2024/06/30	Credit facility amounting to NT\$3.36 billion	
Credit Facility Agreement	CTBC Bank and other participating banks	2024/06/28~2026/03/31	Credit facility amounting to NT\$21.475 billion	
Credit Facility Agreement	King's Town Bank	2024/07/26~2026/01/25	Credit facility amounting to NT\$2.3 billion	
Credit Facility Agreement	KGI Bank	2024/04/12~2024/12/31	Credit facility amounting to NT\$3 billion	

## V. Financial Overview

### I. Review and Analysis of Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	41,416,060	29,137,952	12,278,108	42.14%
Property, plant and equipment	13,110,787	7,457,444	5,653,343	75.81%
Intangible assets	1,094,269	1,254,685	(160,416)	(12.79%)
Other assets	11,318,345	6,438,313	4,880,032	75.80%
Total assets	66,939,461	44,288,394	22,651,067	51.14%
Current liabilities	17,125,558	17,784,604	(659,046)	(3.71%)
Non-current	29,855,940	9,790,651	20,065,289	204.94%
Total liabilities	46,981,498	27,575,255	19,406,243	70.38%
Equity attributable to shareholders of the parent company	10,867,877	8,519,419	2,348,458	27.57%
Share capital	2,462,421	2,462,421	0	0.00%
Additional paid-in capital	5,127,207	5,004,042	123,165	2.46%
Retained earnings	1,408,248	643,623	764,625	118.80%
Other equity	1,870,001	409,333	1,460,668	356.84%
Non-controlling interests	9,090,086	8,193,720	896,366	10.94%
Total equity	19,957,963	16,713,139	3,244,824	19.41%
Reasons for the increase or decrease in the amount in the last two years:				
1. Increase in current assets: Mainly due to the increase in contract assets of the 2024 construction contract and prepayments for construction in 2024.				
2. Increase in property, plants, and equipment: Mainly due to the increase in the construction of ships and the purchase of energy storage equipment.				
3. Mainly due to the increase in 2024 financial asset evaluation, investments under the equity method, and land lease contracts.				
4. Increase in total assets: Mainly due to the increase in the above-mentioned current assets, property, plants, and equipment and other assets.				
5. Increase in current and non-current liabilities and total liabilities: Mainly due to the increase in bank loans.				
6. Increase in retained earnings: Mainly due to the increase in net profit in 2024.				
7. Increase in other equity: Mainly due to the significant increase in the valuation of financial assets and the decrease in the above-mentioned retained earnings.				

## II. Review and Analysis of Financial Performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) amount	Change ratio %
Operating income	26,903,862	17,423,002	9,480,860	54.42%
Operating cost	23,277,055	15,145,984	8,131,071	53.68%
Operating margin	3,626,807	2,277,018	1,349,789	59.28%
Operating expenses	1,860,909	1,378,220	482,689	35.02%
Operating profit	1,765,898	1,016,909	748,989	73.65%
Non-operating income and expenditure	184,489	85,102	99,387	116.79%
Net profit before tax	1,950,387	1,102,011	848,376	76.98%
Income tax expense	531,655	208,132	323,523	155.44%
Net profit for the period	1,418,732	893,879	524,853	58.72%

Reasons for the increase or decrease in the amount in the last two years:

1. Operating income, cost, gross profit and profit: Mainly due to the increase in revenue from system and peripheral products and energy service management in 2024
2. Non-operating income and expenses: Due to the gain in foreign currency exchange in 2024, and the increase in gains from associates and joint ventures accounted for using the equity method

## III. Review and Analysis of Cash Flow

Unit: NT\$ thousand

Beginning cash balance	Annual net cash flow from operating activities	Annual cash outflow from investment and financing activities	Effect of Exchange Rate	Remaining Cash (Insufficient) Amount	Remedies for cash shortage	
					Investment plan	Financial plan
6,953,129	(2,651,576)	3,549,352	77,371	7,928,276	-	-

Analysis of cash flow changes in recent years:

- (1) Business activities: NT\$(2,651,576) thousand
- (2) Investment activities: NT\$(12,226,477) thousand
- (3) Financing activities: NT\$15,775,829 thousand
2. Remedial measures for cash shortage and liquidity analysis: None
3. Analysis of cash liquidity in the next year: The cash balance is about NT\$7.928 billion, and there is no worry for the cash flow in the next year.

## IV. Impact of Major Capital Expenditures on Financial Operations in the Last Year

Year	Capital expenditures	Sources of funds	Total funds	Impact on financial operations
2024	Acquisition of property, plant and equipment	Self-own funds and bank financing	5,877,046	The newly acquired production equipment has been put into use for shipbuilding projects and energy storage equipment to expand our production capacity, sales volume and energy management services to fulfill the needs in the market and customers.

V. Reinvestment policy in the most recent year, main reason for its profit or loss, improvement plan and investment plan for the next year  
(I) Reinvestment Analysis Table

December 31, 2024

Explanation Item	Investment amount (note)	Policy	Main reasons for gains or losses	Improvement plan
Glory Science Co.,Ltd.	NT2,814,868 thousand	Restructuring of organization under joint control	Loss of NT187,289 thousand	The Company has reduced the number of employees, and transformed its business to develop optical communication products and other special applications.
Power Quotient International Co., Ltd.	NT3,372,180 thousand	Restructuring of organization under joint control	Profit of NT16,658 thousand	-
Foxlink Image Technology Co., Ltd.	NT\$3,011,140 thousand	Restructuring of organization under joint control	Profit of NT1,118,028 thousand	-
Shih Fong Power Co., Ltd.	NT299,952 thousand	Invest in other companies	Profit of NT9,373 thousand	-

Note: The investment amount exceeds 5% of the paid-in capital.

(II) The Company's investment plan for the coming year will focus on "clean energy" and "energy saving and carbon reduction", and thus has invested in green energy and carbon reduction businesses.

## VI. Risks

(I) Impact of interest rate and exchange rate changes, and inflation on the company's profit and loss and future countermeasures:

1. Interest rate: The interest income was NT\$227,130thousand in 2024, and the interest expense was NT\$608,745 thousand. The Company regularly assesses the interest rates of deposits and borrowings offered by banks, and at the same time obtains the average market interest rate and maintains a good relationship with banks to obtain a more favorable deposit and borrowing rates, in order to maintain the flexibility of financial operations.
2. Exchange rate: The consolidated revenue of the subsidiary Power Quotient mainly comes from the sales of Apple products by its subsidiaries; as its sales are mainly quoted in Hong Kong dollars, while its purchases are quoted in US dollars, the gross profit margin will be affected by exchange rate fluctuations. The consolidated revenue of the subsidiary GLORYTEK mainly comes from mainland China. The operating income of the subsidiary Foxlink Image Technology is mostly denominated and recorded in US dollars. The purchase of raw materials and machinery and equipment is also mostly denominated and recorded in US dollars, so there is a certain hedging effect on the risk of exchange rate changes. Most of the exchange gains and losses come from foreign currencies and unrealized conversion gains or losses incurred after reevaluation of liabilities and assets based on the spot exchange rate at the end of the period. In response to exchange rate fluctuations, the Finance Department has established hedging strategies and methods, and timely adopts the following foreign exchange hedging measures: (1) consider the

possible future changes in the exchange rate when quoting the business, so as to protect the company's profits; (2) constantly collect information about exchange rate changes to fully grasp exchange rate trends; (3) use appropriate hedging tools, such as pre-sale or pre-purchase of forward foreign exchange contracts, to avoid exchange risks; (4) set up foreign currency accounts and use the accounts to manage foreign currency deposits and withdrawals required for business to reduce the exchange rate risk from the conversion of New Taiwan dollars; pay attention to the foreign currency revenue and expenditure at all times, try to keep the foreign currency revenue and expenditure in balance, and if necessary, engage in derivative financial product trading for the purpose of risk avoidance in accordance with the company's "Management Measures for Acquisition or Disposal of Assets," so as to avoid exchange losses.

3. Inflation: The extent of inflation changes did not significantly affect the company's operations and did not significantly impact the company.

(II) Policies for engaging in high-risk or high-leverage investments, loans to others, endorsement guarantees, and derivatives trading, main reasons for profit or loss, and future countermeasures:

1. The Company and its subsidiaries are committed to their main business and have not engaged in high-risk and highly leveraged investments.
2. When the Company and its subsidiaries engage in loans to other parties, endorsements and guarantees for others, or engage in derivative transactions, they follow the Company's "Procedures for Loans to Other Parties", "Procedures for Endorsements and Guarantees", and "Procedures for the Acquisition or Disposal of Assets".

(III) Future R&D plans and estimated R&D expenses:

1. The Group's future R&D plans:
  - (1) On the lenses of 3C components, the trend of plastic lenses is "smaller sizes and higher pixels", which is applied in various 3C products (laptops, PCs, VR, AR, gaming consoles). This trend is also the direction of the company's R&D plan for lenses. The Company adheres to the belief of independent R&D, and the main sources of technology are the company's long-term R&D personnel cultivation, project research plans for self-development, and maintenance of close technical cooperation with customers (materials, coatings, precision machining technology, etc). In recent years, the company has actively recruited R&D talents for the development of a full range of products.  
In terms of optical communication of 3C components, the Company has shifted from OEM to ODM, and will develop "optical machine design, mold flow design, optical inspection, optical coating, and new optical material" capabilities to increase the market share and strengthen our ability to become irreplaceable.
  - (2) The main sources of technology for systems and peripheral products are the rich experience of the R&D personnel in the industry and by the company's long-term cultivation through project research plans for self-development. The key technologies currently mastered include automatic paper feeding technology, integrated circuit design for special applications, precision optical mechanism design, high-speed transmission design, analog/digital circuit design, image processing and optical design... etc.
2. The combined R&D expenses of the company and its subsidiaries in 2024 were NT\$403,661 thousand, which accounted for approximately 1.5% of the consolidated operating income for the year. As of March 31, 2025, the actual consolidated R&D expenses were NT\$70,480 (The data has not been reviewed by the CPAs) thousand, which is approximately 0.96% of the operating income. It is estimated that the total R&D expenditure invested in this year will be 0.9 to 2% of the operating income.

(IV) Impact of important domestic or foreign policies and legal changes on the company's financial operations and corresponding measures:

The company's daily operations are handled in accordance with the laws and regulations of the competent authority. In recent years, the company's finance and business have not been affected by the important domestic or foreign policy or legal changes. The company's management will review important domestic and foreign policies and legal changes at any time, put forward countermeasures in due course, and set up a legal unit to pay attention to important domestic and foreign policy and legal changes at any time in order to propose impact assessments and response plans. At the same time, the company also commissions external legal consultants to provide inquiry services and deal with the company's legal issues. Up to the moment, important policy and legal changes have not significantly impacted the company.

(V) Impact of technological (including information security risk) and industrial changes on the company's financial operations and countermeasures:

With respect to technological changes (including information security risks) and changes in the industry, the Company regularly convenes all relevant departments to discuss ways to address these changes. To date, technological changes (including information and security risks) and industry changes have not had a significant impact on the Company's finance or operations.

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

The company has always been committed to its core businesses to establish a positive social image of the company and fulfill its social responsibilities, so no incidents that damage the corporate image have occurred.

(VII) Expected benefits, possible risks and countermeasures concerning mergers and acquisitions:

In the most recent year and as of the publication date of the annual report, the company did not have any merger or acquisition.

(VIII) Expected benefits, possible risks and countermeasures concerning plant expansion:

In order to meet the needs of future business growth, the company is building production bases and purchasing production equipment to increase revenue and profit.

(IX) Risks from the concentration of purchase or sales and countermeasures:

Sales: As the company's products are diversified and the sales targets are mainly international brand manufacturers, the risk profile is relatively low.

Purchase: Purchases of the Company's significant subsidiaries are not overly concentrated. The main reason is that the subsidiaries of the Company have at least two or more raw material suppliers, and negotiate with the suppliers based on the purchased quantity. Therefore, there should be no risk of purchase concentration. In addition, the company reduces the cost of incoming materials through group resources and the advantages of the group's bulk purchases, has established stable supply partnerships with various suppliers, and adopts decentralized procurement sources for the purchase of major components to ensure smoothness of incoming materials. In addition to maintaining good transactions with existing customers and suppliers, the company's subsidiaries will strive to develop new sources of customers and suppliers to diversify business risks and enhance long-term competitiveness.

(X) Impact, risks and countermeasures of volume transfers or replacement of equity by directors, supervisors or major shareholders holding more than 10% of the company's shares: The company did not have such a situation in the last year and as of the date of publication of the annual report.

(XI) Impact, risks and countermeasures concerning the change in management rights of the company:  
The company did not have such a situation in the last year and as of the date of publication of the annual report.

(XII) Litigation or non-litigation events:

1. Major litigation, non-litigation or administrative litigation events that the company is undergoing at the moment:

The Company	Other Party	The Year Dispute Began	Fact	Jurisdiction for Disputes
SHIH FONG POWER CO., LTD.	Citizens of the Earth, Taiwan	Year 2021	<p><b>Case Summary:</b> The Citizen of the Earth Foundation, in relation to an environmental impact assessment case, submitted a citizen notification letter to the Environmental Protection Administration (EPA), requesting the EPA to order our company to submit an environmental anomaly analysis and a countermeasure review report regarding the development project for EPA's review. On June 9, 2021, the EPA replied in writing, stating that the development project had already passed the environmental impact assessment and difference review procedures, and there was no legal basis to require a second difference review. On August 6, 2021, the Citizen of the Earth Foundation filed an administrative lawsuit against the EPA on the grounds of administrative inaction. This case is referred to as the "Environmental Impact Assessment Case."</p> <p><b>Case Status</b> The Taipei High Administrative Court dismissed the plaintiff's claim. The plaintiff appealed, and the case is now under review by the Supreme Administrative Court. As of June 24, 2024, our company has filed to participate in the proceedings, and the court is continuing the trial.</p>	Taipei High Administrative Court, Supreme Administrative Court
SHIH FONG POWER CO., LTD.	Shanli Tribe, Taiping Tribe, and other Indigenous Peoples	Year 2023	<p><b>Case Summary:</b> The Shanli Tribe, Taiping Tribe, and other Indigenous peoples filed an appeal case requesting a suspension of execution and revocation of the Ministry of Economic Affairs' Bureau of Energy's issuance of the 2023 Work Permit for the Shih Fong Company's power plant.</p> <p><b>Case Status:</b> (1) Suspension of Execution of the 2023 Work Permit: On September 28, 2023, the Supreme Administrative Court dismissed the motion for</p>	Taipei High Administrative Court / Supreme Administrative Court

			<p>suspension of execution (overruling the original ruling by the Taipei High Administrative Court).</p> <p>Revocation of the 2023 Work Permit: On February 6, 2024, the Secretary-General of the Executive Yuan issued a written response declining to accept the appeal, stating that individual Indigenous persons may not file such lawsuits. On March 28, 2024, the applicants filed an administrative lawsuit with the Taipei High Administrative Court. On June 17, 2024, our company filed a motion to intervene in the lawsuit. As of February 5, 2025, the second preparatory hearing has been held, and the case is under continued trial.</p>	
SHIH FONG POWER CO., LTD.	Shanli Tribe, Taiping Tribe, and other Indigenous Peoples	Year 2024	<p><b>Case Summary:</b> The Shanli Tribe, Taiping Tribe, and other Indigenous peoples filed a petition for the suspension of execution and revocation of the Ministry of Economic Affairs Bureau of Energy's issuance of the 2024 Work Permit to Shih Fong Company's power plant.</p> <p><b>Case Status:</b> (1) Suspension of Execution of the 2024 Work Permit</p> <ul style="list-style-type: none"> <li>● On August 5, 2024, the Executive Yuan rejected the petition for suspension.</li> <li>● On October 22, 2024, the petitioners filed an administrative lawsuit with the Taipei High Administrative Court.</li> <li>● On December 2, 2024, our company filed a motion to intervene in the lawsuit.</li> <li>● As of December 4, 2024, the court has held an evidence investigation hearing, and the trial is ongoing.</li> </ul> <p>(2) Revocation of the 2024 Work Permit:</p> <ul style="list-style-type: none"> <li>● The appeal is under review as of July 9, 2024.</li> </ul> <p>On September 30, 2024, our company filed a motion to participate in the administrative appeal.</p>	Appeals Review Committee, Executive Yuan / Taipei High Administrative Court

2. If there are major litigation, non-litigation or administrative disputes that the company's directors, supervisors, president, substantive persons in charge, major shareholders with more than 10% shareholding or subsidiary companies have been sentenced or are currently undergoing. The results may have a significant impact on shareholders' equity or the price of securities. The relevant information should be disclosed: None.

(XIII) Other important risks and countermeasures

The company and its subsidiaries have no other important risks as of the date of publication of the annual report, except for the above-mentioned risk assessment and descriptions.



## VII. Other Important Matters:

### (1) Continuing Education/Training of Directors:

Job title	Name	Date	Host by	Course title	Training hours
Chairman of the board	T.C. Gou	2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Director	Kufn Lin	2024.02.23	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations 1.Preventing Insider Trading from the Perspective of Internal Controls 2.Legal Regulations and Interpretations Related to Dividend Policies	3
		2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Director	Jeffrey Cheng	2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Director	Hwee Kian Lim	2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Director	Wilson Hu	2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Director	Semi Wang	2024.05.14	Taiwan Corporate Governance Association	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Corporate Governance Association	Business Management Practices: Strategy and Execution	3
Independent Director	Ralph Chen	2024.01.29	Taipei Certified Public Accountants Association	An Introduction to IFRS Sustainability Disclosure Standards S1 and S2	3
		2024.04.26	Corporate Operating and Sustainable Development Association	Challenges and Business Mindsets for Taiwanese Enterprises in Turbulent Times	3

Job title	Name	Date	Host by	Course title	Training hours
Independent Director	Ralph Chen	2024.05.03	Securities and Futures Institute	Sustainability Development Practices Promotion Conference	3
Independent Director	Cheng-Rong Chiang	2024.04.26	Corporate Operating and Sustainable Development Association	Challenges and Business Mindsets for Taiwanese Enterprises in Turbulent Times	3
		2024.04.30	Independent Director Association Taiwan	Innovative Thinking and Transformation Strategies of Boardrooms in Global Leading Enterprises	3
		2024.05.14	Taiwan Institute for Sustainable Energy	Mastering the AI Risk Management Framework to Enhance Trust in Integrated AI Applications	3
		2024.08.08	Taiwan Institute for Sustainable Energy	Business Management Practices: Strategy and Execution	3
Independent Director	Hong Te Lu	2024.03.28	Taipei Foundation Of Finance	Corporate Governance: Engaging Stakeholders – How Publicly Listed Companies Can Bridge the Gap with Capital Markets	3
		2024.04.19	Taipei Foundation Of Finance	Corporate Governance: Sustainable Finance	3

(II) Training participation by personnel related to financial information transparency:

Year	Host by	Course title	Course hours	Number of company participants
2024	Accounting Research and Development Foundation of the Republic of China	Continuous Education Program for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12	1
2024	Accounting Research and Development Foundation of the Republic of China	Analysis of the latest “Annual Report/Sustainability Information/Preparation of Financial Reports” Related Laws and Regulations and Internal Control Management in Practice	6	2
2024	Institute of Internal Auditors - Chinese Taiwan	“Analysis of Sustainability Information Disclosure Policy” and Key Discussion of Internal Control and Internal Audit	6	1
2024	Institute of Internal Auditors - Chinese Taiwan	Data analysis methods and practices	6	1

## VI. Special Items To Be Included

I. Information on Affiliated Enterprises: For the most recent year, please refer to the Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Report, which are prepared in accordance with the FSC's Regulations Governing the Preparation of Affiliated Enterprises' Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports.

Please refer to: Market Observation Post System (MOPS) > Individual Company > Electronic Document Download > Affiliated Enterprises' Three Reports Section

Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Handling of private placement securities in the last year and as of the date of publication of the annual report: None.

III. Other necessary supplementary explanations: None.

IV. In the most recent year and as of the date of publication of the annual report, if there is any matter that has a significant impact on shareholders' rights and interests or the price of securities as specified in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act: None.

FIT Holding Co., Ltd.

Chairman: T.C. Gou