

Stock Code: 4536



TOPKEY CORPORATION

2024 Annual Report

Annual Report

Website: <https://mops.twse.com.tw>

Company

Website: <http://www.topkey.com.tw>

Publication Date: May 5, 2025



Note to Readers: If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail

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Deputy Spokesperson

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5. Overseas Securities Exchange:

None.

6. Company Website: <https://www.topkey.com.tw>

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I. Letter to Shareholders

Dear Shareholders,

In 2024, benefited from slight drop of global inflation, and gradual improvement of destocking in sports leisure industry, which result in start of customer's order recovery, Topkey's consolidated revenue increased to NT\$9.478 billion. In terms of profit, favored by order recovery and low level of raw materials price in 2024, the margin increased by 2.18% compared with 2023. On top of that, in 2024, due to injection of foreign exchange income in the non-operating income, the earnings per share in 2024 was NT\$18.86, hitting a second record high.

Since its establishment, Topkey has adhered to the business philosophy of "sincerity, diligence, innovation and gratitude", working on becoming a human-friendly enterprise with five winning concepts of "customers' satisfaction, employees' pleasure, shareholders' interests, sustainable development, and feedback to the society". Looking forward to the future, the Topkey's management team will continue to reinforce implementation of ESG, promote financial information transparency in compliance with the regulations of the competent authority, make corporate governance more sophisticated, make efforts to achieve carbon neutrality, and move towards the goal of net zero emissions in pursuit of corporate consolidated and sustainable development; we anticipate to create higher economic benefits, and fulfil the whole shareholders' commitments and expectations.

The report on 2024 business results is as follows:

1. 2024 Business Report

(1) Implementation Results of Business Plan

As Topkey's parent company only financial statements indicated, the net operating revenue in 2024 was NT\$7.424 billion, accounting for an increase of NT\$96 million compared with NT\$7.328 billion in 2023 with a growth of 1.31%; the gross margin in 2024 was 19.48%, decreasing by 0.33% compared with 19.81% in the previous year; the net profit before tax was 28.03%, increasing by 3.78% compared with 24.25% in the previous year.

As Topkey's consolidated financial statements showed, the net operating revenue in 2024 was NT\$9.478 billion, increasing by NT\$211 million compared with NT\$9.267 billion in 2023 with a growth of 2.28%; benefited from order recovery and low level of raw materials price in 2024, the consolidated margin was 34.89%, increasing by 2.18% compared with 32.71% in the previous year; the consolidated pre-tax net profit was 25.60%, representing an increase of 4.05% compared with 21.55% in the previous year.

As a whole, the net profit after tax attributable to the Company in 2024 was NT\$1.713 billion, increasing by NT\$298 million compared with NT\$1.415 billion in 2023 at a growth rate of 21.01%. The earnings per share after tax was NT\$18.86, growing by 21.05% compared with NT\$15.58 in the previous year.

(2) Analysis of Profit and Loss, and Profitability of Topkey's Parent Company Only and Consolidated Financial Reports

Unit: NT\$ Thousand; %

Analysis Items \ Year			2024	2023	Increase (Decrease) (%)
Analysis of Profit and Loss	Operating Revenue	Consolidated	9,478,115	9,266,547	2.28%
		Parent Company Only	7,423,544	7,327,891	1.31%
	Operating Margin	Consolidated	3,307,294	3,030,788	9.12%
		Parent Company Only	1,445,900	1,451,758	-0.40%
	After-tax Net Profit (Attributable to Shareholder of the Parent Company)	Parent Company Only/Consolidated	1,712,809	1,415,377	21.01%
Profitability	Return on Assets (%)	Consolidated	11.80	9.92	18.95%
		Parent Company Only	13.56	11.50	17.91%
	Return on Equity (%)	Consolidated	18.97	17.09	11.00%
		Parent Company Only	19.87	18.04	10.14%
	Ratio of Pre-tax Net Profit to Paid-in Capital (%)	Consolidated	267.24	219.86	21.55%
		Parent Company Only	229.11	195.65	17.10%
	Net Profit (%)	Consolidated	18.07	15.27	18.34%
		Parent Company Only	23.07	19.31	19.47%
	Earnings per Share (Dollar)	Parent Company Only/Consolidated	18.86	15.58	21.05%

(3) Research and Development Results

1. Develop high-strength bike rim.
2. Import automation equipment such as robot arm, etc. in manufacture of several manufacturing processes.
3. Develop the design, by which hitting stability and comfort of tennis rackets can be improved.
4. Develop the design and manufacturing processes which can meet the upgrading test requirements of both ECE2206 (European Motorcycle Helmet Test Certification) and FIM-02 (Fédération Internationale de Motocyclisme Helmet Test Certification).
5. Develop manufacturing process which can increase safety values of damage strength of aviation economy seat cushions.
6. Successfully develop the coating-free manufacturing process for medical bed boards.

2. Overview of 2025 Business Plan

(1) Business Policy

1. Continue to lay out the future.
2. Reinforce technology innovation.
3. Take the lead for renovation in a fast speed.
4. Implement lean production.

(2) The Company's Future Development Strategies

1. Become the composites technology provider, ranging from concept design to production quality.
2. Fastly develop design drawing and improve production effective and capacity.
3. Enlarge the market share of each product.

(3) Important Production and Marketing Strategies

1. Continue to expand investment in order to diversify operation risks and satisfy customers' demands for orders.
2. Develop new products and new application technology markets.
3. Enhance production efficiency and flexibility in order to shorten production cycles.
4. Continue to promote lean production and increase competitiveness.
5. Continue to make processes lean in order to achieve manpower-saving and improve yield.

(4) Impact of External Competitive Environment, Regulatory Environment and Macro Operation Environment

This year, the greatest variable in the global economic situation is economic uncertainty, triggered by US' newly-introduced tariff policy. It might increase inflation pressure, make growth of the global economy slow down with high possibility for further decline into recession. In addition, geopolitical risks are still outstanding, so it is expected that the global economic environment is not optimistic. As the Climate Change Response Act was announced and enforced in February 2024, the Ministry of Environment released the "Regulations Governing the Collection of Carbon Fees" in August 29, 2024. To that effect, in Taiwan, major carbon emission companies with an annual emission volume of 25 thousand tons will be included in calculation of carbon fees collection effective this year. From 2026 on, payment will be made based on the applicable rate in accordance with emission volume in 2025. Besides, the European Union originally plans to implement CBAM to assess carbon tariff for products which are imported to the EU such as cement, fertilizer, steel, aluminum, chemicals, power, etc. Although its implementation may be postponed for one year, realization of net zero emission has been an indispensable trend, and turns out to be a critical issue in affecting business long-term operational competitiveness, and its pursuit of sustainable development.

In order to achieve the sustainable development goal, Topkey continues, in the course of operation, to import the low-carbon manufacturing process, enhance the energy efficiency, use the low-carbon or carbon-free power and fuel, promote the circular economy in order to save energy and reduce carbon, and strive to move towards the carbon neutrality and net zero carbon emission goal. However, although the external management environment might be interfered by the US tariff policy and undesirable global economic environment, Topkey's management team will still strive to guide the whole colleagues to implement lean production for the purpose of improving competitiveness, and further satisfying customers' requirements. Topkey's management team will keep guiding the entire colleagues to perform lean production and enhance competitiveness in order to satisfy customers' commitments. Topkey will also make efforts in promoting the business policy of "continuously laying out the future", "reinforcing technology innovation", "taking the lead for renovation in a fast speed", and "implementing lean production", based on the solid foundation built from long-term focus on composites, concentrate on development of products of composites in each field, and expand their applications for the purpose of ensuring the competition advantages of sustainable development.

I wish all shareholders good health and all the best.

Yours sincerely,

Chairman Wen-Chen Shen

II. Corporate Governance

2.1 Information on the Directors, Supervisors, General Manager, Assistant General Managers, Deputy Assistant General Managers, and the Chiefs of All the Company's Divisions and Branch Units

2.1.1 Information on the Directors

1. Name, work experience (academic qualifications), shares held and the nature thereof of director

March 30, 2025 Unit: Shares

Title	Nationality/Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Republic of China	Wen-Chen Shen	Male / 70-80	2022.05.27.	3 years	1980.07.11	9,654,182	10.63	9,654,182	10.63	2,651,000	2.92	0	0	Honorary Doctor of Engineering, National Taipei University of Technology; Graduated from the Department of Chemical Engineering, National Taipei Institute of Technology Deputy General Manager of Kuang Nan International Co., Ltd.; 13th "Model of Young Entrepreneurs of the Republic of China"; 4th and 5th President of Taiwan Aerospace Industry Association (TAIA); 2015 member of the Regulatory Review Committee of the government's science and technology development programs; General Manager of the Company; Director of Taiwan Aerospace Corp.	Note 1	Directors, General Manager	Pei-Ni Shen	First-degree relative	Note 5
Vice Chairman	Republic of China	Kwei-Lin Chang	Male / 50-60	2022.05.27	3 years	2010.06.15	3,226,846	3.55	2,918,846	3.21	220,450	0.24	0	0	Attended the Department of Foreign Languages and Literature, National Chung Hsing University General Manager of Keentech Composite Tech. Co., Ltd., General Manager of the Company's Procurement and Contracting Center, and Director of Topkey Foundation	Note 2	None	None	None	

Title	Nationality/Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	Republic of China	Pei-Ni Shen	Female / 40-50	2022.05.27.	3 years	2007.12.10.	1,922,394	2.12	1,922,394	2.12	0	0	0	0	Master's degree in Physics and Bachelor's degree in Materials from Imperial College of London General Manager/Deputy General Manager of the Company	Note 3	President	Wen-Chen Shen	First-degree relative	Note 5
Director	Republic of China	Tong-Chen Chu	Male / 70-80	2022.05.27.	3 years	1980.07.11.	3,499,789	3.85	3,457,789	3.81	899,681	0.99	0	0	Graduated from the Department of Chemical Engineering, National Taipei Institute of Technology; Deputy Director of Nylon Plant of Formosa Chemicals & Fibre Corporation; General Manager of the Company; President of Rotary Club of Taichung Sheng-Dou;	Note 4	None	None	None	
Director	Republic of China	Kuo-Feng Lin	Male / 70-80	2022.05.27.	3 years	2010.06.15.	1,392,935	1.53	1,392,935	1.53	0	0	0	0	Graduated from the Foreign Languages and Literature Department, Soochow University Supervisor of the Company	Responsible person of Asia Regent Corporation Director of the Company	None	None	None	
Director	Republic of China	Chao-Yuen Chuang	Male / 70-80	2022.05.27.	3 years	2011.05.16.	0	0	0	0	0	0	0	0	Graduated from National Taichung University of Education elementary school teacher, Supervisor of the Company Responsible person of U T Game Co., Ltd.	Director of the TOPKEY Foundation Director of the Company	None	None	None	
Independent Director	Republic of China	Shih-Chien Yang	Male / 80-90	2022.05.27.	3 years	2011.10.25.	0	0	0	0	0	0	0	0	Ph.D. in Electrical Engineering from Northwestern University, M.S. in Electrical Engineering from Northwestern University, and B.S. in Electrical Engineering from National Taiwan University; National Policy Advisor to the President; Minister without Portfolio of Executive Yuan and Convener of the Executive Yuan Technology Advisory Group; Deputy Minister of the MOEA; Director-general of Industrial	Director of Tecom Co., Ltd.; Director of Yageo Corporation; Director of MiTAC Information Technology Corp.; Independent Director of WUS Printed Circuit Co., Ltd.; Independent Director of the Company	None	None	None	

Title	Nationality/Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Development Bureau(IDB), MOEA; Deputy Director-general of CTSP; Independent Director of Yageo Corporation; Director of TECO Electric and Machinery Co., Ltd.;					
Independent Director	Republic of China	Chen-Chi Ma	Male / 70-80	2022.05.27.	3 years	2016.05.31.	0	0	0	0	0	0	0	0	Ph.D. in Chemical Engineering from North Carolina State University, M.S. in Chemical Engineering from North Carolina State University, and B.S. in Chemical Engineering from National Cheng Kung University; Senior Researcher of LordCorp; Visiting Expert of NSTC and Department of Chemical Engineering of National Tsing Hua University; Deputy Director of R&D Department of National Tsing Hua University; CEO of Tze Chiang Foundation of Science and Technology; Professor of Chemical Department of Chemical Engineering of National Tsing Hua University; Chair of Ministry of Education National Chair Professorship; Independent Director of Glotech Industrial Corporation; President of the Polymer Society, Taipei;	Vice Chairman of the International Council of Chemical Association; Executive Director of the Reinforced Plastics Association of the Republic of China; Executive Director of the Society of Plastics Engineers; Independent Director of Shiny Chemical Industrial Co., Ltd.; Independent Director of Wah Hong Industrial Corp.; Independent Director of the Company	None	None	None	
Independent Director	Republic of China	Ying-Hwang Yang	Male / 70-80	2022.05.27.	3 years	2019.05.28.	0	0	0	0	0	0	0	0	Master of Business Administration (EMBA) Program in Management, National Taipei University of Technology; Director and General Manager of Formosa Plastics Marine Corporation; Director of Formosa Plastics Maritime Corp.; Supervisor of Formosa Chemicals & Fibre Corporation; Director, Supervisor and Senior	Independent Director of the Company	None	None	None	

Title	Nationality/Place of Incorporation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
														Vice President of Formosa Petrochemical Corporation; Deputy General Manager of the General Management Department of Formosa Plastic Group; Independent Director of Tatung System Technologies Inc.;						
Independent Director	Republic of China	Cherng Lee	Male / 60-70	2022.05.27.	3 years	2022.05.27.	0	0	0	0	0	0	0	0	Doctor of Laws and Master of Laws, Tulane University, USA; Bachelor of Laws, Tunghai University Lawyer of Lee & Tsai, Attorney; Dean of the Faculty of Law and Director of the Institute of Law, Tunghai University; Consultant of Direction Int'l Patent Trademark & Law Office;	Independent Director of Rexon Industrial Corp., Ltd., Novatech Co., Ltd. & Horien Biochemical and the Company; Part-time Associate Professor, College of Law, Tunghai University	None	None	None	

Note 1: Chairman and Director of New Score Holding Limited, New Score Investment Limited, Musonic Corporation, XPT Investments Co., Limited, EIC Holding Limited, Keentech Composite Tech. Co., Ltd., Xiamen Xin Hong Zhou Precision Technology Co., Ltd., Xiamen Yeu Chuan Composite Technology Co., Ltd., XPT Precision Company Limited, and Chairman of the Company. Director of Topkey Vietnam Corporation Company Limited, Chairman of Topkey Foundation, Director of World Trade Center Taichung, National Museum of Natural Science Foundation, Director of Taiwan Reading Culture Foundation; Committee member of the Teacher Chang Foundation; Executive Director of Taiwan Composites Association; Executive Director of TAIA; Executive Director of National Taipei University of Technology Foundation.

Note 2: Chairman of Topkey Vietnam Corporation Company Limited, Vice Chairman of Keentech Composite Tech. Co., Ltd.; Director of Xiamen Xin Hong Zhou Precision Technology Co., Ltd., XPT Precision Company Limited, New Score Investment Limited, EIC Holding Limited, XPT Investments Co., Limited; Supervisor of Xiamen Yeu Chuan Composite Technology Co., Ltd and Vice Chairman of the Company.

Note 3: Chairman of Xiamen Valver Color Sticker Co., Ltd., Director/ President of Keentech Composite Tech. Co., Ltd.; Director of Keentech Composite Tech. Co., Ltd., Xiamen Xin Hong Zhou Precision Technology Co., Ltd., Xiamen Yeu Chuan Composite Technology Co., Ltd, Topkey Vietnam Corporation Company Limited, XPT Precision Company Limited; Director/General

Manager of the Company

Note 4: Director of XPT Investments Co., Limited, EIC Holding Limited, Xiamen Valver Color Sticker Co., Ltd., Topkey Vietnam Corporation Company Limited and other legal entity; Supervisor of Keentech Composite Tech. Co., Ltd. and Xiamen Xin Hong Zhou Precision Technology Co., Ltd. and Director of the Company; Director of Topkey Foundation.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The Chairman and President of the Company are father and daughter due to the stage-specific need for business succession in the Company. To improve corporate governance, the Company has established an audit committee, and more than half of the directors of the Company are not employees or managers of the Company, and an additional independent director was elected at the shareholders' meeting on May 27, 2022.

2.1.2 Information on the General Manager, Assistant General Managers, Deputy Assistant General Managers, and the Chiefs of All the Company's Divisions and Branch Unit

1. Name, work experience (academic qualifications), shares held and the nature thereof of management team

March 30, 2025 Unit: Shares

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Republic of China	Pei-Ni Shen	Female	2018.07.01.	1,922,394	2.12	0	0	0	0	Master's degree in Physics from Imperial College of London Bachelor's degree in Materials from Imperial College of London Director of Keentech Composite Tech. Co., Ltd., Deputy General Manager/General Manager of the Company	Note 1	Chairman	Wen-Chen Shen	First-degree relative	Note 9
General Manager, Safety Products Business Group	Republic of China	Jing-Wei Chang	Male	2010.07.01.	2,000	0	52,000	0.06	0	0	Department of Business Management, Ling Dung Technical College Executive Deputy Assistant General Manager of the Company's Racket Product Department Deputy General Manager of Keentech Composite Tech. Co., Ltd.	Note 2	None	None	None	
Chief Operating Officer, Safety Products Business Group	Republic of China	Qing-Zheng Wu	Male	2021.05.17.	6,707	0.01	0	0	0	0	Master's degree in Industrial Engineering and Management from Chaoyang University of Technology Manager, Quality Control Department, Merits Health Products Co., Ltd. Consultant, Yongsheng Enterprise Management Consulting Co., Ltd. Deputy General Manager, Xiamen Xin Hong Zhou Precision Technology Co., Ltd.	Note 3	None	None	None	
Chief Financial Officer, Finance Headquarters	Republic of China	Ren-Di Chang	Male	2019.04.06.	5,315	0.01	0	0	0	0	Master's degree in International Economics from National Chung Cheng University Chief of the Finance Office, Taisun Enterprise Co., Ltd.	Note 4	None	None	None	

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Director of the Accounting and Management Department of the Company Executive Assistant to Chairman of the Company					
Chief Accountant, Finance Headquarters	Republic of China	Sen Chang	Male	2016.03.16.	1,447	0.00	0	0	0	0	Master's degree in Finance and Taxation from Feng Chia University Bachelor's degree in Accounting from Chaoyang University of Technology Audit Manager of Deloitte Taiwan Director, Accounting and Management Center, Finance Headquarters of the Company	None	None	None	None	
Spokesperson of Topkey Corporation/ Chief Corporate Governance Officer	Republic of China	Benny Chou	Male	2022.01.01.	150,000	0.17	0	0	0	0	Bachelor's degree in Accounting from National Chung Hsing University Audit Manager of EnWise CPAs & Co. Chief Accountant of Keentech Composite Tech. Co., Ltd. Chief Financial Officer of the Finance Headquarters of the Company Spokesperson of the Company	Note 5	None	None	None	
Manager of the Audit Office	Republic of China	Xiang-Dai Tsai	Male	2022.01.01.	0	0	0	0	0	0	Master of Business Administration from National Formosa University Senior Specialist of the Finance Department of the Company Deputy Finance Manager of Keentech Composite Tech. Co., Ltd.	None	None	None	None	
Construction Director of Group President's Office	Republic of China	Shou-Zhi Hsu	Male	2022.06.01.	9,000	0.01	6,963	0.01	0	0	Department of Industrial Engineering, National Taipei Institute of Technology Manager of the General Administration Office of the Company Deputy Executive Secretary of the Quality Committee of the Company	Note 6	None	None	None	

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											General Manager of Xiamen Yeu Chuan Composite Technology Co., Ltd.					
Deputy Assistant General Manager, Composite Production Plant, Taichung Business Development Department	Republic of China	Zhong-Fa Wu	Male	2019.07.16.	0	0	0	0	0	0	Industrial Machinery Engineering Department, National Pai-Ho Senior Commercial & Industrial Vocational School Chief of the Technical Department Deputy Assistant General Manager of the Aviation Medical Business Department	None	None	None	None	
Deputy Assistant General Manager of Group President's Office	Republic of China	Zhen-Wei Gao	Male	2022.03.10.	0	0	0	0	0	0	Department of Finance, National Chung Hsing University (Ph.D.) Department of Finance, National Changhua University of Education (Master's) Department of Economics, Chinese Culture University (Bachelor's) Deputy Assistant General Manager of the Finance Department of Keentech Composite Tech. Co., Ltd. Deputy Director, General Manager's Office, Keentech Composite Tech. Co., Ltd.	None	None	None	None	
Assistant General Manager, Safety Products Business Group	Republic of China	Yi-Sheng Chen	Male	2022.03.10.	0	0	0	0	0	0	Department of Mechanical Engineering, Huaan University (Bachelor's) Deputy Manager of the Technology R&D Center of the Company Deputy Manager, Technical Department, Safety Products Business Group of the Company Manager of Xiamen Yeu Chuan Composite Technology Co., Ltd.	None	None	None	None	
Assistant General Manager of Taichung	Republic of China	Hong-Shu Wang	Male	2022.11.01.	1,000	0	0	0	0	0	Master of Business Administration (MBA) from the Cardiff University	None	None	None	None	

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Business Development Department											Bachelor's degree in Accounting from the Chinese Culture University Guanjian Trading. Co., Ltd. Deputy Assistant General Manager of Operations Department of the Company Deputy Manager of the Business Division of the Company Deputy Manager of the Re-investment Team of the Company					
Assistant General Manager of Industrial Products Business Group	Republic of China	David Lin	Male	2024.01.01.	0	0	0	0	0	0	Business Administration, National Taiwan University (Bachelor's) Manager of the Business Division of the Company	None	None	None	None	
Vice General manager of Business Division	Republic of China	JC Chow	Male	2024.05.27.	0	0	0	0	0	0	MBA from Tunghai University, Bachelor's degree in Aerospace Engineering from Feng Chia University Director of Strategic Planning Committee of AvioCast Inc. Acting Director, Aircraft Business Division, Aerospace Industrial Development Corporation Deputy General Manager of the Aerospace Medical Business Group of the Company	None	None	None	None	
Vice General manager of Business Division	Republic of China	Charlie Chu	Male	2024.06.03.	10,598	0.01	532,000	0.59	0	0	Master of Materials Engineering, University of New York at Stony Brook Technical Manager of Keentech General Manager of the Aerospace Medical Business Group of Keentech	None	Director	Tong-Chen Chu	First-degree relative	
Marketing Director	Republic of China	Alan Chen	Male	2025.03.06.	10,000	0.01	495,611	0.55	0	0	Xiamen University Executive Master of Business Administration Lingdong College of Commerce International Trade Department	Note 7	None	None	None	

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal Work Experience (Academic Qualifications)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Business Manager of Runyou Trading Co., Ltd. Park General Manager of Keentech					
Project General Manager of Group President's Office	Republic of China	Zhong-Xing Shen	Male	2020.01.01.	Note 8	Note 8	Note 8	Note 8	Note 8	Note 8	Attended to Green River College in Seattle. Graduated from the high school division of private Chung Xian Senior High School Chief of the Rotating Business Division of the Company Executive Vice President of Keentech Composite Tech. Co., Ltd.	None	None	None	None	
Deputy General Manager of Projects, Group President's Office	Republic of China	Kevin Huang	Male	2024.01.01	Note 8	Note 8	Note 8	Note 8	Note 8	Note 8	Department of Chemical Engineering, Chinese Culture University (Bachelor's) Deputy Manager of Li-Fon Company Director of the Procurement Division of the Company General Manager of Xiamen Valver Color Sticker Co., Ltd.,	None	None	None	None	

Note 1: Chairman of Xiamen Valver Color Sticker Co., Ltd., Director/ President of Keentech Composite Tech. Co., Ltd.; Director of Keentech Composite Tech. Co., Ltd., Xiamen Xin Hong Zhou Precision Technology Co., Ltd., Xiamen Yeu Chuan Composite Technology Co., Ltd, Xiamen Valver Color Sticker Co., Ltd., Topkey Vietnam Corporation Company Limited, XPT Precision Company Limited; Director/General Manager of the Company.

Note 2: Director of Keentech Composite Tech. Co., Ltd.

Note 3: Director of Xiamen Valver Color Sticker Co., Ltd.

Note 4: Director/General Manager of Topkey Vietnam Corporation Company Limited; Director of Xiamen Valver Color Sticker Co., Ltd.

Note 5: Supervisor of Xiamen Valver Color Sticker Co., Ltd.

Note 6: Director of Xiamen Yeu Chuan Composite Technology Co., Ltd.,

Note 7: Director of Xiamen Yeu Chuan Composite Technology Co., Ltd.,

Note 8: This managerial person has retired or resigned in 2024, accordingly, disclosure of his shareholdings and related information is not required.

Note 9: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The Chairman and President of the Company are father and daughter due to the stage-specific need for business succession in the Company. To improve corporate governance, the Company has established an audit committee, and more than half of the directors of the Company are not employees or managers of the Company, and an additional independent director was elected at the shareholders' meeting on May 27, 2022.

2. Major shareholders of corporate shareholders: None.
3. Major shareholder is a corporate/juristic person: None.

4. Disclosure of information regarding the professional qualifications of directors and supervisors and independence of independent directors:

Qualification	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Name			
Wen-Chen Shen	<p>After graduating from the Department of Chemical Engineering of the National Taipei Institute of Technology, Chairman Wen-Chen Shen worked at Kuang Nan International Co., Ltd because of timely opportunities as Sales Manager in the beginning, he has accumulated experience in many fields from procurement, production, and marketing to shipping. In 1980, the Company was established jointly with several shareholders, in addition to R&D in materials, and fully promoted diversified R&D, successfully led the Company's continuous transformation, from the sports goods industry, the bicycle industry, all the way to the aerospace industry and the medical industry. The Company's industry includes aviation, traditional manufacturing, etc., with professional capabilities such as marketing, business management, industry knowledge, operational judgment, etc., as well as other professionals such as crisis management and international market perspectives, etc.</p>	<p>1. Chairman of the Company. 2. Chairman of the Company's affiliated enterprises. 3. Has a familial relationship within the second degree of kinship with the Director Pei-Chen Shen. 4. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. 5. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent). 6. Not a professional individual who 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 most recent 2 years has received compensation. 7. Not been a person of any conditions defined in Article 30 of the Company Act. 8. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	None
Tong-Chen Chu	<p>Director Tong-Chen Chu served as a director of Formosa Chemicals & Fibre Corporation after graduating from the Department of Chemical Engineering of the National Taipei Institute of Technology, and he has accumulated considerable experience in plant operation management and crisis management. In 1980, the Company was established jointly with the Chairman Wen-Chen Shen and several shareholders, and the Company was developed and cultivated for more than 40 years, laying a deep foundation for the development of the Company. He has rich experience and professional capabilities in various aspects such as the Company's operational judgment ability, operational management ability and industry knowledge.</p>	<p>1. Director / Supervisor of the Company's affiliated enterprises. 2. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. 3. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent). 4. Not a professional individual who provides auditing</p>	None

Kwei-Lin Chang	Director Kwei-Lin Chang attended the Department of Foreign Languages and Literature, National Chung Hsing University. He is currently served as Vice Chairman of the Company, General Manager of important subsidiaries and Director and Supervisor of several subsidiaries. He specializes in business marketing, operation management and production line manufacturing management, and has professional capabilities such as operational judgment and crisis management and international market perspective.	<p>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 most recent 2 years has received compensation.</p> <p>5. Has no spousal relationship or familial relationship within the second degree of kinship with any other Directors.</p> <p>6. Not been a person of any conditions defined in Article 30 of the Company Act.</p> <p>7. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	None
Pei-Ni Shen	Director Pei-Ni Shen graduated from the Imperial College of London, with a Bachelor's degree in Materials Science and Engineering, and Master's degree in Physics. She has served as the responsible person of the US subsidiary of the Company, has been the main managerial personnel of the R&D unit of the Company and various products groups, and is currently served as General Manager of the Company and the Directors of several subsidiaries. She has considerable experience in material R&D, product technology, business marketing, management, and international market perspective.	<p>1. Concurrently served as General Manager of the Company, and Director with managerial status.</p> <p>2. Director of the Company's affiliated enterprises.</p> <p>3. She has a familial relationship within the second degree of kinship with the Chairman Wen-Chen Shen.</p> <p>4. Not 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 Article 27, paragraph 1 or 2 of the Company Act.</p> <p>5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.</p> <p>6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent).</p> <p>7. Not a professional individual who 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 most recent 2 years has received compensation.</p> <p>8. Not been a person of any conditions defined in Article 30 of the Company Act.</p> <p>9. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	None

Kuo-Feng Lin	<p>Director Kuo-Feng Lin graduated from the Foreign Languages and Literature Department of Soochow University. Founded Asia Regent Corporation, has considerable experience and professional capabilities in the Company's operation judgment ability, marketing and operation management ability, crisis management ability and industry knowledge.</p>	<p>1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. 3. Has no spousal relationship or familial relationship within the second or third degree of kinship with any managerial personnel listed in (1) or officers listed in (2). 4. Not 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 Article 27, paragraph 1 or 2 of the Company Act. 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent). 7. Not a director, supervisor, 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. 8. Not a professional individual who 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 most recent 2 years has received compensation. 9. Has no spousal relationship or familial relationship within the second degree of kinship with any other Directors. 10. Not been a person of any conditions defined in Article 30 of the Company Act. 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</p>	None
Chao-Yuen Chuang	<p>After graduating from National Taichung University of Education, Director Chao-Yuen Chuang worked as a teacher in Nan Yang Elementary School. Subsequently, in 1987, he founded and operated U T Game Co., Ltd., which has grown quite steadily. He has considerable experience and professional capabilities in the Company's operational judgment ability, operational management ability, crisis management ability and industry knowledge, etc. In addition to successful operating businesses, Director Zhuang is enthusiastic about actively participating in public welfare activities and giving back to the society with his ability, which is consistent with the Company's social philosophy.</p>	<p>1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. 3. Not 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 in the top 10 in holdings. 4. Has no spousal relationship or familial relationship</p>	None

Shih-Chien Yang	Shih-Chien Yang, an independent director is graduated from Northwestern University, with a Doctorate degree in Electrical Engineering. He promotes the roots of Taiwan's aviation industry within the period with his office as Director-general of IDB, MOEA. He has a comprehensive understanding of the aerospace industry, coupled with his experience as a director of several listed companies, he also has rich experience and unique insight into corporate governance.	within the second or third degree of kinship with any managerial personnel listed in (1) or officers listed in (2) or (3). 5. Not 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 Article 27, paragraph 1 or 2 of the Company Act.	1
Chen-Chi Ma	Chen-Chi Ma, an independent director graduated from North Carolina State University, with a Doctorate degree in Chemical Engineering. In 1977-1984, he worked as a Senior Materials Research Engineer in a number of companies in the United States, the research areas include fuel cell and solar cell core materials preparation, nanomaterials and environmental materials preparation, identification and analysis, etc. After returning to Taiwan, in addition to serving as a Visiting Expert of NSTC and Department of Chemical Engineering of National Tsing Hua University, he taught and led research program "Processing Technology, Properties, and Applications of High-Performance Reinforced Engineering Plastics and Polymer Composites". Professor Ma is committed to teaching and academic research, and has made remarkable contributions, which led to his appointment as the National Chair Professor for the 17th National Lecturer in the Engineering and Applied Sciences category by the Ministry of Education. In addition, he has served as a Patent Researcher in the Engineering Center of the NSTC, an advisor in the Technology Advisory Office of the Ministry of Education, a professor in the Department of Chemical Engineering of National Tsing Hua University, a Distinguished Professor, etc. He has considerable research and teaching experience in the industry. He has been awarded the First National Invention and Creation Award of the Bureau of Standards, Metrology and Inspection, MOEA, the Outstanding Scientific and Technological Contribution Award of the Executive Yuan, the Science and Technology Research Award of the Ministry of Defense, etc.	6. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. 7. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) themselves or their spouse also serve as the company's chairman or president (or equivalent). 8. Not a director, supervisor, 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. Not a professional individual who 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 most recent 2 years has received compensation. 10. Has no spousal relationship or familial relationship within the second degree of kinship with any other Directors.	2
Ying-Hwang Yang	Ying-Hwang Yang, an independent director is graduated from National Taipei University of Technology, with a EMBA degree in Management. In 1971, he worked as Cost Accountant in the fiber plant of Nan Ya Corporation. In 1977-1982, he engaged in business analysis, finance, material management, etc. in Formosa Industries Corporation. In 1983-1985, he went to the United States to carry out material management computerization in various plants. Since 1985, he worked for Formosa Plastics Group and Sixth Nafta Cracking Plant in equipment procurement and large-scale engineering contracting for up to 26 years. He was also involved in the preparation and supervision of the establishment of Formosa Plastics Marine Corporation and was responsible for the restructuring of the business organization and the establishment of Formosa Group Ocean Marine Investment Corporation. He served in Formosa Plastics Group for more than 40 years and has rich expertise and experience in accounting and finance, operation and management.	11. Not been a person of any conditions defined in Article 30 of the Company Act. 12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Cherng Lee	Cherng Lee, an independent director, is currently served as Associate Professor at Tunghai University, graduated from Tulane University with a Doctorate degree in Law, and specializes in trade law, international economic and trade law, company act, and intellectual property law, etc.		3

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company?; specify the amount(s) of any pay received by the independent; director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof during the most recent 2 years.

5. Diversity and Independence of the Board of Directors:

The composition of the 15th Board of Directors of the Company is in accordance with the provisions of the Company's "Articles of Incorporation", adopting a candidate nomination system, and in accordance with the Company's "Procedures for Election of Directors", and completed through a rigorous selection, nomination, and election process to ensure the diversity and independence of the board members.

(1) Diversity of the board of directors: Describe the company's board diversity policy, objectives, and the status of implementation thereof.

The current Board of Directors of the Company consists of 10 members, including one female director, representing 10% of the total. This falls short of the requirement set forth by the Financial Supervisory Commission (FSC), which mandates that at least one-third of board seats be held by members of either gender. The primary reason for this is that the majority of the board members are founding members of Topkey, and the proportion of female executives is relatively low. Additionally, the turnover rate of board members is minimal. To promote gender diversity on the board, the Company is currently implementing a medium- to long-term gender diversity plan, which is still in the phase of recruiting and developing talent. Moving forward, the Company will actively cultivate internal female senior executives and expand the external pool of female talent, with the goal of increasing the number of female directors in the next board election and working towards gender balance.

Please refer to pages 28~30 of this annual report for the board diversity policy and the status of implementation.

(2) Independence of the board of directors: Specify the number of independent directors on the board and their ratio to the total number of directors. Describe the status of independence of the board of directors and give a statement of reasons as to whether the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act are complied with, including a description of any spousal relationship or familial relationship within the second degree of kinship that may exist between any directors, between any supervisors, or between any director(s) and supervisor(s).

The current Board of Directors of the Company consists of 10 directors, including 4 independent directors and 6 non-independent directors (4 independent directors account for 40% of the total number of directors).

As of the end of 2024, all independent directors are complied with the regulations of the Securities and Futures Bureau, Financial Supervisory Commission (FSC) regarding independent directors, and there are no circumstances as specified

in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

Therefore, the Board of Directors of the Company is independent. Please refer to pages 17~20 of this annual report for the disclosure of information regarding the professional qualifications of directors and supervisors and independence of independent directors.

For the academic qualification and experience, gender, and work experience of each director, please refer to pages 6~10 of this annual report: Information on the Directors.

2.2 Remuneration of Directors, General Manager and Assistant General Managers

1. Remuneration paid to directors in the most recent year

(1) Remuneration to Directors (including Independent Directors)

December 31, 2024 Unit: NT\$ 1,000; 1,000 shares; %

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income	Remuneration received by directors for concurrent service as employee								Sum of A+B+C+D+E +F+G and ratio to net income	Remuneration received from investee enterprises other than subsidiaries or from the parent company		
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)			Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)							
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities		The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities				The Company	All consolidated entities
															Amount in cash	Amount in stock	Amount in cash	Amount in stock				
Director	Wen-Chen Shen	1,038	1,038	0	0	14,031	14,031	36	36	15,105 0.88%	15,105 0.88%	4,340	4,340	0	0	10,370	0	10,370	0	29,815 1.74%	29,815 1.74%	None
	Kwei-Lin Chang	1,038	1,038	0	0	7,228	7,228	30	30	8,296 0.48%	8,296 0.48%	2,253	2,808	0	0	3,857	0	3,857	0	14,406 0.84%	14,961 0.87%	
	Pei-Ni Shen	1,038	1,038	0	0	8,078	8,078	36	36	9,152 0.53%	9,152 0.53%	2,104	2,658	0	0	4,700	0	4,700	0	15,956 0.93%	16,510 0.96%	
	Tong-Chen Chu	1,038	1,038	0	0	3,827	3,827	36	36	4,901 0.29%	4,901 0.29%	0	0	0	0	600	0	600	0	5,501 0.32%	5,501 0.32%	
	Kuo-Feng Lin	1,038	1,038	0	0	850	850	36	36	1,924 0.11%	1,924 0.11%	0	0	0	0	0	0	0	0	1,924 0.11%	1,924 0.11%	
	Chao-Yuen Chuang	1,038	1,038	0	0	850	850	36	36	1,924 0.11%	1,924 0.11%	0	0	0	0	0	0	0	0	1,924 0.11%	1,924 0.11%	
Independent Director	Shih-Chieh Yang	1,038	1,038	0	0	0	0	876	876	1,914 0.11%	1,914 0.11%	0	0	0	0	0	0	0	0	1,914 0.11%	1,914 0.11%	None

	Chen-Chi Ma	1,038	1,038	0	0	0	0	876	876	1,914 0.11%	1,914 0.11%	0	0	0	0	0	0	0	0	1,914 0.11%	1,914 0.11%	
	Ying-Hwang Yang	1,038	1,038	0	0	0	0	912	912	1,950 0.11%	1,950 0.11%	0	0	0	0	0	0	0	0	1,950 0.11%	1,950 0.11%	
	Cherng Lee	1,038	1,038	0	0	0	0	876	876	1,914 0.11%	1,914 0.11%	0	0	0	0	0	0	0	0	1,914 0.11%	1,914 0.11%	
1. Please describe the policy, system, standards, and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken, and time invested by the directors to the amount of remuneration paid: The independent directors of the Company perform their duties independently, participate in corporate governance, and receive a fixed monthly remuneration regardless of the Company's operating profit or loss. Independent directors do not participate in the distribution of director compensation. The remuneration of independent directors includes fixed remuneration, transportation and accommodation expenses, and daily allowances. 2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): 0																						

Explanation: The Board of Directors of the Company resolved on February 27, 2025, to allocate NT\$ 92,786 thousand of employee compensation and NT\$34,864 thousand of director compensation for the FY 2023 and disclosed relevant information to the public in accordance with laws and regulations.

(2) Remuneration to General Manager(s) and Assistant General Manager(s)

December 31, 2024

Unit: NT\$ 1,000

December 31, 2024

Unit: NT\$ 1,000

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Pei-Ni Shen	1,728	2,282	0	0	376	376	4,700	0	4,700	0	6,804 0.40%	7,358 0.43%	None
General Manager of Subsidiary	Kwei-Lin Chang	1,886	2,440	0	0	367	367	3,857	0	3,857	0	6,110 0.36%	6,664 0.39%	
Group Chief Financial Officer	Ren-Di Chang	1,710	1,710	103	103	285	285	3,927	0	3,927	0	6,025 0.35%	6,025 0.35%	
General Manager, Products Business Group	Jing-Wei Chang	1,424	1,889	90	90	286	286	2,788	0	2,788	0	4,588 0.27%	5,053 0.30%	

Chief Operating Officer, Safety Products Business Group	Qing-Zheng Wu	1,070	1,535	68	68	223	223	2,341	0	2,341	0	3,702 0.22%	4,167 0.24%	
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(3) Remuneration to the top five most highly compensated executives

December 31, 2024 Unit: NT\$ 1,000

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Pei-Ni Shen	1,728	2,282	0	0	376	376	4,700	0	4,700	0	6,804 0.40%	7,358 0.43%	None
General Manager of Subsidiary	Kwei-Lin Chang	1,886	2,440	0	0	367	367	3,857	0	3,857	0	6,110 0.36%	6,664 0.39%	
Group Chief Financial Officer	Ren-Di Chang	1,710	1,710	103	103	285	285	3,927	0	3,927	0	6,025 0.35%	6,025 0.35%	
General Manager, Safety Products Business Group	Jing-Wei Chang	1,424	1,889	90	90	286	286	2,788	0	2,788	0	4,588 0.27%	5,053 0.30%	
Chief Operating Officer, Safety Products Business Group	Qing-Zheng Wu	1,070	1,535	68	68	223	223	2,341	0	2,341	0	3,702 0.22%	4,167 0.24%	

(3) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2024

Unit: NT\$ 1,000

Title	Name	Stock	Cash	Total	As a % of net profit
		Amount of Compensation	Amount of Compensation		
Managerial officers	President	Pei-Ni Shen			
	General Manager, Safety Products Business Group	Jing-Wei Chang			
	Chief Operating Officer, Safety Products Business Group	Qing-Zheng Wu			
	Chief Financial Officer, Financial Headquarters	Ren-Di Chang			
	Deputy Assistant General Manager, Composite Production Plant, Taichung Business Development Department	Zhong-Fa Wu			
	Chief Accountant, Finance Headquarters	Sen Chang			
	Manager of the Audit Office	Xiang-Dai Tsai			
	Spokesperson of Topkey Corporation/ Chief Corporate Governance Officer	Benny Chou			
	Deputy Assistant General Manager of Group President's Office	Zhen-Wei Gao			
	Assistant General Manager, Safety Products Business Group	Yi-Sheng Chen			
	Construction Director of Group President's Office	Shou-Zhi Hsu			
	Assistant General Manager of Taichung Business Development Department	Hong-Shu Wang			
	Assistant General Manager of Industrial Products Business Group	David Lin			
	Vice General manager of Business Division	JC Chow			
	Vice General manager of Business Division	Charlie Chu			
		0	21,327	21,357	1.25

2. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the most recent 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) Analysis of the proportion of the total remuneration of the directors, general managers, and assistant general managers of the Company to the net profit after tax stated in the parent company only financial

reports or individual financial reports during the most recent 2 fiscal years

Unit: %

Title	Total Profit Sharing Paid to Management Team as a % of Net Profit for the FY 2023		Total Profit Sharing Paid to Management Team as a % of Net Profit for the FY 2024	
	The Company	All Consolidated Companies	The Company	All Consolidated Companies
Directors	5.20%	5.27%	4.51%	4.57%
General Managers and Assistant General Managers	1.72%	1.82%	1.59%	1.71%

Comparative Analysis Explanation:

1. Directors' remuneration: The remuneration of the directors of the Company is a fixed remuneration, and the remuneration of the directors is adjusted based on respective participation in operation, value of contribution, and general standard in the same industry. In accordance with the Articles of Incorporation of the Company, if the Company is profitable in the current year, no more than 5% shall be allocated for directors' compensation. The annual directors' compensation shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. Given that the after-tax profit for the current fiscal year has increased compared to the previous year, a corresponding adjustment has been made to the directors' remuneration, showing a positive correlation with operational performance. For directors concurrently serving as employees, remuneration primarily comprises salaries and rewards, which are not entirely linked to after-tax profit; this is deemed reasonable. Despite an increase in the total amount of directors' remuneration from the previous year, its proportion relative to after-tax profit has slightly decreased due to the larger increase in after-tax profit.
2. General managers' and assistant general managers' remuneration: The remuneration of the Company's managers is based on the manager's academic qualification (experience), job grade, professional ability, and the participation in the operation of the Company and the performance evaluation. Given the increase in after-tax profit this year compared to the previous year, and the remuneration of the general manager and assistant general manager was also adjusted simultaneously, which is positively correlated to the performance. Nonetheless, the ratio of remuneration to after-tax profit has experienced a slight increase.

- (2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

In FY 2023 and 2024, the Company paid the director compensation from the surplus distribution according to the distribution ratio stipulated in the Company's Articles of Incorporation. The distribution for the FY 2023 was approved at the shareholders' meeting, and the director compensation for the FY 2024 was approved by the board of

directors on February 27, 2025, and disclosed to the public in accordance with regulations, and reported to the shareholders' meeting in the FY 2025. Director's remuneration is paid to directors who participate in decision-making as fixed compensation and related bonuses. The remuneration of the general manager and assistant general manager includes salary and employee remuneration, of which the salary refers to the general standard in the same industry, and the employee remuneration is determined according to the Company's Articles of Incorporation and is positively correlated to the operating performance.

3. Link between director and manager performance evaluation and remuneration:

- (1) The directors and independent directors of the Company receive fixed remuneration and directors' compensation in accordance with the Articles of Incorporation and the "Directors' Remuneration and Compensation Distribution Measures".
 - (A) The directors and independent directors of the Company perform their duties independently, participate in corporate governance, and receive a fixed monthly remuneration regardless of the Company's operating profit or loss. It also includes the transportation and accommodation expenses required for the meeting, and daily allowances for business trips abroad.
 - (B) In accordance with Article 30 of the Articles of Incorporation and the provisions of the "Directors' Remuneration and Compensation Distribution Measures" of the Company, if the Company is profitable in the current year, no more than 5% shall be allocated for directors' compensation. Independent directors do not participate in the distribution of director compensation. The proportion of compensation of directors shall be calculated based on the distributable compensation according to the positions, the degree of participation in the Company's operations, etc.
- (2) In accordance with Article 30 of the Articles of Incorporation of the Company, if the Company is profitable in the current year, a 3% to 10% shall be allocated for employee compensation. Managers' remuneration includes remuneration, bonuses, and employee compensation, etc., of which remuneration is determined based on the manager's academic qualification (experience), job grade, professional ability, and reference to the general standard in the same industry. Bonuses and employee compensation consider the participation in the operation of the Company and the performance evaluation of managers, including the Company's core value practice and operational management capabilities, the achievement of financial and business operating performance indicators, continuing education and training and participation in sustainable management, policy promotion and alignment and other special contributions, etc.

2.3 Corporate Governance

2.3.1 Board of Directors

A total of 6 meetings of the Board of Directors were held in the most recent year, and the attendance of directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Chairman	Wen-Chen Shen	Attended 6 times	0 times	100.00%	
Director	Kwei-Lin Chang	Attended 5 times	0 times	83.33%	
Director	Pei-Ni Shen	Attended 6 times	0 time	100.00%	
Director	Tong-Chen Chu	Attended 6 times	0 times	100.00%	
Director	Kuo-Feng Lin	Attended 6 times	0 times	100.00%	
Director	Chao-Yuen Chuang	Attended 6 times	0 times	100.00%	
Independent Director	Shih-Chien Yang	Attended 5 times	0 times	83.33%	
Independent Director	Chen-Chi Ma	Attended 6 times	0 times	100.00%	
Independent Director	Ying-Hwang Yang	Attended 6 times	0 times	100.00%	
Independent Director	Cheng Lee	Attended 6 times	0 times	100.00%	

Other information required to be disclosed:

- If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: For the FY 2024 and up to the date of publication of the annual report, the contents of the Board's resolutions are as shown on pages 86~91 of the annual report, and all independent directors have no objection to the matters listed in Article 14-3 of the Securities and Exchange Act and have passed the resolution accordingly.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing require a resolution by the board of directors: None.

- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Name of director	Content of motion	Reasons for abstention from voting due to conflicts of interest	Voting participation	Remarks
Director : Wen-Chen Shen Tong-Chen Chu Kwei-Lin Chang Pei-Ni Shen Kuo-Feng Lin Chao-Yuen Chuang	Employee and director compensation distribution for the FY 2023	Although the aforementioned six directors have conflict of interest in this motion, however, it is not necessary to recuse themselves from voting because the motion has already been reviewed and approved by the Remuneration Committee, and the transaction terms are not superior to those offered to similar parties, hence it does not cause harm to the interests of the Company.	The motion is passed with no objection after the Chairman's consultation by the attending directors.	2024.02.29

3. Board Member Diversity Policy and the Implementation Status:

- (1) The composition of the board of directors of the Company is determined by taking diversity into consideration, and an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development is formulated and include, without being limited to, the following general standards:
 - (i) Basic requirements and values: Gender, age, nationality, and culture.
 - (ii) Professional knowledge and skills: A professional background (e.g., finance/accounting, law, marketing/technology), professional skills, and industry experience.
- (2) The board of directors of the Company shall possess the following abilities:
 - (i) Ability to make operational judgments.
 - (ii) Ability to perform accounting and financial analysis.
 - (iii) Ability to conduct management administration.
 - (iv) Ability to conduct crisis management.
 - (v) Knowledge of the industry.
 - (vi) An international market perspective.
 - (vii) Ability to lead.
 - (viii) Ability to make policy decisions
- (3) The composition of the 15th Board of Directors of the Company is in accordance with the provisions of the Company's "Articles of Incorporation", adopting a candidate nomination system, and in accordance with the Company's "Procedures for Election of Directors", and completed through a rigorous selection, nomination, and election process to ensure the diversity and independence of the board members.
- (4) The current board of directors of the Company is composed of 10 directors, including 4 independent directors and 6 non-independent directors. All existing directors are prominent members in the industry and academia, have experience in running enterprise management practices or holding management positions in government agencies. In addition to possessing leadership and decision-making abilities, crisis management skills, and international market perspectives, all directors possess professional expertise in financial accounting, industry knowledge, operational judgment, and legal practice. Shi-Chin Yang, an independent director, has served as a National Policy Advisor to the President, Deputy Minister of the MOEA, Director-general of the IDB, MOEA. Chen-Chi Ma, an independent director, is a visiting expert of NSTC and Department of Chemical Engineering of National Tsing Hua University and a distinguished professor of the Department of Chemical Engineering of National Tsing Hua University. Ying-Hwuang Yang, an independent director has served as Director and General Manager of Formosa Plastics Marine Corporation, Senior Vice President of the General Management Department of Formosa Plastic Group. Cherng Lee, an independent director, is currently serving as Associate Professor at Tunghai University, and specializes in trade law, international economic and trade law, company act, and intellectual property law, etc. Among the non-independent directors, Chairman Wen-Chen Shen, Director Tong-Chen Chu, Kwei-Lin Chang, Pei-Ni Shen, Kuo-Feng Lin, and Chao-Yuen Chuang all have held important management positions such as Chairman or General Manager in the Company. The Company's industry includes aviation, traditional manufacturing, etc., with professional capabilities such as marketing, business management, industry knowledge, operational judgment, etc., as well as other professionals such as crisis management and international market perspectives, etc.
- (5) The Company attaches importance to gender equality in the composition of the Board of Directors. Currently, out of the 10 Board members, 90% (9 members) are male and 10% (1 member) are female. The management objective of having at least one female director on the Board of Directors has been achieved.
- (6) Currently, out of the 10 Board members, 30% (3 members) are under 65 years old, and 70% (7 members) are over 65 years old, and the average age of all board members is 70 years old. 20% (2) of the Board members are concurrently serving as employees, and the management objective of not more than one-third of the total number of the Board members who also serve as managerial personnel of the Company has been achieved.
- (7) The 4 independent directors account for 40% of the total board seats. Among them, 2 independent directors have served for more than 6 years, 1 independent director has served for 3 to 6 years, and 1 independent director has served for less than 3 years.
- (8) All board members actively attend board meetings, with an average actual attendance rate surpassed 97% for both the FY 2024 and 2023, which has effectively demonstrated their supervisory effectiveness.
- (9) The overall ability of the Board of Directors is in line with the future development of the Company, and the board member diversity policy has been implemented. The current status of the implementation of the diversity policy in the composition of the Board members are detailed in the following table:

Name		Nationality	Gender	Concurrently served as an employee	Age				Seniority acting as independent director		
					41-50 years old	51-60 years old	61-70 years old	71-80 years old	Less than 3 years	3-6 years	More than 6 years
Director	Wen-Chen Shen	Republic of China	Male					V			
	Kwei-Lin Chang		Male	V		V					
	Pei-Ni Shen		Female	V	V						
	Tong-Chen Chu		Male					V			
	Kuo-Feng Lin		Male					V			
	Chao-Yueg Chuang		Male					V			
Independent Director	Shih-Chien Yang		Male					V			V
	Chen-Chi Ma		Male					V			V
	Ying-Hwuang Yang		Male					V		V	
	Cherng Lee		Male				V		V		

Name		Diversified Core Competency						
		Finance/ accounting	Legal practice	Marketing/ technology	Business management	Leadership and decision- making.	Industry knowledge and operational judgments	Crisis management and international market perspective
Director	Wen-Chen Shen			V	V	V	V	V
	Kwei-Lin Chang			V	V	V	V	V
	Pei-Ni Shen			V	V	V	V	V
	Tong-Chen Chu			V	V	V	V	V
	Kuo-Feng Lin			V	V	V	V	V
	Chao-Yueg Chuang			V	V	V	V	V
Independent Director	Shih-Chien Yang			V	V	V	V	V
	Chen-Chi Ma			V	V	V	V	V
	Ying-Hwuang Yang	V		V	V	V	V	V
	Cherng Lee		V			V		V

4. Disclose the information on evaluation period and period of the self (or peer) evaluation of the board of directors, the scope, method, and content of the evaluation, etc. and fill in the performance of the evaluation of the board of directors in the schedule:

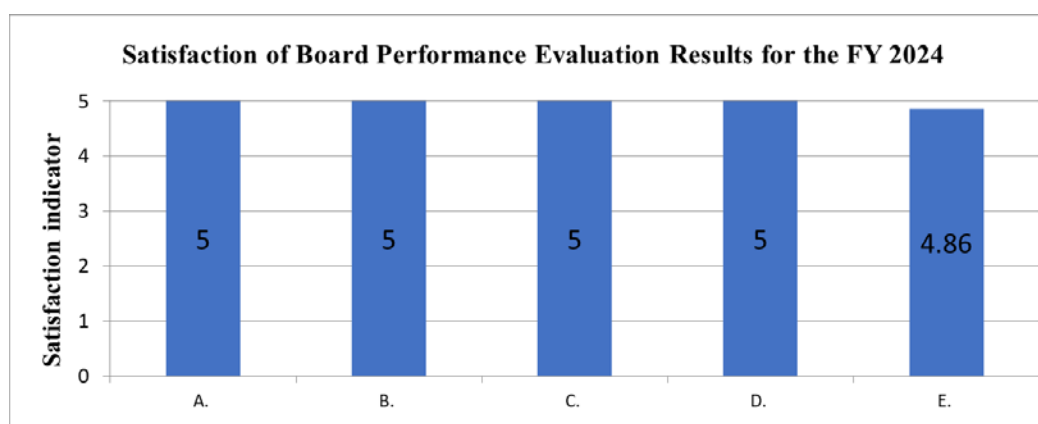
Evaluation Cycle	Once a year
Evaluation Period	January 1, 2024 to December 31, 2024
Scope of Evaluation	The scope of the evaluation covers the performance of the board, the individual directors, and the 2 functional committees including Audit Committee and Remuneration Committee
Method of Evaluation	Self-evaluations by individual board members
Evaluation Content	(1) The performance evaluation of the board includes five major aspects of "degree of the board's participation in the operation of the Company", "improvement of the board's decision-making quality", "composition and structure of the board", "election and continuing education of the directors" and "internal control". Combining the

- above-mentioned evaluation aspects, a self-administered questionnaires with a total of 45 questions for the performance evaluation of the board is formulated;
- (2) The performance evaluation of directors includes six major aspects of "familiarity with the goals and missions of the Company", "awareness of the duties of a director", "degree of the board's participation in the operation of the Company", "management of internal relationships and communication", "the director's professionalism and continuing education" and "internal control". Combining the above-mentioned evaluation aspects, a self-administered questionnaires with a total of 23 questions for the performance evaluation of directors (self or peer evaluation) is formulated;
- (3) The performance evaluation of the functional committee includes five major aspects of "degree of participation in the operation of the Company", "awareness of the duties of the functional committee", "improvement of the functional committee's decision-making quality", "composition and election of the functional committee members" and "internal control". Combining the above-mentioned evaluation aspects, the self-administered questionnaires for the Audit Committee has a total of 24 questions, and the Remuneration Committee has a total of 21 questions.

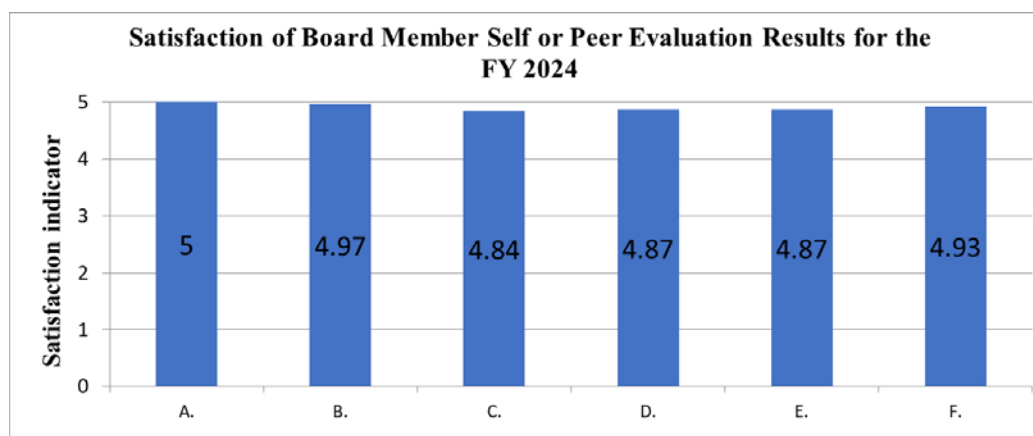
The results of this evaluation are presented in a 5-level scale, of which the number 1 represents: very poor (strongly disagree); the number 2 represents: poor (disagree); the number 3 represents: medium (neutral); the number 4 represents: good (agree); the number 5 represents: excellent (strongly agree). The results of each evaluation are detailed as follows:

(1) Evaluation results of the Board and Board members for the FY 2024

The self-assessment results of the Board and Board members are shown in the figure below, respectively, and the overall average ranging from 4.84 to 5.00. Among them, the performance evaluation of the Board and Board members are mainly oriented to the "familiarity with the goals and missions of the Company", "awareness of the duties of a director", "participation in the operation of the Company", "management of internal relationships and communication", "the director's professionalism and continuing education", etc. At the same time, the interaction between directors and the management team is promoted through managerial personnels' attendance at the meeting. Continuing education courses related to industry and sustainable development are continuously being planned. On the other hand, the appointed certified public accountants (CPAs) are invited to attend audit committees and board meetings for exchange and sharing, providing professional opinions on finance, accounting, and taxation, and establishing good interactive relationships. Subsequently, the board of directors will continue to improve their functions to enhance corporate governance effectiveness based on the results of this performance evaluation. All directors expressed positive opinions on all evaluation items.



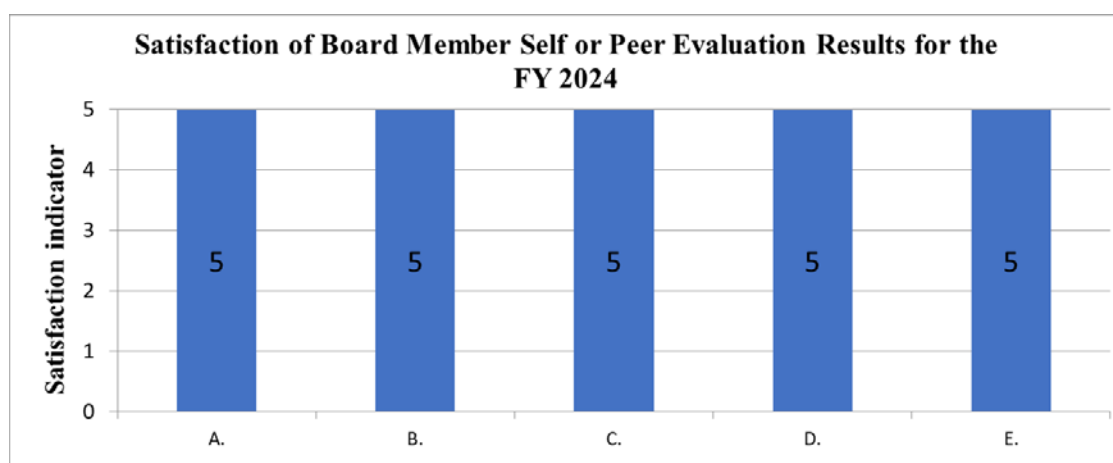
- A. Degree of the board's participation in the operation of the Company
- B. Improvement of the board's decision-making quality
- C. Composition and structure of the board
- D. Election and continuing education of the directors
- E. Internal control



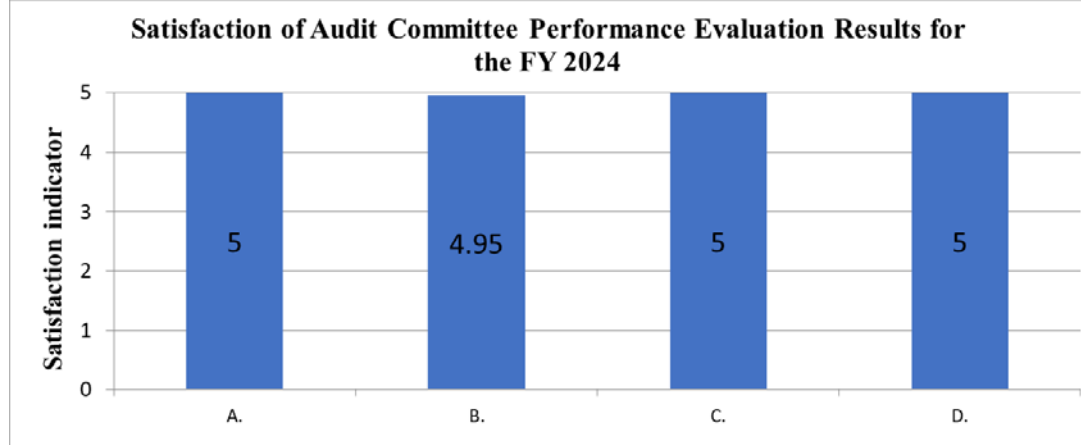
- A. Familiarity with the goals and missions of the Company
- B. Awareness of the duties of a director
- C. Degree of the board's participation in the operation of the Company
- D. Management of internal relationships and communication
- E. Director's professionalism and continuing education
- F. Internal control

(2) Evaluation results of the functional committee for the FY 2024

The functional committee includes the Audit Committee and the Remuneration Committee, each chairs by four independent directors of the Company, and its self-assessment results are shown in the figure below. Functional committee members rated themselves on five dimensions of performance, The overall average is between 4.95 and 5.00.



- A. Degree of participation in the operation of the Company
- B. Awareness of the duties of the functional committee
- C. Improvement of the functional committee's decision-making quality
- D. Composition and election of the functional committee members
- E. Internal control



- A. Degree of participation in the operation of the Company
 B. Awareness of the duties of the functional committee
 C. Improvement of the functional committee's decision-making quality
 D. Composition and election of the functional committee members

5. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof

- (1) In order to improve the supervisory function and strengthen the management function, the Company set up the "Remuneration Committee" on December 20, 2011, to provide suggestions to the Board of Directors for discussion and resolution.
- (2) In order to promote the effective operation of the Board of Directors by enhancing corporate governance-related capabilities of directors, the Company regularly arranges courses in line with the "Directions for the Implementation of Continuing Education for Directors and Supervisors" for directors. In FY 2024, all directors completed at least 6 hours of continuing education.
- (3) The Company completed the election of the 15th Board of Directors at the shareholder's meeting on May 27, 2022. The current Board of Directors is composed of 10 directors (including 4 independent directors) with rich experience and expertise in the fields of strategic planning, operation and management, finance and accounting, and law. In addition, the Company attaches importance to gender equality in the composition of the Board of Directors, which includes one female director, accounting for 10% of the total Board members.
- (4) On May 31, 2016, the Board of Directors resolved to establish the Audit Committee.
- (5) The Company attaches importance to the rights and interests of shareholders, and the material resolutions of each board meeting are disclosed on the Market Observation Post System (MOPS) or Company website, which is accessible to all directors, supervisors, managerial personnels and employees. The content of motions of Board meeting and corporate governance regulations are also disclosed on the Company website to enhance the transparency of the Company's information.

2.3.2 Audit Committee

A total of 5 Audit Committee meetings were held in the most recent year, and the attendance of independent directors is as follows:

Title	Name	Attendance in Person	By Proxy	Actual attendance rate (%)	Remarks
Independent Director	Shih-Chien Yang	Attended 5 times	0 times	100.00%	
Independent Director	Chen-Chi Ma	Attended 5 times	0 times	100.00%	
Independent Director	Ying-Hwang Yang	Attended 5 times	0 times	100.00%	
Independent Director	Cheng Lee	Attended 5 times	0 times	100.00%	
Remarks: On May 31, 2016, the Audit Committee was established to fully replace the supervisor.					

Other information required to be disclosed:

1. If any of the following circumstances occur, specify the audit committee meeting dates, sessions, contents of motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.
 - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act: The decisions made by the Audit Committee in the FY 2023 and up to the date of publication of the annual reports are listed in the table below. These decisions have been approved by the Audit Committee and submitted to the Board of Directors for resolution.
 - (2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.
2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.
3. The key focus areas of the Audit Committee

The current Audit Committee consists of four independent directors. The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

 - (1) The main function of the Audit Committee is to supervise the following matters:
 - (i) Fair presentation of the financial reports of the Company.
 - (ii) The hiring (and dismissal), independence, and performance of CPAs of the Company.
 - (iii) The effective implementation of the internal control system of the Company.
 - (iv) Compliance with relevant laws and regulations by the Company.
 - (v) Management of the existing or potential risks of the Company.
 - (2) The powers of the Audit Committee are as follows:
 - (i) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - (ii) Assessment of the effectiveness of the internal control system.
 - (iii) The adoption of or amendment to the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
 - (iv) Matters in which a director is an interested party.
 - (v) Asset transactions or derivatives trading of a material nature.
 - (vi) Loans of funds, endorsements, or provision of guarantees of a material nature.
 - (vii) The offering, issuance, or private placement of equity-type securities.
 - (viii) The hiring or dismissal of a certified public accountant, or their compensation.
 - (ix) The appointment or discharge of a financial, accounting, or internal audit officer.
 - (x) The annual financial report signed or stamped by the chairman, managerial personnel and accounting director or the semi-annual financial report that must be audited and certified by a CPA.
 - (xi) Other material matters as may be required by this Corporation or by the competent authority.
4. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication):
 - (1) Communication methods between independent directors and chief internal audit officer and CPAs
 - i. In addition to submitting audit reports and follow-up reports on deficiencies to the independent directors every month, the chief internal audit officer regularly convenes an Audit Committee meeting at least once quarterly to conduct audit assignments with the independent directors and explain the audit results and their follow-up status to the independent directors.
 - ii. In the quarterly Audit Committee meetings, the CPAs report to the independent directors on the results of the review or audit of the annual and quarterly financial statements of the Company and its affiliates, internal control audits, the impact of revisions and publications of IFRSs on the Company, and other relevant legal requirements, and sufficiently communicate whether there are any significant adjustments to the journal entries or amendments to the laws and regulations, and may convene ad-hoc meetings in the event of major abnormalities.
 - iii. The independent directors of the Company have direct channels of communication with the chief internal audit officer and the CPAs, and may communicate by e-mail, telephone or meeting as needed; and regularly audit the financial and business conditions of the Company in accordance with the provisions of the competent authority and communicate directly with the management unit and the governance unit.
 - iv. The chief internal audit officer meets with all independent directors in a closed-door session at least once annually to report on the status of internal audit operations. One such meeting was convened during the current fiscal year. Additionally, two meetings between the independent directors and the CPAs were convened, during which the CPAs presented the results of their review of the financial statements, provided regulatory

updates, and exchanged opinions with the attendees. Overall, communication among the independent directors, the chief internal audit officer, and the CPAs remains smooth and effective.

(2) Summary of the communication between independent directors and chief internal audit officer in the FY 2024:

- i. The independent directors of the Company have good communication regarding the implementation and effectiveness of the audit operations.
- ii. In FY 2024, the chief internal audit officer and independent directors communicated primarily in the Audit Committee meetings, and communicated internal audit-related matters by telephone, e-mail, communication software, etc.

The main communication matters for the FY 2024 are summarized in the following table:

Date	Audit Committee Communication Highlights	Communication Outcome
February 29, 2024	'Q4 2023 Internal Audit Execution Report '"Internal Control System Statement" for the FY 2023	'All attending members agreed and have been informed. 'After deliberation and approval, it is submitted to the Board of Directors for resolution as required by law.
May 09, 2024	Q1 2024 Internal Audit Execution Report	All attending members agreed and have been informed.
August 08, 2024	Q2 2024 Internal Audit Execution Report	All attending members agreed and have been informed.
November 07, 2024	Q3 2024 Internal Audit Execution Report	All attending members agreed and have been informed.
December 26, 2024	'[Internal Audit Implementation Rules] Some articles have been revised 'Audit Plan for the FY 2025	After deliberation and approval, it is submitted to the Board of Directors for resolution as required by law.

(3) Summary of the communication between independent directors and CPAs in the FY 2024:

The independent directors of the Company have good communication with CPAs, the main communication matters are summarized in the following table:

Date	Audit Committee Communication Highlights	Communication Outcome
February 29, 2024	'Audit results of the consolidated and individual financial statements for the FY 2023 'Audit results and key audit matters for the FY 2023(including audit of financial statements and audit of business planning report)	'After discussion and approval by all attending members, it is submitted to the Board of Directors for resolution as required by law. 'The independent directors have been informed.
May 09, 2024	'Audit review results of the consolidated financial statements for the Q1 of 2024 'Added [Audit Measures for Pre-approval of Certified Public Accountants Providing Non-Assurance Services] 'Communication on matters consulted by members of the Audit Committee	'After discussion and approval by all attending members, it is submitted to the Board of Directors for resolution as required by law. 'The independent directors have been informed.
August 08, 2024	'Audit review results of the consolidated financial statements for the Q2 of 2024 'Communication on matters consulted by members of the Audit Committee	'After discussion and approval by all attending members, it is submitted to the Board of Directors for resolution as required by law. 'The independent directors have been informed.
November 07, 2024	'Audit review results of the consolidated financial statements for the Q3 of 2024 'Communication on matters consulted by members of the Audit Committee	'All attending members have been informed. 'After discussion and approval by all attending members, it is submitted to the Board of Directors for resolution as required by law.

5. The assessment and outcome of the independence and suitability of the Company's CPAs:

The audit committee conducts the independence and suitability assessment of the Company's CPAs annually. This assessment entails requiring the CPAs to submit a Statement of Independence in Fact and Audit Quality Indicators (AQIs). Additionally, the committee utilizes 13 AQIs and independence assessment standards for the evaluation process.

It has been verified that the Company's CPAs have no other financial interests or business relationships with the Company aside from fees related to auditing and taxation matters, and there are no conflicts regarding independence requirements with the CPAs' family members. Referring to the AQIs, it has been verified that both the CPAs and their firm have surpass the industry average in terms of auditing experience and training hours. Additionally, they have consistently intergrated digital auditing tools over the past three years, thereby enhancing auditing quality.

Following the communication and approval by the audit committee on December 26, 2024, the assessment outcome of the independence and suitability of the Company's CPAs for the most recent FY were submitted to and approved by the Board of Directors on the same day.

(1) Independence Assessment of the Company's CPAs

Item No.	Evaluation Items	Evaluation Results	Compliance with Independence
1	Financial interests: 1.1 Has no "direct financial interest" relationship with the audit client. 1.2 Has no "significant indirect financial interest" relationship with the audit client. 1.3 Has no "significant financial interests" between the Company and other companies where it has control over the audit client.	None of the circumstances listed in the left-hand column.	Yes
2	Financing and guarantees: 2.1 Has not obtained financing or guarantees involving non-arm length transactions with financial institutions. 2.2 Has not obtained financing or guarantees involving non-financial institution audit clients. 2.3 Has not involved in financing or guarantees made between the non-financial institution audit clients.	None of the circumstances listed in the left-hand column.	Yes
3	Close business relationship with audit clients: 3.1 Has no close business relationship with audit clients. 3.2 Has no close business relationship with the directors, supervisors and managerial personnels of the audit clients.	None of the circumstances listed in the left-hand column.	Yes
4	Employed or serving as an audit client: 4.1 Has not served as a director, supervisor, managerial personnel, or positions that have significant influence on audit work in the Company or employee of an audit client at present or in the most recent two years. 4.2 Has not served as a director, supervisor, managerial personnel, or positions that have significant influence on audit work in the Company of an audit client. 4.3 Has not served as a director, supervisor, managerial personnel, or positions that have significant influence on audit work in the Company of an audit client during the audit period. 4.4 Has not served as a director or supervisor of other companies where it has control over the audit client. 4.5 Has not provided services to the audit client for serving as a director, supervisor, managerial personnel, or equivalent positions. 4.6 Has not employed to work on a regular basis and receive fixed salaries by the trustees or parties concerned.	None of the circumstances listed in the left-hand column.	Yes

5	<p>Non-audit matters:</p> <p>5.1 Evaluation services:</p> <p>5.1.1 Has not provided audit clients with evaluation services that are part of the financial statements and have a significant impact and a high degree of subjectivity.</p> <p>5.1.2 Has not provided audit clients with evaluation services that are part of the financial statements but are not significant or highly subjective in nature.</p> <p>5.2 Bookkeeping services:</p> <p>5.2.1 Has not provided bookkeeping services that do not comply with the requirements of professional ethics.</p> <p>5.3 Internal audit services:</p> <p>5.3.1 Has not provided assistance or undertaking for internal audit services that are not performed in accordance with generally accepted auditing standards.</p> <p>5.3.2 Has not provided assistance or undertaking for internal audit services related to the operation of the enterprise.</p>	None of the circumstances listed in the left-hand column.	Yes
6	<p>Other matters:</p> <p>6.1 Offerings and gifts:</p> <p>6.1.1 Has not received any offerings or gifts of significant value from audit clients.</p> <p>6.1.2 Has not received any offerings or gifts of significant value from the directors, supervisors or managerial personnels of the audit clients.</p> <p>6.2 Remuneration and commissions:</p> <p>6.2.1 Has not signed any contingency fee arrangement with audit clients for audit engagements or other public expense matters.</p> <p>6.2.2 Has not requested, contracted, or received any fees other than the prescribed remuneration.</p>	None of the circumstances listed in the left-hand column.	Yes

(2) Audit Quality Indicators

Scope(s)		Indicator(s)		Items(s)
1	Profession	1-1	Audit Experience	Audit Experience of Partners
				Audit Experience of Engagement Quality Control Reviewers (EQCR)
				Audit Experience of Managers or above Title (excl. Partner)
		1-2	Training Hours	Training Hours of Partners
				Training Hours of Managers or above Titles (excl. Partners)
		1-3	Attrition Rate	Attrition Rate of Managers or above Titles (excl. Partners)
		1-4	Professional Support	No. of Experts to Support Audit Service Section (%)
				The Devoted Hours of Experts for Listed Companies (%)
2	Quality Control	2-1	Workload	No. of PIEs Audited by Partners as EP
				% of Devoted Time per Partner
		2-2	Involvement	Involvement by Phase-Planning
				Involvement by Phase-Execution
				Involvement by Phase-Total
		2-3	Audit Experience of Engagement Quality Control Reviewers (EQCR)	EQCR Hours (%)

		2-4	Quality Supporting Capacity	No. of Full Time Equivalent (FTE) Quality Controllers
				FTE Quality Controllers (%)
3	Independence	3-1	Non-Audit Service (NAS)	NAS Fees (%)
		3-2	Familiarity	Audit Tenure
4	Monitor	4-1	External Inspection Result & Enforcement	Inspection Results by FSC-No. of Deficiencies in QC
				Inspection Results by FSC-No. of Deficiencies per Engagement
				Inspection Results by PCAOB-No. of Deficiencies per Engagement
				No. of CPA Disciplinary Cases & Sanctions Made according to Article 37 of Securities and Exchange Act
		4-2	No. of Official Improvement Letters (OILs) Issued by Authority	OILs Issued by Authority(%)
5	Creativity	5-1	Innovative Planning or Initiatives	Introduction of Cloud-based Auditors' Platforms and Tools
				Application of Digital Technology
				Expansion of Audit Service Centers
				Project Management

Major resolutions of the Audit Committee during the most recent fiscal year and up to the date of publication of the annual report

Committee	Date	Major Resolution
3rd Session Audit Committee 9th Meeting	2024/02/29 (Thursday)	<p>1st motion: Annual business report and financial statements for the FY 2023.</p> <p>2nd motion: Earnings distribution for FY 2023. Resolution: This motion was resolved after the Chairman's consultation by the attending members with a proposed cash dividend of NT\$ 8.5 per share for FY 2023, and it is submitted to the Board for approval.</p> <p>3rd motion: The audit committee report for FY 2023.</p> <p>4th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>5th motion: Internal Control System Statement for FY 2023.</p> <p>After the above-mentioned resolutions have been deliberated and approved by the Audit Committee, they are submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion to 5th motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>
3rd Session Audit Committee 10th Meeting	2024/05/09 (Thursday)	<p>1st motion: Q1 2024 Consolidated Financial Statements of the Company.</p> <p>2nd motion: Drafted the company's [Audit Methods for Pre-approval of Certified Public Accountants Providing Non-Confidential Services]</p> <p>After the above-mentioned resolution has been deliberated and approved by the Audit Committee, it is submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion to 2nd motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>
3rd Session Audit Committee 11th Meeting	2024/08/08 (Thursday)	<p>1st motion: Q2 2024 Consolidated Financial Statements of the Company.</p> <p>2nd motion: H1 2024 earnings distribution of the Company. Resolution: After the Chairman's consultation by the attending members, in response to the needs of the Company's development and major investment, it is recommended that the H1 2024 surplus temporarily not to be distributed, and it is submitted to the board of directors for approval.</p> <p>3rd motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>4th motion: Investment Subsidiary - Topkey (Vietnam) Co., Ltd. Total Investment Increase Case</p> <p>After the above-mentioned resolutions have been deliberated and approved by the Audit Committee, they are submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion to 4th motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>
3rd Session Audit Committee 12th Meeting	2024/11/07 (Thursday)	<p>1st motion: Q3 2024 Consolidated Financial Statements of the Company.</p> <p>After the above-mentioned resolutions have been deliberated and approved by the Audit Committee, they are submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>

Committee	Date	Major Resolution
3rd Session Audit Committee 13th Meeting	2024/12/26 (Thursday)	<p>1st motion: Amendments to some clauses of the company's [Internal Audit Implementation Rules].</p> <p>2nd motion: The Company's [Sustainability Report Preparation and Confidence Procedure] Amendment.</p> <p>3rd motion: Audit Plan for FY 2025.</p> <p>4th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>5th motion: Assessment of the CPAs' audit fee and the independence of CPAs as the Company appointed Deloitte Taiwan to audit the annual financial statements.</p> <p>After the above-mentioned resolutions have been deliberated and approved by the Audit Committee, they are submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion to 5th motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>
3rd Session Audit Committee 14th Meeting	2025/02/27 (Thursday)	<p>1st motion: Annual business report and financial statements for the FY 2024.</p> <p>2nd motion: Earnings distribution for FY 2024.</p> <p>Resolution: This motion was resolved after the Chairman's consultation by the attending members with a proposed cash dividend of NT\$11 per share for FY 2024, and it is submitted to the Board for approval.</p> <p>3rd motion: The audit committee report for FY 2024.</p> <p>4th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>5th motion: Internal Control System Statement for FY 2024.</p> <p>After the above-mentioned resolutions have been deliberated and approved by the Audit Committee, they are submitted to the Board of Directors for approval as required by law.</p> <p>For the above-mentioned 1st motion to 5th motion,</p> <p>1) Resolutions of the Audit Committee: All attending members agreed to pass.</p> <p>2) The Company's response to the Audit Committee's opinion: All attending directors agreed to pass.</p>

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

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Corporate Governance Best-Practice Principles have been formulated and disclosed on the Company website.	None.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The entrusted stock agency has been authorized to handle all stock affairs and assists in maintaining the security of shareholders' rights and securities transactions. Relevant "Stock Operation Management Regulations" have been formulated and disclosed on the Company website.	None.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		The Company knows well the identity of its major shareholders and the parties with ultimate control of the major shareholders according to the register of shareholders of the independent registrar, and regularly reports changes in the ownership of shares by directors, supervisors, and managerial personnels every month.	None.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		The Company has established regulations to manage related-party transactions, endorsement guarantees, and capital loans with affiliated enterprises. In addition, the Company has established the "Regulations Governing the Supervision and Management of Subsidiaries", implementing risk control mechanisms for its subsidiaries in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" of FSC.	None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		<p>1. The Company has established "Procedures for Handling Material Inside Information" and "Regulations Governing the Prevention of Insider Trading", which prohibit insiders such as directors, managerial personnels or employees from trading securities based on undisclosed material information in the market.</p> <p>2. Pursuant to Article 6 of the "Regulations Governing the Prevention of Insider Trading": The Company shall conduct education and training sessions at least once a year to educate the directors, supervisors and employees on these regulations or relevant laws and regulations. Newly appointed directors and managers are provided with education and training upon taking office, while new employees receive education and training during the pre-employment training session organized by the Human Resources Department within 3 months after assuming their positions.</p> <p>3. On December 26, 2024, a total of 24 directors, managerial personnel, and heads of various business units were given a 1-hour education and training session, covering fundamental concepts, domestic legal prohibitions, and preventive measures related to insider trading. In addition, the introduction and promotion of the prevention of insider trading regulations are posted permanently in the internal employee system, which is provided to all employees for reference.</p>	None.
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management	V		The Company has formulated the "Corporate Governance Best-Practice Principles" and "Procedures for Election of Directors" and stipulates in	None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
objectives been adopted for the board and have they been fully implemented?			Article 20 of the "Corporate Governance Best-Practice Principles" that the composition of the Board of Directors shall consider diversity and formulate appropriate diversity policies based on its business operations, operating dynamics, and development needs. Other than the directors concurrently serving as company officers shall not exceed one-third of the total number of the board members, the appointment of directors of the Company, in addition to considering the professional background of the directors themselves, diversity is also an important factor. The Company has a total of 10 directors, four of them are independent directors, one of them is a woman, the professional background of members covering management, science and technology, finance, etc. Board members have diverse backgrounds in industry, academia, and knowledge, and can give professional opinions from different perspectives to improve the Company's operating performance and management efficiency.	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	The Remuneration Committee has been established as required by law, and since August 5, 2016, the Audit Committee has also been formally operated in accordance with its organizational rules. Each functional committee has been given powers, it may, in the exercise of these powers, convene meetings and make resolutions. Resolutions on matters discussed and decided upon by each functional committee can be submitted to the Board of Directors for approval as required by law.	In addition to setting up a Remuneration Committee as required by law, the Company also set up an Audit Committee; the organizational rules of the Remuneration Committee and the Audit Committee have been approved by the Board of Directors, and other functional committees will be subsequently

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
				planned and implemented according to the Company's needs.
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		The performance evaluation of the Board of Directors for the FY 2024 was completed in accordance with the "Rules for Performance Evaluation of Board of Directors" before the Board meeting convened on March 31, 2025. This performance evaluation includes the participation in the operation of the Company, quality of decisions made by the Board of Directors, composition and structure of Board of Directors, election of directors and continuing education, and internal control, etc. The evaluation period is from January 1 to December 31, 2024. The results of the Board's performance evaluation have been informed to all Board members by email and are scheduled to be reported to the Board on May 08, 2025.	None.
4) Does the Company regularly evaluate its external auditors' independence?	V		The Company evaluates items affecting the independence of auditors according to the independence assessment checklist of auditors. The auditors have issued a declaration of independence and submitted to the Board of Directors for discussion and evaluation of the independence of the auditors every year. (The main evaluation items affecting the independence of auditors include financial interests, financing and guarantees, close business relationship with audit clients, employed or serving as an audit client, non-audit matters, and other matters. The evaluation results were conformed to the independence and approved by the Board of Directors on December 26, 2024.)	None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		To enhance corporate governance and strengthen the functionalities of the Board of Directors while safeguarding shareholder rights, the Company, in a board meeting on May 11, 2023, resolved to establish a Chief Corporate Governance Officer, responsible for handling corporate governance affairs. Mr. Benny Chou, the Company's spokesperson, was appointed to this role, effective from June 1, 2023. Simultaneously, a corporate governance task force comprising of eight members from the Group President's Office, Finance Headquarters, Human Resource Headquarters, and other relevant departments has been assembled to assist in handling corporate governance affairs.	None.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		(1) Shareholders: Since the shareholders' meeting held in the 2017, the relevant proposals for ratification or listed motions for deliberation are carried out through voting on a motion-by-motion basis, shareholders can also exercise the right to vote by electronic means, fully participating in the voting process of the motion. (2) Employees: The labor-management meeting is held quarterly to discuss and communicate issues of concern to employees. (3) Communities and local organizations: Through the Company's volunteer community and the Topkey Foundation to achieve good communication and interaction. (4) Suppliers: The supplier evaluation mechanism is used to assess the performance of suppliers and to understand whether they comply with relevant laws and regulations. (5) Customers: Reduce	None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			customer complaints through customer satisfaction surveys and communication meetings from time to time to provide customers with a more comprehensive service quality. A stakeholder section is established on the Company website to handle relevant matters, and the responsible person will handle the response of the stakeholders. Through the above-mentioned communication channels., it is beneficial for the Company to understand the concerns of stakeholders and respond appropriately, and to refer to the feedback from all walks of life as a basis for continuous improvement.	
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		SinoPac Securities, a professional stock agency is entrusted to handle all stock-related matters.	None.
7. Information disclosure (1) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status?	V		The relevant information has been set up and disclosed on the Company website.	None.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The Company has designated Group President's Office and the Group's Finance Headquarters to be responsible for the collection and disclosure of Company information and has implemented the spokesperson mechanism as required by regulations, and investors can also access information related to the Company's finance, business, and corporate governance through the MOPS.	None.

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		The quarterly and annual financial reports of the Company and the announcements and reports on the operation of the Company for each month are completed before the statutory deadline. The financial reports for the FY 2024 has been approved by the Audit Committee and the Board of Directors on February 27, 2025, and subsequently announced. The Company has been continuously striving to promote financial information transparency as directed by the competent authority, hence the Company will continue to implement the regulations, standards and requirements set by the competent authority as the goals.	None.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)	V		The Company has regularly and irregularly disclosed various financial and business information on the MOPS as required by regulations and has a Company website https://www.topkey.com.tw/ which is available for shareholders and public access.	None.
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting	V		The results of the 11th Corporate Governance Evaluation have been announced, and the Company's current evaluation results are listed as the top 66% to 80% of listed companies. The Company did not achieve 28 score items in the corporate governance evaluation for FY 2024. In FY 2025, the Company will focus on implementing corporate social	The Company has formulated the relevant matters for the implementation of the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)			responsibility (CSR) and improving information transparency and is expected to complete 6 improvement items. And continue to make efforts to strengthen the effectiveness of the Board of Directors to enhance the functions of the Board of Directors; improve the quality of disclosure of non-financial information to strengthen corporate governance information.	Listed Companies” and disclosed the implementation status of corporate governance in the annual report.

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

1. Information on Remuneration Committee Members:

Capacity (Note)	Qualifications Name	Professional qualifications and experience (Note)	Independence analysis (Note)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Shih-Chien Yang	See Pages 7~9, 20 for professional qualifications and experience disclosure of independent directors	Refer to Pages 7~9, 20 for the disclosure of the independence of independent directors.	1
Independent Director	Chen-Chi Ma			2
Independent Director	Ying-Hwang Yang			0
Independent Director	Cherng Lee			3

Note: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on p. _____. For "Capacity," please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

2. Operation of the Remuneration Committee:

- (1) The Company's remuneration committee has a total of four members, all of whom are independent directors.
- (2) The term of the current members is from May 27, 2022 to May 26, 2025. A total of 2 Remuneration Committee meetings were held in the most recent fiscal year, and the attendance of the members are as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Convener	Shih-Chien Yang	Attended 2 times	0 times	100.00%	
Remuneration Committee member	Chen-Chi Ma	Attended 2 times	0 times	100.00%	
Remuneration Committee member	Ying-Hwang Yang	Attended 2 times	0 times	100.00%	
Remuneration Committee member	Cherng Lee	Attended 2 times	0 times	100.00%	

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and

the reasons): None.

2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3. Periodic review of remuneration

The functions of the Remuneration Committee are to evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of the Company professionally and objectively, and submit recommendations to the board of directors for its reference in decision making.

- (1) The powers of the Remuneration Committee of the Company are as follows:
 - (i) Periodically reviewing the regulations governing remuneration and making recommendations for amendments.
 - (ii) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers of the Company.
 - (iii) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.
- (2) The Remuneration Committee shall perform the duties in accordance with the following principles:
 - (i) Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
 - (ii) Performance assessments and compensation levels of directors, supervisors, and managerial officers shall consider the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also, to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.
 - (iii) There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
 - (iv) For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided regarding the characteristics of the industry and the nature of the Company's business.
 - (v) Reasonableness shall be considered when the contents and amounts of the compensation of the directors, supervisors, and managerial officers are set. It is not advisable for decisions on the compensation of the directors, supervisors, and managerial officers to run contrary to financial performance to a material extent.
 - (vi) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

Major resolutions of the Remuneration Committee during the most recent fiscal year and up to the date of publication of the annual report

Committee	Date	Major Resolution
5th Session Remuneration Committee 4th Meeting	2024/02/29 (Thursday)	1st motion: Employee and director compensation distribution for FY 2023. After the above-mentioned resolution has been deliberated and approved by the Remuneration Committee, it is submitted to the Board of Directors for approval as required by law. For the above-mentioned 1st motion, 1) Resolution of the Remuneration Committee: All attending

Committee	Date	Major Resolution
		members agreed to pass; 2) The Company's response to the Remuneration Committee's opinion: All attending directors agreed to pass.
5th Session Remuneration Committee 5th Meeting	2024/12/26 (Thursday)	1st motion: Principles for the year-end bonus distribution for FY 2024. 2nd motion: To review the salary and compensation and relevant policies for managerial personnel for FY 2025. After the above-mentioned resolution has been deliberated and approved by the Remuneration Committee, it is submitted to the Board of Directors for approval as required by law. For the above-mentioned 1st motion to 2nd motion, 1) Resolution of the Remuneration Committee: All attending members agreed to pass; 2) The Company's response to the Remuneration Committee's opinion: All attending directors agreed to pass.
5th Session Remuneration Committee 6th Meeting	2025/02/27 (Thursday)	1st motion: Employee and director compensation distribution for FY 2024. 2nd motion: Explanation on the scope of identification of grassroots employees of the company After the above-mentioned resolution has been deliberated and approved by the Remuneration Committee, it is submitted to the Board of Directors for approval as required by law. For the above-mentioned 1st motion to 2nd motion, 1) Resolution of the Remuneration Committee: All attending members agreed to pass; 2) The Company's response to the Remuneration Committee's opinion: All attending directors agreed to pass.

2.3.5 The Establishment and Operational Status of Corporate Governance Personnel

To enhance corporate governance and strengthen the functionalities of the Board of Directors while safeguarding shareholder rights, the Company, in a board meeting on May 11, 2023, resolved to establish a Chief Corporate Governance Officer, responsible for handling corporate governance affairs. Mr. Benny Chou, the Company's spokesperson, was appointed to this role, effective from June 1, 2023. Mr. Chou, has over 12 years of experience in managerial positions related to financial or corporate governance affairs in publicly traded companies, which meets the qualifications requirements for chief corporate governance officer outlined in Article 23 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.

Simultaneously, a corporate governance task force comprising of eight members from the Group President's Office, Finance Headquarters, Human Resource Headquarters, and other relevant departments has been assembled to assist in handling corporate governance affairs.

1、Scope of Authority of the Chief Corporate Governance Officer

- (1) Handling of affairs related to meetings of the Board of Directors, functional committees, and shareholders' meetings in accordance with the regulations.
- (2) Compiling of minutes for meetings of the of the Board of Directors, functional committees, and shareholders' meetings.
- (3) Assisting directors in their appointment, as well as their continuing education

and training.

(4) Providing necessary information for the execution of directors' duties.

(5) Assisting directors in compliance with legal requirements.

(6) Assisting the Board of Directors in enhancing its functionalities, as well as ensuring the protection of stakeholders' rights and equitable treatment of shareholders.

(7) Conducting legal assessment of the qualifications of independent directors.

(8) Assisting in handling affairs related to the changes in directors.

2、Corporate Governance Implementation Status in 2024

2.1 Assisting in the Procedural Matters of the Board of Directors, Functional Committees, and Shareholders' Meetings

(1) Drafting agenda for the meetings of the Board of Directors and functional committees, delivering notices along with essential reference materials seven days prior to the meeting. Issues involving conflicts of interests shall be highlighted to the directors before meetings.

(2) Completing and distributing meeting minutes within twenty days after the meetings of the Board of Directors and functional committees.

(3) Handling the convening of shareholders' meetings, preparing meeting notices, agendas, annual reports, and other necessary documents within statutory deadlines. Registering amendments in the Articles of Incorporation or re-election of directors, if needed.

(4) Reviewing and ensuring the legality and accuracy of the disclosure of significant messages and announcements regarding material resolutions made by the shareholders' meeting and the Board of Directors, thereby safeguarding the equal access to trading information for investors.

2.2 Assisting the directors in obtaining essential information for business operations, continuing education and training, and legal compliance.

(1) Providing timely and periodic updates on relevant laws and regulations related to corporate governance and material rules in the Company's operational areas.

(2) Providing directors with timely and relevant information related to the Company's operations, facilitating effective communication between the Board members and management departments.

(3) Facilitating communication meetings between independent directors and the CPAs, chief auditor, or chief financial officer regarding the Company's financial operations to implement corporate governance as well as effective internal audit and internal control systems.

(4) Organizing annual continuing education and training courses for directors based on the Company's industry characteristics and economic conditions.

(5) To safeguard shareholder rights, ensure equitable treatment of shareholders, and prevent insider trading, all directors are reminded on a monthly basis not to engage in stock transactions during the 30-day period preceding the announcement of the annual financial report and the 15-day period preceding the announcement of each quarterly financial report.

2.3 Assisting the Board of Directors in enhancing its functionalities to ensure the protection of stakeholders' rights and equitable treatment of shareholders.

(1) To strengthen the operational efficiency and effectiveness of the Board of Directors and its functional committees, performance assessments for the Board, its members, along with its functional committees for the FY 2024 have been completed in accordance with the Rules for Performance Evaluation of Board of Directors. The results of these assessments will be formally presented to the Board members during the scheduled board meeting on May 8, 2025.

(2) Quarterly investors conference are conducted to inform investors on the prevailing operational status and anticipated developments within the industry.

Dedicated personnel are designated to attend to shareholders, establishing a diverse channels of communication with investors.

3、Continuing Education and Training for Managerial Personnels in 2024

Date of Training	Organizer	Course Title	Number of Training Hours(H)	Total Training Hours for the Year(H)
2024.05.16~2024.05.17	Securities & Futures Institute (SFI)	Workshop on Practical Implementation of Sustainability Disclosure	9H	21H
2024.07.03	Taiwan Stock Exchange Corporation (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit	6H	
2024.08.27	Taiwan Corporate Governance Association(TCGA)	Application of AI COBOT for Smart Manufacturing	3H	
2024.11.07	Taiwan Corporate Governance Association(TCGA)	Latest Trends in Sustainability and Analysis of International Rankings	3H	

2.3.6 Implementation of Sustainable Development

The system and measures adopted by the Company for environmental protection, community participation, social contributions, social services, social welfare, consumer rights, human rights, safety and health and other social responsibility activities as well as its implementation status.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company designated the General Manager's Office of the Group as the unit responsible for promoting sustainable development and reported to the Board of Directors on the handling of the situation. The division of environmental protection, safety and health is the responsibility of the Occupational Safety and Health (OSH) Office, and the other divisions of social welfare and human rights are coordinated by the Human Resources Unit.	None
2. Does the company conduct risk assessments of environmental, social, and corporate governance (ESG) issues related to the	V		The "Budget Management Regulations" of the Company stipulated that in the preparation of the next annual	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?			budget, each business unit/business group needs to collect and analyze the internal operating conditions of the Company, external economic situation, industrial conditions and development trends, etc. to develop the "strategic map" for the business unit/business group and carry out corresponding project and key implementation projects, and submit them to the management team for discussion and finalization. After the Company's management team evaluates the Company's development direction and collectively evaluates the "strategic map" developed by each business unit/business group, the Company's "corporate strategic direction" is extracted for each first-level unit outside the business unit/business group to prepare the corresponding projects and key implementation projects.	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company has set up the OSH Committee and the OSH Office, which are responsible for formulating environmental and OSH-related management measures to promote the environmental management system. The Company continues to establish a safe and healthy working environment. The ISO45001 OSH	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			management system is introduced to manage various safety and health work in a systematic and documented manner, continuously inspects and discovers problems in the cycle of planning, implementation (Do), checking and improvement (Action), implementing continuous improvement of environmental safety and health work, minimizing risks to improve the safety of environment. Also, the Company conducts external reviews every year to ensure that the Company's operations comply with relevant domestic safety and health regulations. The Company has obtained ISO 14001: 2015 environmental management system certificate (validity period: 2024/07/22 - 2027/07/22) and ISO45001: 2018 Occupational Safety and Health Management System Certificate (validity period: 2024/07/22 - 2027/07/22)	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		All employees of the Company strictly abide by the classification of garbage, implement the double-sided use of photocopy paper, continuously promote the electronic system of document management, reduce the use of paper, and make good use of recycled paper. Office lighting is also planned to be replaced with	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			energy-saving lamps, turn off the lights and unnecessary power, implementing energy-saving measures, installing water-saving equipment, achieving resource-saving effects, such as replacing the required kinetic energy from the fuel to natural gas. On the other hand, by replacing the use of energy-saving devices and planning to install VOC recovery equipment to reduce the current carbon emissions caused by water and electricity and VOC emissions, implementing energy-saving and carbon reduction to alleviate global warming. Effectively implementing the recycling management and resource classification of waste such as kitchen waste, iron and aluminum cans, glass bottles, wastepaper and PET bottles, and implementing the treatment and classification of waste to facilitate the reuse of various resources and reduce the impact on the environment.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		The Company continues to pay attention to domestic and foreign greenhouse gas (GHG) regulations, understand the trend of regulations to respond in advance, and fulfill the corporate responsibility of environmental protection. Please refer to Item (7) for details on the potential future risks of climate change	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			to businesses and measures to address climate-related issues.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		The Company's GHG emissions inventory is a self-assessment statistic. The Company performs statistical analysis on GHG emissions annually and continues to implement measures to reduce GHG emissions. For detailed information on statistics and policies of carbon emission, GHG, water use reduction, or other waste management, please refer to Item (7).	None
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		The Company complies with the provisions of relevant labor laws, formulates management rules and regulations, and makes relevant information available through public channels so that employees can fully understand, protecting the legitimate rights and interests of employees. Also, the Company respects the internationally recognized basic labor human rights principles and shall not engage in any activities that could harm workers' basic rights.	None
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		The Company has set up a Remuneration Committee to discuss and formulate a reasonable remuneration policy and formulate clear salary management measures and regulations governing rewards and punishments. The operating performance of the enterprise is	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			appropriately reflected in the employee remuneration policy to ensure the recruitment, retention, and incentive of human resources to achieve the goal of sustainable operation. Article 30 of the Articles of Incorporation of the Company stipulated that if the Company is profitable in the current year, a 3% to 10% shall be allocated for employee compensation. If an employee commits any violation, in addition to requiring immediate improvement, the violation will be reported for disciplinary action, rewards or punishments depending on the severity of the situation. These results will be linked to the performance evaluation system and reward system, with the aim of ensuring that employees comply with relevant laws and regulations and internal control mechanisms when engage in various types of operational activities to implement the spirit of CSR.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		The Company provides a clean environment for employees, and provides protective equipment and gear required for employee safety and health. No fire safety accidents occurred in 2024. In addition, the Company conducts regular fire and building safety inspections, arranges annual employee health	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			examinations, and implements safety and health education programs such as fire drills, fire safety awareness campaigns, Automated External Defibrillator (AED) operation training, etc., giving employees the greatest support for health. Protective measures for the work environment and safety of personnel are detailed in Item (6) of section 7. Other important information to facilitate better understanding of the company's promotion of sustainable development.	
(4) Has the Company established effective career development training programs for employees?	V		The Company arranges relevant training according to the career development of employees. The Company conducts internal education and training from time to time or collaborates with various training units, schools, government resources, etc., to provide various learning channels to assist employees in improving their work skills and professional knowledge. The Company also provides subsidies and scholarships for employee education and training expenses and encourages colleagues to pursue further studies or participate in external related training courses. Career development is the result of integrating the personal career planning of employees	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			with the career management of the organization. The Company's Human Resources Department plans job rotations, overseas assignments, project assignments, etc. according to the individual characteristics of employees within the organization and sets up corresponding training courses to meet the needs of the work group and promote the best manifestation of personal career goals.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The Company's marketing and labeling of products and services comply with relevant regulations and international standards. The Company provides service platforms such as telephone, e-mail, internet, etc., allowing consumers to communicate relevant issues through the above-mentioned platforms, providing transparent and effective customer complaints handling procedures.	None
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		The Company requires that suppliers should meet the needs of environmental protection, occupational safety and health and human rights, to jointly shape a better trading environment and implement CSR, and maintain close cooperation with suppliers, and work together for CSR. The "Supplier Code of	None

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			Conduct" is set out in the terms of the Purchase Order Contract sent by the Company to the major suppliers, which requires that the terms of the Contract may be terminated or terminated at any time if they involve a violation of CSR Policy of the Company and have a significant impact on the environment and society.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The Company has completed the compilation of its Sustainability Report through the designated responsible unit. The Report is currently undergoing verification by an independent professional assurance body, with the assurance expected to be obtained by June 2025.	None

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", therefore, there is no difference in the practice.

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:

(1) Environmental protection

(i) The Company continues to promote various water conservation and energy conservation, carbon reduction, pollution prevention and control improvement, environmental protection initiatives in the office, advocating for the digitization of office work to reduce paper use, turning off lights when not in use, implementing effective waste sorting and recycling, strengthening waste management, reducing GHG emission, etc.

(ii) Actively develop thermoplastic materials, with environmental protection characteristics, which are lightweight, can be reused, and recycled.

(iii) The Company has implemented the eNotice platform for shareholder electronic notifications provided by the Taiwan Depository and Clearing Corporation (TDCC), transitioning from paper-based dividend notifications to electronic format. This enable investors to promptly access dividend distribution information and aligns with our commitment to advance towards the ESG sustainability goal of net-zero emission.

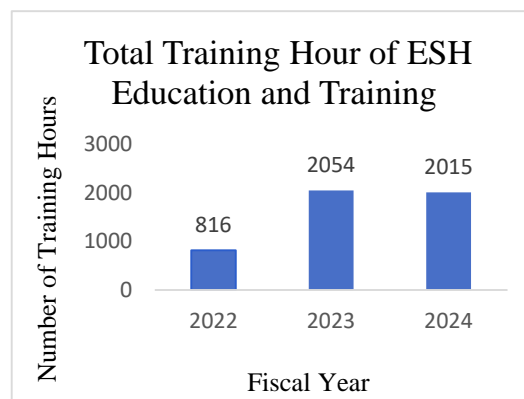
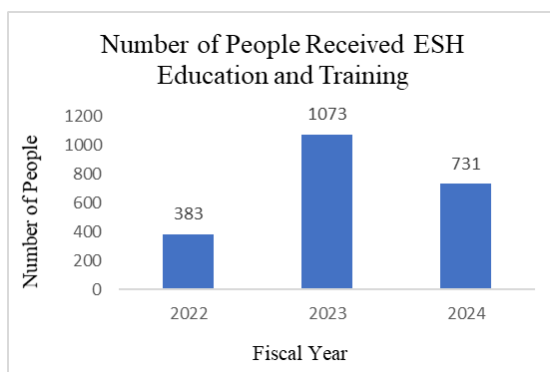
- (iv) The Company has implemented the e-Counter Platform for Shareholder Services provided by the Taiwan Depository & Clearing Corporation (TDCC), offering shareholders convenient online access to services while supporting energy conservation and carbon reduction initiatives.
 - (v) The Company and E.Sun Commercial Bank have jointly signed the Charter for Sustainable Development, committing to establish a net-zero target by 2050 and undertaking immediate and sustained practical actions to achieve sustainable transformation.
- (2) Community participation:
- (i) Topkey Foundation and Social Affairs Bureau Taichung City Government jointly organized "Taichung Corporate Volunteer Day" every year, to help social welfare groups such as the elderly living alone in the society, underprivileged children, new residents' families, and disabled groups, and encourage colleagues at Topkey to participate in volunteer activities after work, selflessly giving back to the society, spreading more warmth throughout the community.
- (3) Social contribution
- (i) To improve media literacy, the Company has assisted the Topkey Foundation in publishing a regular monthly "Heartfelt e-newsletter" and sending through email to more than 4,600 recipients per month (including Topkey colleagues).
 - (ii) Encouraging young people to take the initiative to plan service learning, giving full play to the spirit of public participation and providing grants for Topkey Youth Service Learning.
 - (iii) In order to practice comprehensive education for adolescents and provide welfare services, the Company encourages college students from all over Taiwan to engage in service learning related to child welfare and education in Taichung City-Changhua County-Nantou County and provides sponsorship and incentives through the Topkey Youth Incentive Fund.
 - (iv) Sponsor the Tzu Chi Cultural Bookstore-Environmental Protection Series, creating a cycle of love and goodness.
- (4) Social services, social welfare
- (i) The Welfare Committee organizes blood donation activities twice a year in response to blood donation and life-saving activities.
 - (ii) In response to government decrees, employees with disabilities shall be employed in accordance with the People with Disabilities Rights Protection Act.
 - (iii) Topkey Little Sunshine Volunteer Society actively participates in social welfare activities with the philosophy of "dedication, mutual assistance, friendship and progress", enabling colleagues to experience the joy of giving and helping others through volunteer service, promoting social welfare activities.
 - (iv) The Company actively promotes CSR education, and the Topkey Foundation collaborates with the Taichung City Government to conduct volunteer service education and training courses for corporate volunteers, facilitating enterprises improve the service intelligence and quality of corporate volunteers.
- (5) Human rights: Maintain good labor relations with employees and provide the following benefits
- (i) Employee health insurance, labor insurance, group accident insurance.
 - (ii) Various bonuses and dividend share plans.
 - (iii) Establishment of an Employee Welfare Committee.
 - (iv) A comprehensive refresher and training measures.
 - (v) A comprehensive retirement system.
- (6) Protective measures for work environment and safety of personnel:
- (i) In compliance with the OSH and environmental protection laws and regulations, the implementation of OSH projects and contents is aimed at providing employees with a safe and healthy working environment, striving to reduce employee safety and health and hazard factors, and improving employee safety and health knowledge through ESH education and training to prevent occupational accidents and achieve the goal of "zero accidents" The following table shows the implementation of the plant's working environment and personnel safety protection measures.

Item	Content
Maintenance of equipment	<p>1. The Company has formulated the "Regulations Governing the Maintenance of Equipment and Facilities", "Procedures for Maintenance Management of Public Equipment" and "Regulations Governing OSH Automatic Inspection Management". Regular maintenance and records retention are conducted for high- and low-voltage electrical equipment, boilers, fixed cranes, air conditioners, drinking water, and other equipment in accordance with the regulations.</p> <p>2. The Company entrusted professional companies to conduct public safety inspections every year in accordance with the provisions of the regulations for inspecting and reporting buildings public security.</p>
Disaster preparedness and response	<p>1. The Company's internal operations are carried out in accordance with the "Occupational Safety and Health Code of Conduct", "Environmental, Safety, Health Emergency Preparedness and Response Procedures", "Procedures for Reporting Occupational Accidents and Handling Accident Investigations", etc. to prevent the occurrence of accidents.</p> <p>2. According to the provisions of the Fire Services Act, an outsourced fire inspection is conducted every year, and various fire equipment are also regularly maintained and inspected every month, and fire drills and AED first aid education and training are regularly conducted every six months.</p>
Health and safety	<p>1. The Company has set up a first-class full-time safety and health management unit and formulated the "Measures for the Protection of Labor Health", Measures for the Prevention and Handling of Human-induced Hazards, Procedures for the Prevention and Management of Disease Caused by Abnormal Workloads, and Measures for the Management of Maternal Health Protection, Procedures for Employment Selection, Return to Work, and Job Assignment, Procedures for Prevention and Handling of Unlawful Infringement in the Performance of Duties, Measures for the Management of Middle-Aged and Elderly Employees Health Protection, etc. to implement OSH-related activities, providing employees with a healthy, safe and hygienic working environment.</p> <p>2. All new employees are required to undergo pre-employment physical examinations, and regular health examinations are arranged annually for employees, which is superior to the statutory frequency. Based on the results of these physical examinations, the occupational health nurses and contracted medical practitioners provide corresponding health education and health consultations to the employees, and health management plans and grade management are proposed.</p> <p>3. In accordance with the "Regulations Governing Workplace Environmental Inspection", the work environment for relevant workplaces shall be inspected every six months to confirm that the working environment complies with regulations and to ensure that the health of employees is not in danger.</p> <p>4. To prevent workplace violence and sexual harassment, the Company has formulated relevant measures and set up a complaint channel.</p>
Contractor operation management	<p>1. The Company has formulated the "Regulations Governing Contractor Construction Safety and Health Management" to define the rights and obligations of contractors regarding safety and health, which serve as the basis for contractor management.</p>

	2. Contractors must fill in the construction application form prior to the commencement of construction and establish an agreement and hazard notification before entering the factory area. If there are special operations such as hot work, high altitude work, and lifting operations, supervisors and safety and health personnel must be arranged to monitor and inspect the construction site at all times to ensure the safety of the contractor staff and the Company's employees during the construction period.
Access control security	1. Each plant has a security system, which is connected to a security company for monitoring and protection. 2. Each plant has security personnel to assist in maintaining the safety of the plant. 3. The Company has installed surveillance cameras or access control devices to strictly monitor the access situation for all external and internal important access control points.

(ii) ESH education and training

In accordance with the OSH education and training rules, new employees and existing employees who are changing duties must receive necessary safety and health education and training. Regular implementation of ESH education and training, advocacy, communication is carried out to enhance the safety and health awareness of employees, contractors, suppliers. In 2023, there were 1,073 people trained, with a total training hour of 2,054 hours.



(iii) Professional safety and health management personnel and professional certificates

According to the provisions of the Occupational Safety and Health Act, the relevant OSH certificates and the number of personnel is shown in the table below. In addition to meeting the requirements of laws and regulations, the relevant OSH certificates and personnel are superior to the laws and regulations, and the relevant personnel are regularly arranged to participate in refresher training and OSH-related activities. At present, there are 95 colleagues in the Company with OSH-related certificates and are qualified as training personnel.

Item No.	Personnel holding EHS certification	Number of people
1	Occupational safety management specialist	2
2	Occupational Safety and Health Management Personnel	1
3	1st Class OHS supervisor	2
4	1st class boiler operator	2
5	2nd class boiler operator	2
6	Operator of fixed cranes	9
7	Operator in charge of hoisting operation	2
8	Operator of forklift	7
9	Supervisor in charge of organic solvent operations	4
10	Supervisor in charge of dusty operations	2

11	Supervisor in charge of specific chemical substance operations	2
12	First aid personnel	10
13	Fire protection personnel	5
14	Professional emergency responders of the toxic and concerned chemical substances	2
15	ISO14001 and ISO45001 Internal Auditors	20
16	ISO14064-1 Internal Auditors	21
17	Class A Dedicated Wastewater and Sewage Treatment Specialist	1
18	Class A Waste Disposal Technician	1
Total		95

(7) Total annual GHG emissions, water consumption and total weight of waste in the past two years:

The Company's GHG emissions inventory is a self-assessment statistic. The annual GHG emissions for the year 2024 totaled 1,228.18 metric tons of CO₂ equivalent, covering both Scope 1 and Scope 2 emissions. This represents an increase of 50.99 metric tons, or approximately 4.3%, compared to the emissions of 2023. This increase is mainly due to additional carbon emissions from the newly added Houli plant site.

GHG emissions (metric tons of CO ₂ e/year)			
FY	Scope 1 ①	Scope 2 ②	Total
2023	159.94	1,017.25	1,177.19
2024	173.14	1,055.04	1,228.18
Note: This emission volume data covers only the Taiwan plant site.			
① Mainly derived from the use of natural gas, air-conditioning equipment, official vehicles, and generators.			
② Mainly derived from the power consumption by the production equipment.			

The Company currently operates four plant sites in Taiwan, all of which are located within industrial zones. All wastewater generated is discharged into the centralized sewage treatment plants of the respective industrial zones and is not directly released in a manner that would pollute the environment or water resources. The increase in water consumption during the reporting year is primarily due to the addition of the Houli plant site, with the increase resulted from activities such as site cleaning, irrigation, and testing of air-conditioning cooling towers during the construction phase. Water consumption is expected to return to standard levels once the said plant site becomes fully operational.

The tap water consumption in the past two years is as follows:

FY	Tap water consumption (10,000 metric tons/year)
2023	7.8332
2024	14.6246
Note: This emission volume data covers only the Taiwan plant site.	

The waste generated by the Company is divided into hazardous industrial waste, general (non-hazardous) industrial waste and recycling waste (resource recycling), etc. The Company has long advocated the concept of resource recycling, in addition to promoting the reduction of waste at the source and implementing waste sorting and resource recycling management of iron and aluminum cans, glass bottles, wastepaper and PET bottles, etc., to implement waste reduction and reuse. In 2024, a total of 51,005 kg of resource has been recycled. The Company's hazardous industrial waste is C-0301 waste solvent and general industrial waste is handled by a qualified waste disposal agency to clean and ship to the local incinerator for incineration according to the waste disposal procedures. The output of waste in the past two years is as follows:

FY	General industrial waste (Kg)	Hazardous industrial waste (kg)	Resource recycling (kg)	Total weight (Kg)	Total weight (Metric tons)
2023	31,200	7,010	49,592	87,802	87.802
2024	12,897	3,710	51,005	67,612	67.612
Note: This emission volume data covers only the Taiwan plant site.					

(8) Management policies for energy conservation and carbon reduction, GHG emissions reduction, reduction of water consumption or other wastes:

(i) The impact or the extent of the impact of GHG emissions on enterprises:

① Relevant regulations governing the risks of climate change:

The Company is not belongs to the first batch of emission sources that required to report GHG inventory and registration in accordance with "Greenhouse Gas Reduction and Management Act" of the Environmental Protection Administration (EPA), Executive Yuan, hence there is no risk of violating regulations. The Company will continue to pay attention to changes in GHG regulations at home and abroad, understand regulatory trends to respond in advance, and fulfill its corporate environmental protection responsibilities.

② Substantial risks of climate change:

Climate change will cause extreme climates, including rising temperatures in summer and uneven rainfall distribution, which will result in frequent use of air conditioners by the enterprises for cooling down, leading to Taiwan facing power limitation crisis and prolonged drought, which may lead to a water limitation crisis. The Company will respond to the substantial risks caused by climate change through boiler waste heat recycling, recycling of waste from manufacturing process, and management measures for office electricity use, etc.

③ Opportunities associated with climate change

In response to climate change, the implementation of energy conservation and carbon reduction has become a worldwide trend. With the mission of "making good use of innovative science technology materials for improving a healthy, leisure and splendid life, promoting a harmonious society and environment ", the Company adopts a proactive approach to fulfill its social responsibilities, seeks ways to protect the earth's resources and natural ecological environment, selects suppliers that meet 3 e's of sustainability (economic, equality, ecological), and provides customers with various products that meet environmental requirements to enhance competitiveness of the Company.

④ (Direct and indirect) greenhouse gas emissions (specify the scope and time of inventory) and whether they have passed external verification:

According to ISO14064, we will conduct our own greenhouse gas emissions inventory.,which was subsequently verified by an independent third-party organization. The annual GHG emissions for the year 2024 totaled 1,228.18 metric tons of CO2 equivalent, covering both Scope 1 and Scope 2 emissions.

(ii) Strategies, methods, goals, etc. for GHG management

① Strategies for responding to climate change or managing GHG:

*In Decemeber 2022, the Company joined the Bicycling Alliance for Sustainability (BAS) with the aim of reducing carbon emissions and promoting sustainable production.

*Implementation of energy-saving measures: Increase energy efficiency through equipment upgrades and the utilization of energy-saving technologies.

*Utilization of renewable energy: Increase the proportion of renewable energy in the Company's energy structure to reduce reliance on fossil fuels.

*Optimization of production processes: Improve production processes and technologies to reduce the usage of volatile organic compounds (VOCs), lower emissions intensity, and minimize environmental impact.

*Recycling of Resources: Promote resources recycling measures, including waste reduction and recycling to minimize the emission of GHGs.

*Product and Supply Chain Management: Optimize product design to reduce GHGs emission during product use and across the supply chain. This includes minimizing packaging, and enhancing energy efficiency, etc.

<p>*Starting from 2024, the Company has implemented the ISO14064-1 Organization Quantification and Reporting of GHGs system to ensure data accuracy and effective systematic management, with third-party assurance secured.</p> <p>②GHG emissions reduction</p> <p>The Company joined the Bicycling Alliance for Sustainability (BAS) with the objective of achieving the alliance's goals, aiming to reduce carbon emissions per bicycle produced by 40kg or at least 25% by 2030.</p> <p>③GHG emissions reduction plan</p> <p>*Integration of Renewable Energy: The Company is actively assessing the feasibility of installing solar panels on the rooftop to the Houli plant site.</p> <p>*Improving Efficiency of Production Equipment: Regular maintenance of production equipment and repairs of air compressor pipeline leaks.</p> <p>*Upgrades of Public Facilities: Regular maintenance of public air-conditioning equipment and air compressors, along with the gradual replacement of T5 lighting fixtures with LED lighting to enhance energy efficiency.</p> <p>*Energy Efficiency and Carbon Reduction Strategies for New Plant Site: The newly operational Houli plant site in Taichung has been constructed based on green building principles, featuring energy-efficient equipment and a rainwater recycling system. While expanding operational capacity, the said plant site also demonstrates the Company's commitment to environmental sustainability.</p>
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2.3.7 Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and</p>	<p>1. The Company's Board of Directors functions as the highest supervisory entity for climate-related risks and opportunities, and is responsible for overseeing the effectiveness of risk management. Under the President Office, an ESG Task Force has been established as the responsible unit for implementing the climate-related financial disclosure risk assessment framework.</p> <p>The ESG Task Force, in coordination with relevant Company personnel, conducts comprehensive assessment of potential risks related to climate change and develops corresponding response measures for identified risks. At least once annually, material climate-related risks and opportunities, along with corresponding strategic responses, are reported to the Board of Directors. The Task Force also provides regular updates on implementation progress and outcomes. This process enables the Board to exercise effective oversight and review of material climate-related risks and opportunities, ensuring that the highest governing entity maintains appropriate visibility and control over climate-related risk management and decision-making.</p> <p>2. As climate-related issues continue to intensify in recent years, addressing climate change has become an imperative that businesses must actively confront.</p> <p>To assess the potential risks and opportunities related to climate change and in alignment with global trends in climate-related financial disclosures, the Company has integrated the potential impacts of climate change into the risk management framework and developed</p>

management processes are integrated into the overall risk management system.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy

corresponding risk mitigation and response measures. The Company is also actively advancing various energy conservation and carbon reduction initiatives to effectively address challenges and capitalize on climate-related opportunities. Based on the likelihood and impact of potential climate-related risks and opportunities, the Company has identified nine significant risks and six major opportunities, and has assessed the potential timeline and financial impacts of these events, as outlined in the table below:

Categories of Risks and Opportunities	Scenario	Duration of Impact
Transition Risks	GHG emissions cap-and-trade regulations, and carbon fees	Short-term
	Increasing stringency of environmental regulations	Short-term
	Increased costs of raw materials	Long-term
	Substitution of existing products with lower emission options	Medium-term
	Brand reputation damage resulting from inadequate climate action	Medium-term
	Net-zero emission goal	Long-term
Physical Risks	Increased frequency of typhoons and intense rainfall	Short-term
	Supply chain interruptions resulting from changes in weather patterns	Medium-term
	Rising mean temperatures	Long-term
Opportunities	Innovation and development of new products and services	Short-term
	Reduction in water consumption	Short-term
	Improving efficiency of resources utilization	Medium-term

certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).		Advancing low-carbon production practices	Medium-term			
			Improving corporate reputation	Long-term			
			Development or expansion of low-emission products and services	Medium-term			
			3. Assessment of the potential financial impacts of extreme weather events and transition actions, as outlined in the table below:	Categories of Risks and Opportunities	Scenario	Duration of Impact	
							Transition Risks
Increasing stringency of environmental regulations	Increased operating costs resulting from the proposed imposition of water conservation charge						
Increased costs of raw materials	Increased costs of high-emission raw materials resulting from government-implemented carbon fees, emissions caps, and carbon pricing						
Substitution of existing products with lower emission options	Reduced sales orders resulting from failure to meet customers' environmental requirements for products						
Brand reputation damage resulting	Brand reputation damage and a subsequent						

			from inadequate climate action	reduction in market sales resulting from failure to address stakeholder concerns
			Net-zero emission goal	Increased installation and operating costs of carbon reduction equipment
		Categories of Risks and Opportunities	Scenario	Duration of Impact
		Transition Risks	Increased frequency of typhoons and intense rainfall	Reduced revenue resulting from operational disruptions caused by plant shutdowns that affect employees' ability to attend work
			Supply chain interruptions resulting from changes in weather patterns	Increased operating costs resulting from the volatility in raw material supply prices
			Rising mean temperatures	Increased operating costs resulting from increased energy consumption
		Opportunities	Innovation and development of new products and services	Increased revenue resulting from higher sales proportion of low-emission products
			Reduction in water consumption	Reduced operating costs resulting from lower water and wastewater treatment fees due to effective water conservation efforts and

			decreased water consumption
	Improving efficiency of resources utilization		Reduced operating costs resulting from effective energy conservation efforts
	Advancing low-carbon production practices		Reduced operating costs related to carbon fee payments
	Improving corporate reputation		Improved access to financing and reduced cost of capital
	Development or expansion of low-emission products and services		Reduced carbon emissions resulting from decreased energy consumption and environmental pollution associated with the transportation of raw materials and products, achieved through an increased proportion of local sourcing
<p>4. Based on the industry characteristics and operational status of the Company, nine significant climate-related risks and six major opportunities have been identified. The ESG Task Force was convened for training to understand the definitions of climate-related risks and opportunities relevant to the Company, and to gain insights into the potential impacts of these issues by assessing the likelihood and materiality.</p> <p>Based on the analysis and assessment of the likelihood and materiality, two risks and two opportunities have been identified. Relevant information and management strategies were reviewed, and corresponding control measures and action plans were developed. These results were then reviewed by senior management to confirm the identified risks and opportunities, which were subsequently integrated into the Company’s risk management process for ongoing oversight.</p>			
<p>5. Currently, the Company has not implemented scenario analysis to assess the climate resilience. The Company plans to implement climate scenario analysis in the</p>			

	<p>future to assess the climate-related risks at its operational sites.</p> <p>6. In 2022, the Taiwan government announced the “Taiwan’s Pathway to Net-Zero Emissions in 2050”, followed by the enactment of the “Climate Change Response Act” in 2023 and the introduction of the “ESG Sustainable Development Action Plan for TWSE and TPEx Listed Companies”, guiding businesses toward net-zero transformation, with GHG inventories serving as the foundation for setting emission reduction goals. As a leading manufacturer of carbon fiber composite materials, the Company recognizes the importance of said initiative and, in 2024, proactively implemented third-party assurance for GHG inventories at the parent group organization level in accordance with the ISO 14064-1, ahead of regulatory requirements. The Company joined the Bicycling Alliance for Sustainability (BAS) with the objective of reducing carbon emissions by 25% by 2030.</p> <p>7. Currently, the Company has not implemented internal carbon pricing mechanisms. The Company will continue to plan and prepare for their introduction in the future.</p> <p>8. The Company, referencing the “ESG Sustainable Development Action Plan for TWSE and TPEx Listed Companies” issued by the Financial Supervisory Commission (FSC), continues to monitor the progress of the GHG inventories and assurance disclosure timelines. The planned schedule is as follows: In 2024, complete third-party assurance for GHG inventories. In 2027, complete GHG inventories for all consolidated financial reporting subsidiaries of the Company. In 2029, complete third-party assurance for GHG inventories of all consolidated financial reporting subsidiaries of the Company.</p> <p>9. According to the regulation outlined in the FSC’s Financial-Supervisory-Securities-Corporate-11203852314, dated December 13, 2023, the Company, being the parent entity of listed companies with a paid-in capital not exceeding NT\$5 billion, shall complete the disclosure of GHG inventory information starting from the year 2028, with the disclosure of third-party assurance information starting from the year 2028. Similarly, all consolidated financial reporting subsidiaries of the Company shall complete the disclosure of GHG inventory information starting in 2027, with the disclosure of third-party assurance information starting in 2029. The Company has established a GHG inventory mechanism, in accordance with the ISO 14064-1 standard issued by the International Organization for Standardization (ISO), to independently manage our GHG emissions.</p>
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	<p>Starting from 2021, the Company has conducted annual GHG inventory to comprehensively monitor and manage our use and emissions of GHG.</p> <p>Please refer to Sections 1-1 and 1-2 for details regarding the GHG inventory and assurance status, reduction targets, strategy, and concrete action plan.</p> <p>Moving forward, the Company will continuously adjust our internal carbon pricing based on Science-Based Targets (SBT) and international carbon pricing trends, while gradually aligning our operational strategy to further expand the scope of application.</p>
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1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.					
<p>1. The parent entity shall commence the GHG inventory starting from the year 2026.</p> <p>2. All consolidated financial reporting subsidiaries of the Company shall commence the GHG inventory starting from the year 2027.</p> <p>The Company has established a GHG inventory mechanism at the parent group organization level in accordance with the ISO 14064-1 standard issued by the International Organization for Standardization (ISO), ahead of regulatory requirements. Starting from 2021, the Company has conducted annual GHG inventory to comprehensively monitor and manage our use and emissions of GHG. The Company's GHG emissions inventory information for the most recent two fiscal years has been consolidated based on the operational control approach, as outlined below:</p>					
		2023		2024	
		Emission volume (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)	Emission volume (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)
The Company	Scope 1 Direct emissions	159.9371		173.14	
	Scope 2 Indirect energy emissions	1,017.2448		1,055.04	
	Scope 3 Other indirect	1,217.1528		2,319.67	

	emissions that are not indirect energy emissions				
	Subtotal	2,394.3347		3,547.85	
	Total	2,394.3347	0.3225	3,547.85	0.4779

Note: The Company's revenue for 2023 amounted to NT\$7,327.891 million.
The Company's revenue for 2024 amounted to NT\$7,423.544 million.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.				
<p>1、The parent entity shall commence the assurance starting from the year 2028.</p> <p>2、All consolidate financial reporting subsidiaries of the Company shall commence the assurance starting from the year 2029.</p> <p>The Company, ahead of regulatory requirements, provides the following explanation regarding the assurance status for the GHG inventories conducted for the parent entity during the most recent two fiscal years:</p>				
		2023	2024	
		Emission volume (metric tons CO2e)	Emission volume (metric tons CO2e)	
The Company	Scope 1 Direct emissions	159.9371	173.14	
	Scope 2 Indirect energy emissions	1,017.2448	1,055.04	
	Scope 3 Other indirect emissions that are not indirect energy emissions	1,217.1528	2,319.67	
	Total	2,394.3347	3,547.85	
	As a percentage of the GHG inventory disclosure detailed in Section 1-1-1 above	100.00%	100.00%	

Assurance institution	AFNOR Asia	SGS China
Status of assurance	According to ISO14064-3:2019, reasonable assurance has been applied to both Scope 1 and Scope 2, while limited assurance has been applied to Scope 3	According to ISO14064-3:2019, reasonable assurance has been applied to Scope 1, Scope 2, and Scope 3
Assurance opinion/conclusion	Unmodified opinion/conclusion	Unmodified opinion/conclusion

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
According to the regulations outlined in the Financial Supervisory Commission's 13 December 2023 Order No. Financial-Supervisory-Securities-Corporate-11203852314, the Company, being the parent entity of listed companies with a paid-in capital not exceeding NT\$5 billion, shall complete disclosure of information regarding greenhouse gas inventory starting from the year 2026 and complete disclosure of information regarding greenhouse gas assurance starting from the year 2028. Similarly, all consolidated financial reporting subsidiaries of the Company shall complete disclosure of information regarding greenhouse gas inventory starting from the year 2027 and complete disclosure of information regarding greenhouse gas assurance starting from the year 2029.

2.3.8 Implementation of Ethical Corporate Management

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and	V		The Company has formulated the "Ethical Corporate Management Best Practice Principles", which is agreed by the Audit Committee and then adopted by the Board of Directors and reported to the shareholders' meeting. All business activities	None

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?			of the Company are operated in accordance with the "Ethical Corporate Management Best Practice Principles", and there are also "Procedures for Ethical Management and Guidelines for Conduct", which specify the matters that should be considered by the Company's personnel in the execution of their business. Relevant procedures and regulations published on the Company website to provide reference for all employees.	
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		In addition to the "Ethical Corporate Management Best Practice Principles", which explicitly prohibits unethical conduct, it also complies with laws and policies. In addition, there is the "Procedures for Ethical Management and Guidelines for Conduct", which specify the precautions that the Company's personnel should pay attention to when carrying out business.	None
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		The "Ethical Corporate Management Best Practice Principles", which explicitly state the scope of the precautionary approach and the responsible units. In addition, there is the "Procedures for Ethical Management and Guidelines for Conduct", which clearly states the	None

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			operating procedures, behavior guidelines, penalties for violations, and complaint systems, etc.	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		In addition to clearly stating in the "Ethical Corporate Management Best Practice Principles", relevant regulations are also defined in the contract to specify the rights and obligations of both parties.	None
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		To establish a sound ethical management system, the Company has designated the Office of the Board of Directors of the Group to be responsible for the formulation of ethical management policies and preventive measures, while the Audit Unit is responsible for supervising the implementation of these policies, and reports to the Board of Directors on a regular basis.	None
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		The "Ethical Corporate Management Best Practice Principles" stipulates relevant matters to avoid, and each business unit has designated personnel to be responsible for the business management. Relevant operational regulations and contact mailboxes are published on the Company website to facilitate inquiries and compliance.	None

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The Company has a dedicated audit unit to supervise the implementation, regularly conduct internal control auditing on relevant operational specifications, and reports to the Board of Directors on a regular basis.	None
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The Human Resources Unit will assist in planning and arranging relevant education and training courses.	None
3.Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		The Company has an audit system, which is subordinate to the Board of Directors, and conducts regular and irregular control auditing on internal operations. The Company has set up an independent whistle-blowing mailbox_ (complaints@topkey.com.tw) and published on the Company website and intranet, which is managed by the Office of the Board of Directors of the Group.	None
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		The Company handles and verifies the complaints in accordance with the relevant operational specifications, and the responsible unit of the Company takes necessary procedures according to the nature of the complaint.	None
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing	V		The Company handles and verifies the complaints in accordance with relevant operational	None

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
complaints?			regulations. The relevant personnel of the Company dealing with the complaints shall provide a written statement to maintain confidentiality regarding the whistleblower's identity and reported content. The Company undertakes to protect the whistleblower from improper treatment due to whistleblowing.	
4.Strengthening Information Disclosure (1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company website discloses financial and operational information in accordance with the principles of corporate governance, to facilitate stakeholders to understand the operation of the Company.	None

5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:

The Company's cooperation with various manufacturers and organizations is conducted in accordance with the principle of ethical corporate management. The "Ethical Corporate Management Best Practice Principles" of the Company have been amended in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies as amended on May 23, 2019, and the amendment was approved by the Board of Directors on August 12 of the same year and has made the announcement for the amendment.

6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's promotion of the company's integrity management determination to business partners, policies, and invitations to participate in education and training, review, and amendment of its ethical corporate management best practice principles):

The Company upholds the principle of integrity, and all employees are required to adhere to the spirit of integrity and be responsible to investors, customers, suppliers, shareholders, and society. The Company has a forum website and a complaint and whistle-blowing mailbox, and employees can complain or report online if they discover any violations of the integrity principles or any activities that may harm the Company's reputation. In addition, the Company has established long-term cooperation with relevant vendors and partners and specified the terms in the contract, also sets up relevant professional personnel to participate in and maintain a long-term and stable cooperative relationship.

2.3.9 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed

1. Continuing Education and Training for Managerial Personnels

Title	Name	Date of Training	Organizer	Course Title	Number of Training Hours
President	Pei-Ni Shen	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
General Manager, Safety Products Business Group	Jing-Wei Chang	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Chief Operating Officer, Safety Products Business Group	Qing-Zheng Wu	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Group Finance Headquarters Chief Financial Officer	Ren-Di Chang	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Chief Accountant, Finance Headquarters	Sen Chang	2024.04.23	Topkey Corporation	Overview of Workplace Misconduct and Implementation Strategy	1H
		2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H

Title	Name	Date of Training	Organizer	Course Title	Number of Training Hours
		2024.09.24	The Allied Association For Science Park Industries	Corporate Governance and Securities Regulations & Practical Analysis of Criminal Liability in Cases of Securities Misconduct	6H
		2024.10.23	Topkey Corporation	Introduction to ESG and Implementation Guidelines, and Explanation of GRI Standards for ESG Reporting	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Manager of the Audit Office	Xiang-Dai Tsai	2024.04.23	Topkey Corporation	Overview of Workplace Misconduct and Implementation Strategy	1H
		2024.08.01	The Institute of Internal Auditors of the Republic of China	New Challenges for Internal Audits - Analysis of Sustainable Information Disclosure and Management Policies and Related Audit Procedures	6H
		2024.11.15	The Institute of Internal Auditors of the Republic of China	Analysis of Government Policy on Sustainability Disclosure, and Key Discussion on Internal Audit and Internal Control Practice	6H
		2024.10.23	Topkey Corporation	Introduction to ESG and Implementation Guidelines, and Explanation of GRI Standards for ESG Reporting	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H

Title	Name	Date of Training	Organizer	Course Title	Number of Training Hours
Spokesperson of Topkey Corporation/ Chief Corporate Governance Officer	Benny Chou	2024.05.16 ~ 2024.05.17	Securities & Futures Institute (SFI)	Workshop on Practical Implementation of Sustainability Disclosure	9H
		2024.07.03	Taiwan Stock Exchange Corporation (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit	6H
		2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.10.23	Topkey Corporation	Introduction to ESG and Implementation Guidelines, and Explanation of GRI Standards for ESG Reporting	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Deputy Assistant General Manager of Group President's Office	Zhen-Wei Gao	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Construction Director of Group President's Office	Shou-Zhi Hsu	2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Deputy Assistant General Manager, Composite Production Plant, Taichung Business Development Department	Zhong-Fa Wu	2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Assistant General Manager, Safety Products Business	Yi-Sheng Chen	2024.08.27	Taiwan Corporate	Application of AI COBOT for Smart	3H

Title	Name	Date of Training	Organizer	Course Title	Number of Training Hours
Group			Governance Association	Manufacturing	
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Assistant General Manager of Industrial Products Business Group	David Lin	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Assistant General Manager of Taichung Business Development Department	Hong-Shu Wang	2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Vice General manager of Business Division	JC Chow	2024.05.27	Topkey Corporation	General Occupational Safety and Health Education and Training Program	3H
		2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H
Vice General manager of Business Division	Charlie Chu	2024.06.07	Topkey Corporation	General Occupational Safety and Health Education and Training Program	3H
		2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H
		2024.12.26	Topkey Corporation	Introduction to Insider Trading Regulations and Prevention Practices, and Sexual Harassment Prevention Awareness	1H

Title	Name	Date of Training	Organizer	Course Title	Number of Training Hours
Marketing Director	Alan Chen	2024.08.27	Taiwan Corporate Governance Association	Application of AI COBOT for Smart Manufacturing	3H
		2024.10.23	Topkey Corporation	Introduction to ESG and Implementation Guidelines, and Explanation of GRI Standards for ESG Reporting	3H
		2024.11.07	Taiwan Corporate Governance Association	Latest Trends in Sustainability and Analysis of International Rankings	3H

2. Disclosure of the Company's accounting and auditing personnel to obtain relevant domestic and foreign certificates: None.

3. Procedures for handling material inside information:

The Board of Directors of the Company has formulated the "Regulations Governing the Prevention of Insider Trading" for the management of material inside information of the Company, and has informed all directors, managerial personnels and all employees, and has published these regulations and precautions on the Company's website for compliance by all colleagues, avoiding violations or insider trading.

The Company has established internal rules that prohibit insiders such as directors or employees from making profits based on undisclosed material information in the market, and has disclosed such rules on the Company website, and its implementation status:

- (1) The Company has established "Procedures for Handling Material Inside Information" and "Regulations Governing the Prevention of Insider Trading", which prohibit insiders such as directors, managerial personnels or employees from trading securities based on undisclosed material information in the market.
- (2) Pursuant to Article 6 of the "Regulations Governing the Prevention of Insider Trading", the Company shall conduct education and training sessions at least once a year to educate the directors, supervisors and employees on these regulations or relevant laws and regulations. Newly appointed directors and managers are provided with education and training upon taking office, while new employees receive education and training during the pre-employment training session organized by the Human Resources Department within 3 months after assuming their positions.
- (3) On December 26, 2024, a total of 24 directors, managerial personnel, and heads of various business units were given a 1-hour education and training session, covering fundamental concepts, domestic legal prohibitions, and preventive measures related to insider trading. In addition, the introduction and promotion of the prevention of insider trading regulations are posted permanently in the internal employee system, which is provided to all employees for reference.
- (4) The Company amended the "Corporate Governance Best Practice Principles" through the resolution of all directors of the board of directors on November 9, 2023 and reminded the Directors not to trade their shares during the closed period of 30 days prior to the

publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports, to safeguard shareholder rights, ensure equitable treatment of shareholders, and prevent insider trading.

- (5) On the 1st of every month, the Company sends the report of changes in the ownership of shares of insiders and notifies and reminds all directors of the expected dates of the Board meetings for the FY2025 and the closed periods of each quarterly financial report to avoid any violations of the regulations by the directors.

2.3.10 Implementation of Internal Control System

- (1) Improvement to internal control system suggested by CPAs in the most recent 3 fiscal years

FY	CPA's suggestions for improving the internal control system	Improvement status
2022	None	Not applicable
2023	None	Not applicable
2024	None	Not applicable

- (2) Improvements to major flaws discovered through internal auditing: None.
- (3) Internal Control Statement: Please refer to information disclosed on the Market Observation Post System (MOPS).
Index Path: MOPS > Individual Company > Corporate Governance > Company Regulations/Internal Control>Internal Control System Statement
Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>
- (4) Where the company has retained CPAs to exclusively review its internal control systems, the annual report shall set forth the reason for doing so, the CPAs' review opinions, measures the company has taken for improvement, and the condition of improvement on lacking items: None.

2.3.11 Material resolutions of a shareholders' meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Material resolutions of the shareholders' meeting or the Board of Directors meeting

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
15th Session Board of Directors meeting 12th Meeting	2024/02/29 (Thursday)	<p>1st motion: Employee and director compensation distribution for FY 2023. (Submitted to shareholders' meeting for reporting) Resolution: To distribute a total of NT\$ 85,546,150 for employee compensation and NT\$ 32,150,310 for director compensation for FY 2023, both to be paid in cash.</p> <p>Supplementary explanation for recusal: 1.10 directors of the Company, Wen-Chen Shen, Tong-Chen Chu, Kwei-Lin Chang, Pei-Ni Shen, Kuo-Feng Lin, Chao-Yuen Chuang, Shih-Chien Yang, Chen-Chi Ma, Ying-Hwang Yang and Cherng Lee were attended the meeting in person, reaching more than two-thirds of the directors ($10 \times \frac{2}{3} \div 7$). Although the six Directors, Wen-Chen Shen, Tong-Chen Chu, Kwei-Lin Chang, Pei-Ni Shen, Kuo-Feng Lin, Chao-Yuen Chuang have conflict of interest in this motion, however, it is not necessary to recuse themselves from voting because the motion has already been reviewed and approved by the Remuneration Committee, and the transaction terms are not superior than those offered to similar parties, hence it does not cause harm to the interests of the Company.</p> <p>2. The motion is passed with no objection after the Chairman's consultation by the attending directors.</p> <p>2nd motion: Annual business report and financial statements for the FY 2023. (Submitted to shareholders' meeting for reporting/ratification)</p> <p>3rd motion: Earnings distribution for FY 2023. (Submitted to shareholders' meeting for ratification) Supplementary explanation for resolution: (1) Earnings distribution in cash dividends (NT\$/share): NT\$ 8.50 (2) Legal reserve and capital surplus distribution in cash (NT\$/share): NT\$ 0 (3) Total cash (dividends) distributed to shareholders: NT\$ 771,970,000</p> <p>4th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>5th motion: Financial institutions credit line and derivatives transactions.</p> <p>6th motion: Internal Control System Statement for FY 2023.</p> <p>7th motion: Amendment to certain provisions of the "Articles of Incorporation" of the Company.</p> <p>8th motion: Determine the time, venue, and agenda of the AGM of Shareholders for FY 2024.</p> <p>9th motion: Acceptance of proposals from shareholders holding 1% or more of the total number of outstanding shares of the Company in accordance with Article 172-1 of the Company Act.</p> <p>Supplementary explanation for 8th and 9th motions: The date of the shareholders' meeting is set at May 31, 2024, and the above-mentioned information such as the method of holding the shareholders' meeting, venue and agenda of the shareholders' meeting is also disclosed in the material information of the</p>

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
		<p>Company.</p> <p>For the above-mentioned 1st motion to 9th motion,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors' opinion: None;</p> <p>3) Resolution: Although the Directors have a conflict of interest in the 1st motion, however, it is not necessary to recuse themselves from voting because the motion has already been reviewed and approved by the Remuneration Committee, and the transaction terms are not superior to those offered to similar parties, hence it does not cause harm to the interests of the Company. All attending directors agreed to approve all the above-mentioned motions.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
15th Session Board of Directors meeting 13th Meeting	2024/05/09 (Thursday)	<p>1st motion: Q1 2024 Consolidated Financial Statements of the Company.</p> <p>Supplementary explanation: The Q1 2024 consolidated financial statements were disclosed in the material information of the Company on the same day, and the consolidated financial statements and board meeting minutes were also submitted to the competent authority for reference on May 13, 2024.</p> <p>2nd motion: Drafted the company's [Audit Methods for Pre-approval of Certified Public Accountants Providing Non-Confidential Services]</p> <p>3rd motion: Financial institutions credit line and derivatives transactions.</p> <p>For the above-mentioned 1st motion to 3rd motion,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors' opinion: None;</p> <p>3) Resolution: All attending directors agreed to pass.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
AGM of Shareholders	2024/05/31 (Friday)	<p>Reporting matters:</p> <p>(1) Annual business report for the FY 2023.</p> <p>(2) Annual final accounting books and statements for FY 2023 reviewed by the Audit Committee.</p> <p>(3) Employee and director compensation distribution for FY 2023.</p> <p>Proposals for ratification:</p> <p>(1) Annual business report and financial statements for FY 2023.</p> <p>(2) Earnings distribution for FY 2023.</p> <p>Resolutions:</p> <p>(i) Earnings distribution in cash dividends (NT\$/share): NT\$ 8.5</p> <p>(ii) Legal reserve and capital surplus distribution in cash (NT\$/share): NT\$ 0</p> <p>(iii) Total cash (dividends) distributed to shareholders:</p>

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
		<p>NT\$ 771,970,000</p> <p>Matters for Discussion:</p> <p>(1) Amendment to certain provisions of the "Articles of Incorporation" of the Company.</p> <p>The above-mentioned motions were approved by the attending shareholders and electronic voting results and were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
15th Session Board of Directors meeting 14th Meeting	2024/05/31 (Friday)	<p>1st motion: To set the ex-dividend date of the earnings distribution for FY 2023 and formulate relevant operational plans.</p> <p>Executive summary:</p> <p>1. The Company's earnings distribution for the FY 2023 has been approved by the resolution of the shareholders' meeting on May 31, 2024. A total of NT\$ 771,970,000 has been allocated from the undistributed earnings in FY 2023 and distributed in cash dividends at a rate of NT\$ 8.5 per share.</p> <p>2. The ex-dividend date and its related operations are proposed as follows:</p> <p>(1) Ex-rights trading day: July 15, 2024.</p> <p>(2) Last date before book closure: July 16, 2024.</p> <p>(3) Book closure period: From July 17, 2024 to July 21, 2024.</p> <p>(4) Ex-rights (ex-dividend) record date: July 21, 2024.</p> <p>(5) Cash dividend payment date: August 15, 2024.</p> <p>For the above-mentioned 1st motion,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors' opinion: None;</p> <p>3) Resolution: All attending directors agreed to pass.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
15th Session Board of Directors meeting 15th Meeting	2024/08/08 (Thursday)	<p>1st motion: Q2 2024 Consolidated Financial Statements of the Company.</p> <p>Supplementary explanation: The Q2 2024 consolidated financial statements were disclosed in the material information of the Company on the same day and the consolidated financial statements and board meeting minutes were also submitted to the competent authority for reference on August 13, 2024.</p> <p>2nd motion: H1 2024 earnings distribution of the Company.</p> <p>Supplementary explanation of resolution: The H1 2024 surplus temporarily not to be distributed.</p> <p>3rd motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>4th motion: Investment Subsidiary - Topkey (Vietnam) Co., Ltd. Total Investment Increase Case.</p> <p>5th motion: The branch company of the Company establishment case.</p> <p>6th motion: Financial institutions credit line and derivatives transactions.</p> <p>For the above-mentioned 1st motion to 6th motion,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors'</p>

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
		<p>opinion: None;</p> <p>3) Resolution: All attending directors agreed to pass.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
15th Session Board of Directors meeting 16th Meeting	2024/11/07 (Thursday)	<p>1st motion: Q3 2024 Consolidated Financial Statements of the Company.</p> <p>Supplementary explanation: on the same day, November 12, 2024, the Q3 2024 consolidated financial statements were disclosed in the material information of the Company, and the consolidated financial statements and board meeting minutes were also submitted to the competent authority for reference.</p> <p>2nd motion: Amendment to certain provisions of the " Rules of Procedure for Board of Directors Meetings " of the Company.</p> <p>3rd motion: Amendment to certain provisions of the " Audit Committee Organizational Charter " of the Company.</p> <p>4th motion: Financial institutions credit line and derivatives transactions.</p> <p>For the above-mentioned 1st motion to 4th motion,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors' opinion: None;</p> <p>3) Resolution: All attending directors agreed to pass.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>
15th Session Board of Directors meeting 17th Meeting	2024/12/26 (Thursday)	<p>1st motion: Annual budget review for FY 2025.</p> <p>2nd motion: Amendments to some clauses of the company's [Internal Audit Implementation Rules]</p> <p>3rd motion: The Company's [Sustainability Report Preparation and Confidence Procedure] Amendment.</p> <p>4th motion: Annual audit plan for the FY 2025.</p> <p>5th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>6th motion: Assessment of the CPAs' audit fee and the independence of CPAs as the Company appointed Deloitte Taiwan to audit the annual financial statements.</p> <p>7th motion: Financial institutions credit line and derivatives transactions of the Company.</p> <p>8th motion: Principles for the year-end bonus distribution for FY 2024.</p> <p>9th motion: To review the salary and compensation and relevant policies for managerial personnel for the FY 2025.</p> <p>For the above-mentioned 1st motions to 9th motions,</p> <p>1) Independent Directors' opinion: None;</p> <p>2) The Company's response to the Independent Directors' opinion: None;</p> <p>3) Resolution: All attending directors agreed to pass.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
15th Session Board of Directors meeting 18th Meeting	2025/02/27 (Thursday)	<p>1st motion: Employee and director compensation distribution for FY 2024. (Submitted to shareholders' meeting for reporting) Resolution: To distribute a total of NT\$ 92,786,300 for employee compensation and NT\$ 34,864,100 for director compensation for FY 2024, both to be paid in cash.</p> <p>Supplementary explanation for recusal: 1.10 directors of the Company, Wen-Chen Shen, Tong-Chen Chu, Kwei-Lin Chang, Pei-Ni Shen, Kuo-Feng Lin, Chao-Yuen Chuang, Shih-Chien Yang, Chen-Chi Ma, Ying-Hwang Yang and Cherng Lee were attended the meeting in person, reaching more than two-thirds of the directors ($10 \times 2/3 \doteq 7$). Although the six Directors, Wen-Chen Shen, Tong-Chen Chu, Kwei-Lin Chang, Pei-Ni Shen, Kuo-Feng Lin, Chao-Yuen Chuang have conflict of interest in this motion, however, it is not necessary to recuse themselves from voting because the motion has already been reviewed and approved by the Remuneration Committee, and the transaction terms are not superior than those offered to similar parties, hence it does not cause harm to the interests of the Company.</p> <p>2. The motion is passed with no objection after the Chairman's consultation by the attending directors.</p> <p>2nd motion: Annual business report and financial statements for the FY 2024. (Submitted to shareholders' meeting for reporting/ratification)</p> <p>3rd motion: Earnings distribution for FY 2024. (Submitted to shareholders' meeting for ratification)</p> <p>Supplementary explanation for resolution: (1) Earnings distribution in cash dividends (NT\$/share): NT\$ 11.00 (2) Legal reserve and capital surplus distribution in cash (NT\$/share): NT\$ 0 (3) Total cash (dividends) distributed to shareholders: NT\$ 999,020,000</p> <p>4th motion: Amendment to certain provisions of the "Articles of Incorporation" of the Company.</p> <p>5th motion: Explanation on the scope of identification of grassroots employees of the company</p> <p>6th motion: Financial institutions credit line and derivatives transactions.</p> <p>7th motion: Endorsement guarantee for the Company's reinvestment in affiliated companies.</p> <p>8th motion: Internal Control System Statement for FY 2024.</p> <p>9th motion: Proposal on the Adjustment of Directors and Supervisors of the Company's Incorporated Subsidiaries.</p> <p>10th motion: The Company's 16th Election of New Directors.</p> <p>11th motion: The company accepts nominations of candidates for directors (including independent directors).</p> <p>12th motion: Nomination of candidates for the 16th Board of directors (including independent directors) of the Company.</p> <p>Approved the proposal for the nomination of candidates for the 16th board of directors (including independent directors) of the company. According to the Company's Articles of Incorporation, the election shall vote for ten directors (including four independent directors):</p> <p>(1) Director Nominee : Wen-Chen Shen, Kwei-Lin Chang, Pei-Ni Shen, Tong-Chen Chu, Kuo-Feng Lin, Chao-Yuen Chuang (2) Independent Director Nominees: Ying-Hwang Yang, Cherng</p>

Shareholders' meeting or the Board of Directors meeting	Date	Major Resolution
		<p>Lee, Chung-Hua Hsu, Yao-Kuei Hsiao.</p> <p>13th motion: Proposal to release the newly elected directors from non-competition restrictions.</p> <p>14th motion: Determine the time, venue, and agenda of the AGM of Shareholders for FY 2025.</p> <p>15th motion: Acceptance of proposals from shareholders holding 1% or more of the total number of outstanding shares of the Company in accordance with Article 172-1 of the Company Act.</p> <p>Supplementary explanation for 14th and 15th motions: The date of the shareholders' meeting is set at May 28, 2025, and the above-mentioned information such as the method of holding the shareholders' meeting, venue and agenda of the shareholders' meeting is also disclosed in the material information of the Company.</p> <p>For the above-mentioned 1st motion to 15th motion, 1) Independent Directors' opinion: None; 2) The Company's response to the Independent Directors' opinion: None; 3) Resolution: Although the Directors have a conflict of interest in the 1st motion, however, it is not necessary to recuse themselves from voting because the motion has already been reviewed and approved by the Remuneration Committee, and the transaction terms are not superior to those offered to similar parties, hence it does not cause harm to the interests of the Company. All attending directors agreed to approve all the above-mentioned motions.</p> <p>The above-mentioned motions were handled in accordance with the relevant procedures for disclosure of material information and were disclosed in the material information of the Company on the same day.</p>

Note: Term of the 15th Board of Directors is from May 27, 2022 to May 26, 2025

2. Resolution: All the attending directors were unanimous in agreeing to pass.

3. Execution results:

3.1 Material resolutions of the shareholders' meeting and the implementation status

The AGM of Shareholder for the FY 2024 of the Company was held in Taichung on May 31, 2024. The attending shareholders adopted the following matters and their implementation status:

1. Ratification of annual business report and financial statements for FY 2023.

Implementation status: The resolution was adopted.

2. Approval of earnings distribution for FY 2023.

Implementation status: The resolution was adopted, and the cash dividend was allocated at NT\$ 8.5 per share, totaling NT \$ 771,970 thousand. On May 31, 2024, the Board of Directors resolved to set the ex-dividend date as July 21, 2024, and the cash dividend payment date as August 15, 2024, which has been fully paid.

3.2 Material resolutions of the Board of Directors meeting and the implementation status

1. Board of Directors meeting on February 29, 2024:

- Approval of annual business report and financial statements for the FY 2023.

Implementation status: The resolution was adopted and submitted to the shareholders' meeting for ratification on May 31, 2024.

- Approval of employee and director compensation distribution for the FY 2023.

Implementation status: The resolution was adopted and reported at the shareholders' meeting on May 31, 2024, and NT\$ 85,546,150 was allocated as the employee compensation and NT\$ 32,150,310 was allocated as the director compensation, all was paid in cash on August 15, 2024.

- Convene the AGM of Shareholders for FY 2024.

Implementation status: The AGM of Shareholders was held on May 31, 2024, and the shareholders' meeting minutes were uploaded to the MOPS on June 18, 2024.

2. Approval of the ex-dividend date of the earnings distribution for the FY 2023:

The earnings distribution for the FY 2023 has been approved by the resolution of the shareholders' meeting on May 31, 2024, and the cash dividend was allocated at NT\$ 8.5 per share, totaling NT \$ 771,970 thousand. On May 31, 2024, the Board of Directors resolved to set the ex-dividend date as July 21, 2024, and the cash dividend payment date as August 15, 2024, which has been fully paid.

3.3 For other material resolutions of the FY 2024 shareholders' meeting and Board of Directors meeting, please refer to pages 86~91.

2.3.12 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

None.

2.4 Information on CPA Professional Fees

Unit: NT\$ 1,000

Name of Accounting Firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Shao-Chun Wu	January 1, 2024 to December 31, 2024	2,730	1,200	3,980	Note
	Done-Yuin Tseng					

[Note] Non-audit fees include transfer pricing audit report of NT\$ 500 thousand; the Group's global tax certification of NT\$ 550 thousand. Other tax services (including VAT calculation using direct deduction method, and CFC audit) of NT\$150 thousand.

- (1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed. The professional fees for auditing services referred to in the preceding item means the professional fees paid by the company to certified public accountants for auditing, review, and secondary reviews of financial reports and for financial forecast reviews.

2.5 Information on Replacement of CPAs

If the company has replaced its CPA in the most recent 2 fiscal years or any subsequent interim period, it shall disclose the following information: None.

2.6 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(1) Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders:

Please refer to information disclosed on the Market Observation Post System (MOPS).

Index Path: MOPS > Individual Company > Equity Changes/Securities Issuance > Inquiries on the Reports on the Change of Shareholding > Registration Form for Insiders to Report Changes in Shareholding

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

(2) Stock trade with related party:

Unit: Shares

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	No. of shares	Transaction price (NT\$ / share)
Tong-Chen Chu	Disposal	September 2024	Cong-Zhe Chu, Cong-Xian Chu	Second degree of kinship	12,000	Gifts

(3) Stock pledge with related party by directors, managerial officers, or major shareholders:

Please refer to information disclosed on the Market Observation Post System (MOPS).

Index Path: MOPS > Individual Company > Equity Changes/Securities Issuance > Inquiries on the Reporting of Insider Pledge Status > Insider Pledge/Release Announcement

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

2.8 Related Party Relationship Among the Company's 10 Largest Shareholders:

March 30, 2025 Unit: Shares;%

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the second degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Wen-Chen Shen	9,654,182	10.63%	2,651,000	2.92%	0	0%	Mei-Hua Gan	Spouse	None
							Pei-Ni Shen	First degree of kinship	
							Pei-Shan Shen	First degree of kinship	
							Pei-Zhen Shen	First degree of kinship	
Tong-Chen Chu	3,457,789	3.81%	899,681	0.99%	0	0%	None	None	None
Kwei-Lin Chang	2,918,846	3.21%	220,450	0.24%	0	0%	Hun-Hu Chang	First degree of kinship	None
Mei-Hua Gan	2,651,000	2.92%	9,654,182	10.63%	0	0%	Wen-Chen Shen	Spouse	None
							Pei-Ni Shen	First degree of kinship	
							Pei-Shan Shen	First degree of kinship	
							Pei-Zhen Shen	First degree of kinship	
Pei-Ni Shen	1,922,394	2.12%	0	0%	0	0%	Wen-Chen Shen	First degree of kinship	None
							Mei-Hua Gan	First degree of kinship	
							Pei-Shan Shen	Second degree of kinship	
							Pei-Zhen Shen	Second degree of kinship	

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the second degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Fu-Sheng Chang	1,738,449	1.91%	0	0	0	0%	None	None	None
Pei-Shan Shen	1,648,000	1.81%	0	0%	0	0%	Wen-Chen Shen	First degree of kinship	None
							Mei-Hua Gan	First degree of kinship	
							Pei-Ni Shen	Second degree of kinship	
							Pei-Zhen Shen	Second degree of kinship	
Pei-Zhen Shen	1,626,110	1.79%	48,000	0.05%	0	0%	Wen-Chen Shen	First degree of kinship	None
							Mei-Hua Gan	First degree of kinship	
							Pei-Ni Shen	Second degree of kinship	
							Pei-Shan Shen	Second degree of kinship	
Yi-Ling Lin	1,500,000	1.65%	0	0%	0	0%	None	None	None
Hun-Hu Chang	1,430,120	1.57%	841,701	0.93%	0	0%	Kwei-Lin Chang	First degree of kinship	None

2.9 The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company and total shareholding:

Total Ownership of Shares in Investee Enterprises

December 31, 2024 Unit: 1,000 Shares; %

Investee Enterprise		Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
		Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
The Company	New Score Holding Limited	80,137	100%	-	-	80,137	100%
	Topkey Vietnam Corporation Company Limited	-	100%	-	-	-	100%
	XPT Precision Company Limited	2,110	70%	-	-	2,110	70%
New Score Holding Limited	Composite Solutions Corporation	22	100%	-	-	22	100%
	EIC Holding Limited	3,822	76%	-	-	3,822	76%
	New Score Investment Limited	12,498	100%	-	-	12,498	100%
	Musonic Corporation	22,228	100%	-	-	22,228	100%
	XPT Investment Co., Limited.	11,388	70%	-	-	11,388	70%
New Score Investment Limited	Keentech Composite Tech. Co., Ltd.	-	36%	-	-	-	36%
	Xiamen Valver Color Sticker Co., Ltd.	-	100%	-	-	-	100%
Musonic Corporation	Keentech Composite Tech. Co., Ltd.	-	64%	-	-	-	64%
EIC Holding Limited	Xiamen Yeu Chuan Composite Technology Co., Ltd.	-	100%	-	-	-	100%
XPT Investment Co., Limited	Xiamen Xin Hong Zhou Precision Technology Co., Ltd.	-	100%	-	-	-	100%

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital Stock

March 30, 2025 Unit: Shares

Types of stock	Authorized capital			Remarks
	Outstanding Shares	Unissued shares	Total	
Common stock	90,820,000	89,180,000	180,000,000	The stock of a TWSE or TPEx listed company

3.1.2 Capital Formation Process

March 30, 2025 Unit: Shares/ NT\$

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Others
1980.07	1,000	2,000	2,000,000	2,000	2,000,000	Incorporation	None	Note 1
1982.11	1,000	10,000	10,000,000	10,000	10,000,000	Capital increase by cash of NT\$ 8,000,000	None	Note 2
1983.08	1,000	30,000	30,000,000	30,000	30,000,000	Capital increase by cash of NT\$ 20,000,000	None	Note 3
1984.12	1,000	50,000	50,000,000	50,000	50,000,000	Capital increase by cash of NT\$ 20,000,000	None	Note 4
1986.10	1,000	60,000	60,000,000	60,000	60,000,000	Recapitalization of retained earnings of NT\$ 10,000,000	None	Note 5
1989.11	10	6,000,000	60,000,000	6,000,000	60,000,000	Change in par value per share and amendment of Articles of Incorporation	None	Note 6
1990.08	10	8,100,000	81,000,000	8,100,000	81,000,000	Recapitalization of retained earnings of NT\$ 21,000,000	None	Note 7
1992.05	10	11,340,000	113,400,000	11,340,000	113,400,000	Capital increase by cash of NT\$ 32,400,000	None	Note 8
1997.12	10	13,550,000	135,500,000	13,550,000	135,500,000	Capital increase by cash of NT\$ 22,100,000	None	Note 9
2009.10	10	100,000,000	1,000,000,000	13,550,000	135,500,000	Change in registered capital	None	Note 10
2009.11	10	100,000,000	1,000,000,000	19,550,000	195,500,000	Capital increase by cash of NT\$ 60,000,000	None	Note 11
2009.11	61	100,000,000	1,000,000,000	35,000,000	350,000,000	Capital increase by cash of NT\$ 154,500,000	None	Note 12
2010.11	10	100,000,000	1,000,000,000	70,000,000	700,000,000	Recapitalization of capital reserve of NT\$ 350,000,000	None	Note 13

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Others
2011.06	10	100,000,000	1,000,000,000	81,900,000	819,000,000	Recapitalization of retained earnings of NT\$ 119,000,000	None	Note 14
2013.10	132	100,000,000	1,000,000,000	90,820,000	908,200,000	Capital increase by cash of NT\$ 89,200,000	None	Note 15
2020.06	10	180,000,000	1,800,000,000	90,820,000	908,200,000	Apply for an increase in total authorized share capital	None	Note 16

Note 1: 1980.07.11 (1980)-CPAMI No.122337

Note 2: 1982.11.04 (1982)-CPAMI No.234050

Note 3: 1983.08.04-MOEA (1983)-Business Registration No. 31772

Note 4: 1984.12.27-MOEA (1984)-Business Registration No. 50491

Note 5: 1986.10.01-MOEA (1986)-Business Registration No. 43396

Note 6: 1989.11.17-MOEA (1989)-Business Registration No. 133002

Note 7: 1989.08.22-MOEA (1989)-Business Registration No. 117665

Note 8: 1992.05.11-MOEA (1992)-Business Registration No. 108287

Note 9: 1997.12.29-MOEA (1997)-Business Registration No. 126587

Note 10: 2009.10.30-MOEA-CTO No. 09833324010

Note 11: 2009.11.19-MOEA-CTO No.09833473250

Note 12: 2009.12.07-MOEA-CTO No.09835068000

Note 13: 2010.11.01-MOEA-DOC No. 09901245150

Note 14: 2011.07.06-MOEA-DOC No. 10001143660

Note 15: 2013.10.22-MOEA-DOC No. 10201213500

Note 16: 2020.06.10-MOEA-DOC No. 10901099530

Information relating to the shelf-registration system: Not applicable.

3.1.3 List of major shareholders

- Shareholders with a stake of 5 percent or greater or all shareholders who rank in the top 10 in shareholding percentage, and the number of shares held and shareholding ratio:

March 30, 2025 Unit: Shares; %

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Wen-Chen Shen		9,654,182	10.63
Tong-Chen Chu		3,457,789	3.81
Kwei-Lin Chang		2,918,846	3.21
Mei-Hua Gan		2,651,000	2.92
Pei-Ni Shen		1,922,394	2.12
Fu-Sheng Chang		1,738,449	1.91
Pei-Shan Shen		1,648,000	1.81
Pei-Zhen Shen		1,626,110	1.79
Yi-Ling Lin		1,500,000	1.65
Hun-Hu Chang		1,430,120	1.57

2. The status that directors, supervisors, and shareholders holding more than 10 percent of outstanding shares had waived their subscription right to the cash capital increase during the past 2 fiscal years and in the current fiscal year.

(1) Directors, supervisors, and shareholders holding more than 10 percent of outstanding shares had waived their subscription right to the cash capital increase: None.

(2) The subscription to the cash capital increase being waived was subscribed by related person: None.

3.1.4 Dividend Policy and Implementation

1. Dividend policy stipulated in the Articles of Incorporation:

The shareholders of the Company held their regular meeting on May 31, 2024 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each six months of the fiscal year, the board of directors of the Company is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles after the amendments, after closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. When the Board of Directors prepares the proposal of distribution in the form of new shares to be issued by the company, in case of any earnings, along with the undistributed earnings at the beginning of the period, such a distribution shall be made after a resolution is adopted by the shareholders' meeting.

In accordance with Paragraph 5, Article 240 of the Company Act, the Company shall authorize the Board of Directors by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, to pay in the form of cash the distributable dividends and bonuses, or legal reserve and capital reserve in whole or in part, as stipulated in Paragraph 1, Article 241 of the Company Act; a report thereof shall be submitted to the shareholders' meeting.

The Company is in the stage of business expansion and there is a strong need for funds for industry development. Therefore, in addition to complying with the provisions of the Company Act and the Articles of Incorporation of the Company, the earnings distribution will determine the annual dividend distribution method based on the Company's capital planning and operating results. However, in principle, the Company adopts a dividend stabilization and balancing policy, and before the AGM of Shareholders, the board of directors resolves the distribution method (cash dividend or stock dividend) and the amount based on the operating results, financial situation, and capital planning. The shareholder dividend resolved to be distributed shall not be less than 20% of the net profit after tax of the current year less the net amount of the surplus reserve provided by law, of which the cash dividend ratio shall not be less than 20% of the

total dividend. However, the ratio of such shareholders' cash dividends may be adjusted by the resolution of the shareholders' meeting depending on the actual profit and capital requirements for the current year.

The earnings distribution or loss make-up of the Company shall be made at the end of each six months of fiscal year. The earnings distribution in cash shall be made by a resolution of the Board of Directors meeting with a report submitted to the shareholders' meeting, pursuant to Article 228-1, and Paragraph 5 of Article 240, the Company Act; it is not necessary to be submitted to the shareholders' meeting for acceptance.

2. The proposed (or already approved) dividend distribution for the current year:

The Company's earnings distribution for fiscal year 2024, in the form of a cash dividend of NT\$11 per share, was approved by the Board of Directors on February 27, 2025. The remaining details are subject to approval at the shareholders' meeting scheduled for May 2025.

3.1.5 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

It is not applicable as there is no stock dividend distribution for the current fiscal year.

3.1.6 Profit-sharing Compensation of Employees and Directors

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation:

If the Company has net profit after tax for the current period, in addition to the income tax paid in accordance with the law, it shall first make up the losses of the previous year, and then set aside 10% of such profits as a legal reserve as required by law, and make a provision or reversal of the special surplus reserve in accordance with the provisions of the competent authority. If there is any balance remaining, it shall be allocated as follows:

(1) 3% to 10% of the employee's compensation.

(2) The directors' compensation is not more than 5%.

(3) The balance is the shareholders' dividend, which shall be distributed by resolution of the shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The basis for estimating the amount of employee compensation for the current year (2024) is based on the distribution of the previous year, and the compensation of directors is distributed according to the previous year. If there is any difference between the estimated expenses in the current period and the resolution of the board of directors or the shareholders' meeting, it will be handled according to the letter from the competent authority, and the annual adjustments will be made to the accounts or financial statements of the shareholders' meeting resolution.

3. The earnings distribution has been passed by the Board of Directors and has not yet been resolved by the shareholders' meeting:

The Company's earnings distribution for fiscal year 2024, in the form of a cash dividend was approved by the Board of Directors on February 27, 2025. The remaining details are subject to approval at the shareholders' meeting scheduled:

- (1) The Board of Directors has approved the distribution of employee compensation of NT\$ 92,786 thousand, cash dividends to shareholders of NT\$ 999,020 thousand, and director compensation of NT\$ 34,864 thousand, which is not different from the annual estimated amount of recognized expenses.
 - (2) The proportion of the proposed employee compensation distributed in stocks approved by the board of directors to the current period's after-tax net income and total employee compensation: It is not applicable as there is no employee compensation distributed in stocks.
 - (3) The calculated earnings per share after the distribution of employee and director compensation is NT\$ 18.86.
4. The earnings distribution has been resolved by the shareholders' meeting: None.
5. The actual distribution of employee and director compensation for the previous fiscal year:

The earnings distribution of the Company for the FY 2023 was passed by the shareholders' meeting in May 2024, of which NT\$ 85,546 thousand of employee compensation and NT\$ 32,150 thousand of director compensation were distributed, and the actual distribution is consistent with the earnings distribution passed by the shareholders' meeting and was fully paid in cash on August 15, 2024.

3.1.7 Share Repurchases by the Company

None.

3.2 Issuance of corporate bonds

None.

3.3 Preferred shares

None.

3.4 Global depository receipts

None.

3.5 Employee share subscription warrants

None.

3.6 Employee share subscription with restrictions

None.

3.7 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

None.

3.8 Capital allocation plans

With respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits and their implementation status:

3.8.1 Analysis of the previous cash capital increase, merger or acquisition, issue of new shares in connection with the acquisition of shares of another company, or plan of utilization of capital from issuance of corporate bonds

Not applicable.

3.8.2 Plan for the current cash capital increase, issuance of corporate bonds, issuance of employee stock warrants, or issuance of new restricted employee shares

Not applicable.

3.8.3 Current issue of new shares in connection with acquisition of another company's shares

Not applicable.

3.8.4 Current issue of new shares in connection with acquisition or merger

Not applicable.

IV. Overview of Business Operations

4.1 Operation of the Company

4.1.1 Description of Business

1. Scope of business

(1) Main content of the business operations

The Company's main business is manufacturing, processing, trading, import and export trading and transacting agency business of various sports and leisure products, aerospace medical products, carbon fiber, glass fiber products and composite materials.

(2) Relative weight of each business

Unit: NT\$ 1,000

FY Product Item	2023		2024	
	Net Operating Revenue	%	Net Operating Revenue	%
Sports and Leisure Products	7,566,285	81.65	7,616,984	80.36
Aerospace Medical Products	685,792	7.40	741,102	7.82
Raw Materials and Others	1,014,470	10.95	1,120,029	11.82
Total	9,266,547	100.00	9,478,115	100.00

(3) Current products (services) of the Company

① Sports and leisure products: The main products are carbon fiber tennis rackets, badminton rackets and squash rackets, composite bicycle frames, forks and handlebars, rims, composite helmets, knee pads and neck pads, etc.

② Aerospace medical products: The main products are the medical products such as medical imaging diagnostic equipment, operating room bed plates and accessories, inclined platform lifts, exoskeleton aids, wheelchair accessories and dental mold calibrators, social welfare vehicle safety accessories, etc. There are also key structural components for business class and economy class seats of commercial airliners such as Airbus and Boeing, air conditioning fittings for helicopters, aircraft meal cart components and interior paneling, etc.

③ Applications of precision injection technology: The injection processes are mainly used to develop the plastic parts in tennis rackets and composite helmet modules within the Group, including plastic resins, fiber-reinforced plastic parts and precision embedded injection (Insert Molding), high fiber plastic parts that directly supply to key bicycle market brand customers, including road and mountain bike derailleur kits, key plastic parts in the shock absorption system assembly, electric derailleur system external structural components, main structural components for high-end baby stroller, electronic and micro electro-mechanical (MEMS) detection kits for automotive applications. In addition, in response to global technological trends, precision injection is also pushed into micro-injection molding applications, and the technology has been commercialized in the inner and outer structures of electronic auxiliary hearing aids and the structures of electronic sensors, such as ToF optical sensor module components, and health monitoring module components, etc.

(4) New products (services) planned for development.

Continue to extend the use of self-developed and self-produced thermosetting composites in consumer products, various types of panels and subsystem assemblies for aircraft interiors, seat system integration and commercial aircraft body structures and substructures, etc. In addition, a variety of high-end medical testing and treatment equipment, composite technology solutions for lightweighting of key components and exterior parts in the automotive industry, as well as public transport industry related composite structural components, etc.

2. Industry Overview

(1) Current status and development of the industry

① Current status and development of composite materials industry:

According to the latest data released by JEC, the market value of global composites, including final component processing, is growing at a rate of 7% every year. Among them, the five major markets of transportation, energy, aviation, protection, and construction account for 75% of the global composite material market value.

Composite materials are an important part of the field of new materials, compared with traditional materials, composite materials have a series of superior properties: strong designability, high specific strength and modulus, good anti-fatigue fracture performance, structural and functional-integrated, which is irreplaceable by other functional and structural materials. They are indispensable basic materials for the development of modern industry, national defense, and science and technology, and are also the important material foundation for the development of new technological revolutions. Composite materials have become an important leading material in the field of new materials. Furthermore, carbon fiber, the next generation lightweight material that meets the low-carbon trend, is lighter and stronger than most existing materials, and replacing aluminum alloys with it can reduce weight by 30%, which means less fuel consumption and carbon emissions and better economics for areas such as aircraft and automobiles and rail transit.

According to relevant research data, carbon fiber applications are extensive, growing at a rate of 10% to 15% every year. This growth trend is expected to continue in the future. The above-mentioned research data also pointed out that the global carbon fiber theoretical total production capacity is mainly concentrated in the United States, Japan and China, accounting for more than 70% of the total production capacity, and the order of production scale is China, the United States and Japan.

Benefitted from the increasing demand across various industries for lightweight and high-performance materials, the carbon fiber composite materials market has shown steady growth. Known for their excellent strength-to-weight ratio, corrosion resistance, and durability, these materials have become essential in sectors such as aerospace, automotive, and renewable energy.

Throughout the period from 2020 to 2024, the primary demand

for carbon fiber composite materials came from the aerospace, automotive, and wind energy sectors. In response to the growing demand for strong, lightweight, and durable materials, manufacturers have increasingly invested in advanced manufacturing processes and technological innovation. Meanwhile, interest in recyclability and bio-based materials increased rapidly. As carbon fiber composite materials expand into emerging applications such as hydrogen storage, 3D printing, and next-generation mobility solutions, the overall industry landscape is expected to continue expanding.

Looking forward to the period from 2025 to 2035, the accelerated development of automation technologies and the integration of artificial intelligence into manufacturing processes are expected to significantly enhance the production efficiency and cost-effectiveness of carbon fiber composite materials, making them a more affordable option across various industries. The development of next-generation composite materials, featuring self-healing properties, smart sensing, high performance, and multi functionality will further expand their applications in national defense, healthcare, and robotics. Simultaneously, growing sustainability concern are expected to accelerate the implementation of low-energy manufacturing processes, recycling technologies, and bio-based materials.

Japan is a composite material powerhouse. It is also the main technology and production capacity supplier of carbon fiber in the world, with a diverse application featuring with high technology and quality standards. The leading technical professional factories also attach great importance to the various applications of FRP in engineering, including the application of a high proportion of transportation equipment, building structure, large-scale petrochemical pipe fittings and containers, electronic commodities, consumer goods, wind power, ships and aviation and other major application areas. In response to market trends and the improvement of materials technology and machinery, all are concerned about the new applications of new thermoplastic composites (TPC) and nano composites in the future.

Some well-known foreign composite companies are attracted to enter the vast Chinese market, such as Hexcel, Gurit, Vestas, RTP, Alcan, Menzolite, Airbus, Samtechap, Huntsman, etc., have built factories or expanded production in China, all of which have achieved good results.

India also has indispensable growth potential in the field of composite materials. In recent years, the composite materials industry in India has been growing at a faster rate, especially driven by industries such as wind energy, railways, automobiles, oil and natural gas, construction, and chemicals. The demand for composite materials in India is increasing, and the market prospects are very broad. The compound annual growth rate (CAGR) is expected to reach 17%, of which the rapid development of automotive applications will drive the growth of India's composite materials industry.

②Current status and development of sports and leisure industry:

Regarding tennis, the United States, Europe, and Japan are the main consumer markets, these three markets account for approximately 80% of the total tennis market, of which brand giants have established brand advantages in the hearts of consumers. The top four world-renowned brands such as Wilson, Babolat, Head and Yonex have 70% of the market share. Almost 90% of the top 50 professional players of the Association of Tennis Professionals (ATP) and Women's Tennis Association (WTA) use these four well-known brand products. Due to the market structure and the absolute leadership of the brand manufacturers, there are very few tennis manufacturers who use their own brands for marketing, and most of them adopt the original equipment manufacturer (OEM) production model. More than 60% of the world's carbon fiber tennis rackets are integrated by OEM factories in Taiwan. The Company has accumulated more than 40 years of manufacturing experience, which is differentiated by the fact that high-end carbon fiber racket manufacturers have strong product R&D capabilities, rich product manufacturing experience and a sound quality management system, basically forming brands with absolute market advantages, while the Company in the role of supply chain manufacturers has an important and competitive manufacturing advantage. In the past two years, the market demand for outdoor sports after the pandemic has increased, resuming the number of ball game players and the corresponding sales. In addition to the star products of tennis and badminton rackets, the elastic, light and easy-to-use paddle tennis racket has become a market trend, forming a new force for the rise of tennis-related sports demand. The Company is committed to continuously contributing to the value of human health and improving the world of tennis, sparing no effort for innovation, and creating the greatest value for society.

In the bicycle sector, the latest statistics from Taiwan's Ministry of Economic Affairs and the Taiwan Bicycle Association reveal that the industry remained mired in a period of inventory reduction throughout 2024, with both export volume and value continuing to slide. As of the first three quarters of 2024, Taiwan exported approximately 280,000 electric assist bicycles (E-Bikes), marking a significant drop of over 50% compared to the same period in the previous year. Exports of conventional bicycles totaled 681,100 units, down 37.52% year-on-year, while the export value of components also fell by 27.54%. Overall, the export value of the bicycle sector amounted to USD 2.311 billion, a 34.14% decrease from the corresponding period in 2023. The decline can be attributed not only to weak demand in the European and American markets and a post-pandemic inventory overhang caused by excessive orders but also to macroeconomic factors such as heightened geopolitical risks and increasing inflationary pressures.

Meanwhile, the United States has intensified its trade policies against China, heightening market expectations of a potential escalation in reciprocal tariffs. This development has prompted many brands to reevaluate their global supply chain strategies, accelerating the relocation of production capacity to Southeast

Asia as a risk mitigation measure. However, this shift has also exerted pressure on businesses that had been heavily dependent on the supply chains in China and Taiwan, further dampening export momentum.

On the other hand, the implementation of the UL 2849 electric bicycle battery safety certification requirement in the North American market since 2023 has presented structural challenges for complete bike manufacturers and supply chains. The certification mandates that all E-Bike products sold in the U.S. market must have their batteries, chargers, and power systems pass safety tests and obtain certification to be legally sold. This has led to delivery delays and rescheduling of development plans for many complete bike brands and battery system suppliers that have yet to complete the certification process. Consequently, the lead time for new product launches and supply chain cycles has been significantly extended, placing additional pressure on export performance. Despite these short-term pressures, industry stakeholders view the regulation as a potential long-term opportunity to elevate industry standards and enhance product safety credibility. Certified companies stand to gain a competitive edge, expanding market share and increasing product value through compliance.

In terms of the supply chain, bicycle brands are actively relocating production bases from China to Vietnam, Indonesia, and other Southeast Asian countries to mitigate geopolitical risks and tariff uncertainties globally. This strategy aims to avoid the high tariffs imposed by the United States on Chinese products while capitalizing on zero-tariff benefits under free trade agreements such as the EU-Vietnam Free Trade Agreement (EVFTA) and the UK-Vietnam Free Trade Agreement (UKVFTA). Notably, major E-Bike brands such as Giant, Merida, and Specialized have significantly ramped up their production presence in Vietnam. While Southeast Asian supply chains currently grapple with challenges like limited production efficiency and inadequate localization of raw materials, this strategic shift is anticipated to bolster supply chain resilience and risk diversification in the medium to long term, potentially triggering a new wave of capacity restructuring.

Although the industry is still grappling with overcapacity and weak demand, industry insiders broadly expect that as inventory levels in Europe and the U.S. approach normalization, a new cycle of order replenishment will likely commence by the end of the second quarter of 2025 at the latest. This anticipated recovery in demand is expected to revive shipment momentum for both complete bicycles and component suppliers, potentially resulting in a marked improvement in Taiwan's overall bicycle export performance in 2025 compared to 2024.

Regarding safety helmets, the global economy has been affected by the pandemic, and there is a strong demand for personal riding equipment, safety helmets, and other protective gear. In addition to the increased demand for motorcycle helmets, there are also more players choosing personalized baseball caps, which indirectly stimulates the growth of baseball caps. As a result, the

demand for high-end customers of Topkey has surged. The European and American markets are grown steadily, and major brands are actively exploring emerging markets. In addition, the well-developed economy in Southeast Asian countries such as India, Vietnam, and China have increased the national income, coupled with the government's safety policy, which have led to an increased demand for safety helmets. In addition, with the significant growth of bicycles, the number of standard bike helmets has also increased, and it has also driven the demand for special off-road bike helmets.

In August 2018, the Chinese market began to require products to meet the requirements of the statutory compulsory safety certification (3C certification), so that high-end brands such as AGV, SHOEI, etc. have invested in 3C certification (GB standards testing). Meanwhile, the test requirements for the Federation Internationale De Motocyclisme (FIM) for racing have also been raised. The Multi-direction Impact Protection System (MIPS) Rotation test has also begun to pass the test regulations, and 12 testing institutions and safety helmet manufacturers around the world have begun to adopt it. The implementation of the latest 3C standard in China is impacting the strategic layout of various brands in the China market. The EU has released a new version of the ECE 22.06 standard in January 2021, which includes multi-angle testing, an increased number of testing points, improved optical standards for visors, helmet shell crack testing, etc. In January 2024, the FIM issued a new regulation stating that, effective February 1, 2026, helmets used in MOTO GP race categories must comply with FIM02 standards to be permitted for competition. As of now, only five helmet models on the market meet these regulatory requirements, including one produced by TK. The increased entry threshold is expected to drive companies to expand their development capabilities in safety helmet technology. To meet the needs of safety strength and lightweight, carbon fiber plays an indispensable role. Moreover, many brands that started out by selling motorcycle clothing have also actively expanded the product series to include "safety helmets" in their product portfolio as their loyal consumers also looking forward to having the same brand of safety helmets, the pursuit of a sense of "collection". During the pandemic, the European and United States market witnessed a surge in orders in 2022. However, due to slowing market demand and substantial inventory levels across brands, the industry focused on clearing excess inventory throughout 2023 and 2024, with orders anticipated to gradually recover beginning in 2025.

The growing pursuit of personalization among consumers, especially the promotion of European and American customized culture, has led consumers do not want to be limited to just a few fixed styles of helmets, and instead desire to use personalized paint colors on the helmet to showcase their own character. In addition, the smart safety helmet can also be updated in real time traffic conditions with map, real-time street view, weather conditions, tire pressure monitoring, automatic accident calling, and gas station reminders and real-time update of fuel price information, etc.

③Current status and development of aerospace medical industry:

The application of science and technology in the field of health care has promoted the continuous improvement of people's health and quality of life. The medical industry has always shown a steady and high growth trend, medical expenditure growth even exceeds GDP growth, and the medical industry will not cause significant fluctuations in the overall medical industry with the changes in the economy. According to the Fortune Business Insights report, due to the increasing incidence of chronic diseases such as cardiovascular, cancer, orthopedic, and diabetes continues to rise, coupled with the improving healthcare policies globally, there is a growing demand for diagnostic imaging. Consequently, the global market of medical imaging equipment is expected to show moderate growth, with market size is expected to expand from USD 41.6 billion in 2023 to USD 67.6 billion by 2032, reflecting a compound annual growth rate (CAGR) of around 5.7%.

Medical imaging diagnostic equipment is the technology and process of obtaining the imaging of internal tissues of the human body in a non-invasive way. As medical facility technology advances, carbon fiber composites have become the standard material for CT scan tables globally, capitalizing on their low X-ray absorption, lightweight and high-strength characteristics, flexibility, and specialized functional properties. As an important component of medical imaging diagnostic equipment, carbon fiber bed plates have been widely valued in the fields of medical devices and biological materials and has also become a major field of application of carbon fiber composites. At present, the leading medical imaging diagnostic equipment manufacturers in Europe, the United States and the newly emerging China are all customers served by the Company for many years. In response to the intensifying market competition, customers continue to deepen integration in the supply chain and product innovation, including joint design and development, achieving innovative structure design and reducing production costs, etc., to better serve customers and achieve higher market share.

Since the end of 2019, the global pandemic of novel coronavirus pneumonia (COVID-19) has boosted the demand for medical imaging equipment, of which CT scans are used as the standard for clinical diagnosis of pneumonia. At the same time, portable DR (X-ray) is used to diagnose and follow up the condition of patients in hospitals. It helps to alleviate the workload of inspections in hospitals located in pandemic areas. Therefore, there is a high demand for medical imaging equipment, and many orders have surged in a short period of time. With the advent of the post-pandemic era in 2022, the demand for CT medical imaging equipment began to stabilize, returning to more sustainable levels. Consequently, market dynamics have driven an upward trend in demand for medical imaging equipment such as Nuclear, PET, and interventional DSA. With the medical imaging equipment as the core business development strategy, the Medical Business Group of Topkey Corporation helps customers develop a variety of medical imaging beds to meet the required mechanical design by providing carbon fiber composites solutions and addressing the

increasing production demand for orders.

To keep the industry moving while addressing environmental impacts, many airlines have pledged to reduce carbon emissions. However, aircraft cannot switch to alternative energy sources such as hydrogen or electricity in the foreseeable future, so sustainable aviation fuel (SAF) made from renewable feedstock is an important short-term alternative that significantly reduces the aviation industry's carbon footprint while reducing its dependence on petroleum. SAF is an environmentally friendly alternative to fossil fuels, that are produced from renewable sources such as biogenic waste oil, agricultural residues, or non-fossil fuels. SAF is a direct fuel that can be mixed with conventional fossil fuels, has the same properties and specifications, and does not require special infrastructure or equipment adjustments. By 2050, the aviation industry may generate as much as 22% of global carbon costs, and many airlines have pledged to emit 50% less carbon by 2050 than they did in 2005. To make the sky cleaner, sustainable fuels will become the trend of carbon reduction and an important short-term choice for aviation. (Source: Taiwan Institute for Sustainable Energy)

In the long run, the aviation industry is a high-value industry that is typically capital, technology, experience, and labor-intensive, and governments around the world are all inclined to support the sustainable development of this industry. Airbus estimates global air traffic to grow rapidly at a CAGR of 4.4% over the next 20 years, requiring the manufacture of at least 37,400 additional passenger and cargo aircraft to meet demand. Among them, the future demand for aircraft in the Asia-Pacific market is the highest in the world, accounting for about 42%, while North America and Europe account for 35%. Boeing also forecasts global demand for more than 42,700 aircraft in the next 20 years, with a total output value of USD 6.3 trillion; if the value of the aviation services market is added, the total output value of the world aviation market in the next 20 years will be as high as USD 15.1 trillion. In response to the international civil aviation industry's demand for energy-saving and carbon reduction, aircraft weight reduction and reduction of manufacturing pollution and other environmental trends, international manufacturers have made more innovative breakthroughs in aircraft bodies, engines, and systems. The engine has been transformed from the traditional engine to an environmentally friendly and energy-saving engine, the system part has been upgraded from a traditional analog instrument to an electronic instrument, and the body part has evolved from a metal material to a composite material. Among them, Boeing's B787 and Airbus' A350 have made breakthroughs in the application of composite materials, accounting for about 52-57% of the total aircraft, the proportion has exceeded the metal. The traditional metal aluminum alloy materials are mostly replaced by non-metallic carbon fiber composite materials, which can save the operating costs of airlines.

Based on the same perspective of weight reduction to reduce fuel operating costs, the new generation of commercial airliner seats have been heavily designed with lightweight materials,

including cabin fabrics, lighting fixtures, catering systems and in-flight entertainment systems, etc. The use of composite materials for the overall interior is not inferior to that of the structural parts of the fuselage. According to Airbus and Boeing, which both forecast more than 37,000 aircraft deliveries over the next 20 years, and airlines are changing seats every 4 to 8 years on average, with a demand for new seats 1.5 times higher than for new aircraft, and a demand for nearly 20 million seats is expected. Looking at the overall global commercial aviation seating market value of more than USD 7 billion in 2019, the MarketsandMarkets predicts that the aviation seating market will grow at 8% per year in the future and is expected to reach USD 12 billion by 2027.

According to official figures from Boeing and Airbus, as of the end of March 2025, there were 15,045 open purchase orders for all commercial aircraft of the two major airline leaders, and there will be a demand for 2,566,850 seats based on the average number of cabin seats. Based on the average annual delivery of about 600 aircraft by both companies, these orders will take approximately 12 years to fulfill. In addition to the demand for new commercial passenger aircraft, it does not include the replacement needs of the cabin seats of each airline, which shows that the Company will have a niche in the development of related products in the aviation industry in the next 20 years. As the aviation industry is impacted by the pandemic, the Company will continue to monitor upcoming changes in orders.

Table 1: Boeing's Statistics on Orders as of March 2025 (Unfulfilled Orders)

Model Number	737	767	777	787	Total
Number of Unfilled Orders	4,775	104	604	836	6,319
Number of New Seats	716,250	31,200	211,400	250,800	1,209,650

Source: Boeing's official website.

(<https://www.boeing.com/commercial/#/orders-deliveries>)

Table 2: Airbus's Statistics on Orders as of April 2025 (Unfulfilled Orders)

Model Number	A220/A320	A330/A340/A350	A380	Total
Number of Unfilled Orders	7,760	966	0	8,726
Number of New Seats	1,164,000	193,200	0	1,357,200

Source: Airbus's official website.
(<https://www.airbus.com/en/products-services/commercial-aircraft/market/orders-and-deliveries>)

④Global emerging micro injection market in precision injection:

With the technical advancement of injection electronics, electrical equipment, machinery and control equipment, and the development of new materials, micro-injection molding has become an emerging field and has a huge business opportunity. However, the size of these products is about the size of "grains of rice or equivalent weight" and contain many fine structures, while possessed characteristics of being highly precise, smooth surface, complex in shapes, and compact in structures. Among them, micro-machining and micro-molding are highly challenging. The application trend is towards the development of information, electronics, medical, and automotive micro-electromechanical products, integrating mechanical, optical, and electrical characteristics, forming emerging application markets, which includes industries such as biomediacal, smart living, and environmental protection. Simultaneously, as consumers' demand for product quality continues to rise, the market outlook for micro-injection molded products will become even broader. According to the latest Global Micro Injection Molding Plastic Market Report & Forecast 2023-2029 of the 168Report, the global market size of micro injection molding plastic was approximately US\$865.7 million in 2023 and is expected to reach US\$1,845.3 million by 2029, with a compound annual growth rate (CAGR) of 11.3% in the coming years.

(2) The links between the upstream, midstream, and downstream segments of the industry supply chain

Upstream	Midstream	Downstream
<ul style="list-style-type: none"> • Carbon fiber manufacturing industry • Chemical raw material manufacturing • Metal manufacturing industry 	<ul style="list-style-type: none"> • Sports and leisure product manufacturing industry • Aerospace and medical component manufacturing industry • High-performance thermoplastic composites (TPC) 	<ul style="list-style-type: none"> • Brand owners • Sports and leisure equipment distribution industry • Commercial aircraft seat and interior system assembly plant • Medical equipment system assembly plant • Consumer electronics ODM/OEM manufacturers

(3) Various development trends of products

①Sports and leisure products

Regarding sports and leisure products, at present, carbon fiber materials have been promoted from fishing rods and golf clubs to tennis rackets, badminton rackets, golf clubs, ice and snow sports equipment, water sports equipment, etc., and the demand has grown steadily. Among them, bicycles, golf clubs, tennis rackets and fishing rods are the main pillar products of carbon fiber composite

materials for sports products, accounting for about 80% of sports and leisure products. As the demands for sustainability grows, manufacturers of tennis racket and cage-style tennis racket are prioritizing the use of eco-friendly raw carbon fiber materials and sustainable manufacturing processes. Major brands are actively exploring innovative coating designs to capitalize on market sales.

A. Technological Trends in Carbon Fiber Bicycle Frames

1. Advances in Material Applications

High-end bike models are now extensively using ultra-high-strength, high-modulus carbon fibers such as Toray T1100/M40X and Mitsubishi MR70, often combining multiple fiber types in specific zones to optimize both strength and weight. For instance, frames constructed with T1100 high-modulus fibers can bring the overall bike weight down to approximately 6.30 kg. In comparison, mid-range frames using lower-grade fibers typically weigh around 6.80 kg, illustrating the weight reduction achieved through advanced materials. Additionally, some brands have started integrating hybrid carbon fibers in wheelsets and other components to enhance impact resistance and rigidity.

2. Structural and Design Trends

- **Integration and Aerodynamics:** The trend toward integrating handlebars and stems as single units continues to gain traction, with head tubes and forks adopting smoother, more aerodynamic shapes. Concealed cable routing is also becoming standard. For example, high-end models like the Giant Propel Advanced SL Team (2016 version) feature a fully integrated carbon monocoque frame with internal cable routing, prioritizing wind resistance reduction and frame cohesion. Integrated seat post clamps are also being adopted to streamline cable management further.
- **Modularity and Versatility:** Some brands are introducing customizable seat posts, handlebars, and accessory kits, allowing riders to adjust riding posture and configurations. Frame structures are also seeing more use of reinforced bottom brackets and oversized down tubes to maximize acceleration response and handling stiffness.

3. Functionality-Oriented Applications

- **Lightweight Design:** The weight of competition-grade carbon fiber frames continues to decrease, catering to the needs of top-level racing. Additionally, high-end components such as wheels and integrated handlebars are increasingly being designed for maximum lightweight performance (with some integrated handlebars weighing around 300g).
- **Enhanced Strength:** High-strength fibers and structural reinforcement layers are being used to improve stiffness and fatigue resistance. Premium frames often include reinforced or monocoque designs at critical stress points (such as the bottom bracket and rear triangle) to ensure optimal pedaling efficiency.
- **Comfort Optimization:** New frame designs are integrating damping materials or elastic layers (such as Bianchi's

Countervail technology, Specialized's Future Shock/AfterShock technology, and Trek's ISOSpeed technology), combined with unique fiber structures and flexible resins, to absorb the majority of road vibrations, providing a smoother and more comfortable ride.

4. Introduction of New Technologies and Brand Innovations

- **New Manufacturing Techniques:** Higher pressure molding processes, 3D-printed components, foil baking, and vacuum inner membranes are now being used in the production of carbon fiber frames to improve material density and structural precision. Emerging brands such as EOS and Zixing have developed their own specialized formulas and molds.
- **Quick Installation Features:** Tool-free quick-release systems, integrated seat post clamps, and quick-release bolts enable riders to quickly adjust saddle height and swap out or install wheels. Some handlebars also integrate features like navigation computer mounts or storage compartments (such as integrated handlebars from Shimano, Giant, etc.).
- **Cable Routing Integration:** As Di2 electronic shifting systems gain popularity, frame designs are increasingly focused on internal cable routing. Some head tube covers are designed with removable sections to facilitate easy installation, while integrated handlebars feature Di2 quick-connect ports, making installation and cable management more efficient.

5. High-End and Mid-Range Differentiation Strategies

- **Material Grade and Thickness:** High-end frames are constructed with the latest high-modulus carbon fiber (such as T1100/MR70) and specialized resins to achieve a lighter weight and enhanced stiffness. In contrast, mid-range models often use more affordable carbon fibers like T800/T700 or opt for a compromise in thickness to improve durability.
- **Functional Features:** High-end products focus more on racing performance, offering top-tier gearing systems and carbon fiber components, as well as comprehensive integrated functions. Mid-range models balance performance with cost, often featuring more lenient head tube angles or geometry, and simplifying the accessory specifications. Brands typically separate their high and mid-range models with distinct series labels.

B. Overview of Carbon Fiber Bicycle Component Technology Trends

As the global bicycle market continues to demand higher performance, lighter weight, and greater integration, the use of carbon fiber materials is expanding beyond traditional frames to include critical components such as wheels, integrated handlebars, and cranksets. The growth of competitive cycling, bike tourism, and E-Bike adoption is driving these components to not only improve in material design but also integrate with electronics and smart technologies. These advancements are becoming the key focus in driving the next wave of industry innovation and upgrades.

C. Carbon Fiber Wheelset Technology Trends

1. Lightweight and Rigidity Balancing Design

High-modulus carbon fiber (such as T800/T1100) combined with optimized layering techniques provides a balance between lightweight and lateral rigidity, making it the preferred choice for high-end disc-brake road bikes.

2. High-Damping Rim Design (Hookless/Wide Rim)

The Hookless design, when paired with tires 28mm or wider, is steadily replacing traditional narrow tire wheelsets. This design improves comfort, reduces rolling resistance, and enhances reliability for tubeless-ready systems.

3. Aerodynamic Shaped Design

Wide rims (25–30mm in width) with medium to high rim depths (45–65mm), optimized through CFD simulations and wind tunnel testing, effectively reduce turbulence and crosswind interference, enhancing high-speed performance.

4. Reinforced Carbon Fiber Wheelsets for E-Bikes

In response to the high torque demands of E-MTB and E-Road bikes, some brands have developed specialized wheelsets. These feature thicker carbon fiber weaves and reinforced structures to prevent damage at high speeds, with high-strength aluminum alloys used for the hub adapters.

D. Integrated Handlebar Technology Trends

1. Integrated Internal Cable Routing Design

Modern bicycles typically feature carbon fiber one-piece handlebars that combine internal cable routing with the headset system, minimizing wind resistance and creating a cleaner, streamlined appearance.

2. Balancing Aerodynamic Design and Ergonomics

With wing-shaped flat crossbars, short reach, and shallow drop designs, these handlebars cater to both the aerodynamic demands of competitive racing and the comfort requirements for long-distance riding.

3. Extreme Lightweight Development

Leading brands such as Darimo and Black Inc have introduced one-piece handlebars weighing under 250g, using high-modulus carbon fiber structures and high-pressure molding techniques.

4. Modular and Customizable Systems

More and more brands are offering specialized one-piece handlebars and stem combinations designed to seamlessly integrate with specific bike frame systems (e.g., Canyon CP10, ENVE SES Aero), improving overall rigidity and ease of installation.

E. Crankset Technology Trends

1. Rise of Full Carbon Cranksets and Hollow Technology

Lightweight carbon fiber hollow cranksets have replaced traditional aluminum alloy models, especially in road and time trial bikes, becoming the standard for maximizing pedaling stiffness and optimizing weight.

2. Power Meter Integration as a Standard Feature

High-end bicycles now typically come with integrated power meter modules (e.g., SRAM Quarq, Shimano DURA-ACE),

offering options for dual-sided power measurement and Bluetooth/ANT+ transmission, meeting the needs of smart training.

3. Modular Chainring Systems

The Direct Mount design has gained widespread adoption, allowing riders to easily swap chainrings to customize their gear ratios while ensuring compatibility with various drive systems (1x, 2x, 12-speed, etc.).

4. Enhanced Ergonomics and Pedaling Efficiency

Brands now provide various Q factor and spindle length options tailored to rider preferences, using asymmetric crank arm designs to reduce pedal dead spots and improve the efficiency of left-right symmetrical power transfer.

F. Bicycle Industry Development and Integration Trends

1. Advanced Use of Carbon Fiber Structures: Integrated molding (e.g., wheel rims, handlebars, cranksets) is essential for enhancing overall bike stiffness and ensuring design consistency. This approach will be a central focus of future design strategies.

2. Critical Role of Soft and Hard Design Integration: Carbon fiber manufacturers must incorporate CAE/FEA simulations, wind tunnel testing, and human dynamics analysis to increase their value in the early stages of development.

3. E-Bike Technology Fuels Component Upgrades: Carbon fiber technology is no longer limited to competitive models. As E-MTBs and high-end commuter E-Bikes gain popularity, carbon fiber wheels and handlebars are evolving toward higher strength and impact resistance to meet the demands of these new categories.

4. Growing Emphasis on Sustainability and Green Design: European and North American brands are increasingly prioritizing the environmental impact and transparency of carbon fiber manufacturing processes, integrating ESG considerations into product material choices and manufacturing practices as part of their supply chain selection standards.

G. In the helmet market, future development will focus on integrating smart technologies, specializing in specific use cases, and incorporating electric or new energy solutions. The overall trend will be toward combining safety, intelligence, and environmental sustainability. The mid- to low-end markets will be primarily policy-driven, while the high-end market will depend on technological innovations. Companies should focus on understanding specific market needs, align with policy and regulatory frameworks, and strengthen patent protections to stay competitive in the industry.

② Aerospace Medical Products

The development of aerospace technology is changing rapidly, aircraft components have been transitioned from metal materials to non-metallic reinforced materials. Boeing's newly developed B787 large passenger aircraft uses carbon fiber/fiberglass composite materials, which accounts for approximately 52-57% of the total

weight of the aircraft, and the GE's GENx engine that specifically for use by B787 also massively uses composite blade products. Moreover, the steady growth of the aviation interior composites market driven by the new aircraft demand and the upgrades of existing aircraft cabins, which is projected to grow at a CAGR of 6.81% from 2023 to 2029.

Medical imaging diagnostic equipment is the technology and process of obtaining the imaging of internal tissues of the human body in a non-invasive way. In addition to X-ray, there are other imaging technologies such as positron emission tomography (PET), ultrasound scanner, computer tomography (CT), magnetic resonance imaging (MRI). Carbon fiber has an excellent X-ray transmission rate, low loss rate, excellent mechanical properties, chemical stability, biocompatibility with the human body, non-toxic and odorless. With the improvement of medical facilities technology, more and more medical imaging diagnostic equipment using carbon fiber composite materials (high-end cardiovascular bed plates, C-arms, mammography machines), making full use of its lightweight, high strength, flexibility, and special functional properties. The field of medical equipment has become a major field of application of carbon fiber composite materials.

Due to considerations of strength and weight, composite materials are extensively used in medical aids and accessories. Increased awareness of energy conservation and carbon reduction in countries around the world, for example: the goal of reducing carbon emissions of the EU has an impact on industries such as ambulances or social welfare vehicles that need to carry medical equipment, so there is a need for composite materials.

(4) Product Competition

① Sports and Leisure Products

The Company is one of the first manufacturers to invest in carbon fiber composite tennis rackets, bicycles, and safety products. Compared with other competitors who entered the market later, the Company has a more complete customer base and has many years of close cooperation with major brands of products around the world. With years of manufacturing experience and accumulated technological development, the Company has become one of the few OEM factories with ODM R&D capabilities. The Company continued to improve the product innovation and technological R&D, which established a competitive advantage that is difficult for competitors to catch up within a short period of time.

② Aerospace Medical Products

Due to the nature of the medical industry that is closely related to human life, health, and safety, the quality requirements for products are higher than that of general products, and the products must be certified before they can be marketed. With the continuous increase in investment in healthcare reform, more and more competitors are entering the medical equipment industry. In addition to the competitors in the mature markets like Europe, the United States, and Japan, competitors have also emerged one after another in the Chinese market.

Although there are many new entrants in the market of aircraft seats, however they are limited by highly customized demand, strict certification regulations, and fast delivery, etc. At present, Topkey Corporation still has a high market share in the field of aircraft seats, and technological innovation, service and self-made materials are the biggest competitive advantages.

3. Technology and R&D Overview

(1) The technological level and R&D of the business

① Sports and Leisure Products

The sports and leisure products produced by the Company, in addition to being lightweight and durable, must also conform to the principles of ergonomics and bionics to meet the requirements of consumers for fitness/ sports/entertainment in the market. The development process is conducted in accordance with the Advanced Product Quality Planning (APQP) and Failure Mode and Effects Analysis (FMEA) processes. The Company self-developed and produces various prepregs with different resin formulations for different products to meet the requirements of strength, rigidity, and toughness. At the same time, quality control of prepreg of the Company has been recognized as one of the technology leaders in the industry. In recent years, due to the improvement of the basic formulation and molding process of thermoplastic materials, providing customers with a variety of product specifications, and developing hybrid thermoplastic and thermosetting composite materials.

② Aerospace Medical Products

All the commercial aircraft assemblies manufactured by the Company meet customer specifications and relevant international regulations, such as the cabin interiors crashworthiness requirements of Part 25 of the Federal Aviation Regulations (FAR), the strength testing specifications of the American Society for Testing and Materials (ASTM), and the Hydrogen Induced Cracking (HIC) testing in the aviation field. The development process is conducted in accordance with the APQP and FMEA processes. In 2007, the Company obtained AS9100 Aerospace Industry Quality System Certification, and in 2014 and 2017, successively obtained NADCAP composite materials special processes and ultrasonic non-destructive testing certifications.

The Company continues to promote process automation, reduce man-hours and labor costs, improve quality stability and production efficiency, and improve post-processing processes. In addition, it pioneered the rapid prototyping model, strengthened the efficiency of prototype sample production, and greatly enhanced the image of professional aircraft seatback manufacturers. On the other hand, due to the demand of international manufacturers for alternative material suppliers, the Company is also actively cooperating with the R&D of thermosetting and thermoplastic material formulations and has successfully completed the development of several materials formulations and will actively cooperate with customers to participate in the aviation raw material market in the future.

The Company's medical equipment products are designed to

be lower cost, low aluminum equivalent, and towards safer composite technology solutions. In addition to following the APQP and FMEA processes during product development, the Company further improves the success rate of product development, shortens the development cycle, and reduces development costs through CAE simulation analysis and active participation in product design.

③Applications of Precision Injection Technology:

Combined with the technology of precision mold and micro injection process, and the optimization of material technology to promote the control dimensional characteristics up to micrometer (μm), as well as integrated with optical automatic detection for real-time product quality monitoring to complete the goal of mass production quality of customers. Then combined with automatic packaging, the unit components are packaged in the form of trays and tape (tape-on-reel) with automatic vacuum packaging, enabling automatic assembly and production of back-end modules.

(2) R&D personnel and their academic qualifications and experiences

March 31, 2025

Item	Number of personnel (persons)	Percentage (%)
Master's degree or above	16	3.14%
College and university	330	64.83%
High school (inclusive) or below	163	32.02%
Total	509	100%

(3) Consolidated annual R&D expenditures and technologies or products successfully developed for the most recent 5 fiscal years

①R&D expenditures invested:

Unit: NT\$ 1,000

FY Item	2020	2021	2022	2023	2024
R&D Expenditures	310,546	342,155	402,684	447,713	469,310
Net Operating Revenue	7,234,362	8,691,928	10,965,309	9,266,547	9,478,115
R&D Expenditures / Net Operating Revenue	4.29%	3.94%	3.67%	4.83%	4.95%

②Successfully developed technologies and products:

A. Sports and Leisure Products

Past years

Developed K-Factor technology to enhance racket control
Developed GT Technology to improve frame stability and torsion resistance

Developed BLX technology to enhance the comfort and power of the racket grip.

Developed Cortex Inside and introduced Metal Letter to enhance racket texture

Developed advanced composite C-ply application design to

improve racket control stability
 Developed tennis rackets with high bending moment and low torque, combining flexibility and stability
 Developed high Tg resin for use in carbon fiber disc brakes, road bike rims
 Developed ultra-lightweight 600g road bike frames, 980g Hardtail mountain bike frames
 Developed S-glass prepreg for bicycle seat posts to enhance ride comfort
 Developed carbon fiber E-Bike frames and entered mass production
 Developed magnetic mechanism to replace screw-fixed tongue, achieving rapid disassembly change
 Developed Hybrid process for the manufacturing of composite safety helmets
 Jointly developed high-performance ultra-light carbon fiber composite safety helmet, won the international award
 Development of high-end carbon fiber/glass fiber composite industrial safety helmet
 Developed new products such as composite dragon boat paddles, backpack frames, winter boots, etc.
 Application for invention patent on the use of shock-absorbing materials in composite structures has been approved
 High shock-absorbing safety helmet shell design has been granted a new patent in Taiwan
 Developed predetermined process and intelligent production equipment for tubular composite products
 Developed road bikes with rear suspension function and entered mass production
 Developed high-torsion-resistant cage tennis (Padel) rackets and entered mass production
 Developed a new carbon fiber helmet process and obtained a new patent
 Developed a lightweight full suspension mountain bike frame that reduces weight by 15%
 Developed a tennis racket using plant fibers to replace carbon fibers, practicing the spirit of ESG
 Developed an equestrian helmet with detachable chin strap
 Developed a new type of safety helmet with a visor operating mechanism and obtained a utility model patent.
 Develop the light-weighted carbon-fiber bike rim with weight decreased by 20% around.
 Combine carbon fiber with Twaron to greatly improve the anti-twisting performance of rackets.
 Develop the removable and ventilation-adjusted splitter and flank of helmet, which can reduce cycling wind resistance, and adjust cycling balance.
 Develop the new-model helmet lens and the actuating mechanism with mandible moving forward, and obtain the practical new-model patent.
 Developed the third generation of ODS and applied it to the development of a new model, which successfully passed the

FIM-02 certification, becoming the second MotoCross model in the world to achieve this certification.

Created a helmet with high ventilation performance using an EPS and Koroyd honeycomb sandwich structure.

FY 2024

Develop high-strength bike rim.

Import automation equipment such as robot arm, etc. in manufacture of several manufacturing processes.

Develop the design, by which hitting stability and comfort of tennis rackets can be improved.

Develop the design and manufacturing processes which can meet the upgrading test requirements of both ECE2206 (European Motorcycle Helmet Test Certification) and FIM-02 (Fédération Internationale de Motocyclisme Helmet Test Certification).

B. Aerospace Medical Products

Past years

Developed high-end CT medical imaging equipment bed plates, won the GE Technology Innovation Award

Developed high-end CT/Nuclear, CT/PET imaging equipment bed plates with high rigidity

Developed a metal-to-composite conversion design for C Arm X-ray machine

Developed a lightweight composite wheelchair ramp with sandwich structure that meets JIS standards

Developed high-performance thermoplastic composites for use in medical imaging equipment components

Developed lightweight aircraft economy cabin seat with high-strength carbon fiber composite seatback

Develop customized lightweight composite components for business class cabins

Developed flame-retardant epoxy resin, passed the flammability test of the US civil aviation FAR25.853

Developed a new generation refractory phenolic resin, in compliance with aviation regulations and seatback applications

Developed lightweight sandwich structure composite panels for use in business class components

Developed economy class aircraft seat back sub-assemblies, providing one-stop solution.

Developed an upgraded version of the mini-C-arm X-ray machine

Developed a tilt angle adjustable headrest for high-end diagnostic imaging equipment

Developed imaging components for portable digital radiographic (DR) equipment

Developed contrast components for DSA vascular imaging equipment.

Developed contrast components for cardiac CT diagnostic equipment.

Develop the light-weighted 800g carbon-fiber economy-class seat back.

Develop the bedplate of new-model advanced imaging

inspection equipment.

Develop the headrest of advanced imaging inspection equipment in 15° slope.

FY 2024

Develop manufacturing process which can increase safety values of damage strength of aviation economy seat cushions.

Successfully develop the coating-free manufacturing process for medical bed boards.

4. Long- and short-term business development plans.

(1) Short-term business plan

① Sports and Leisure Products

- A. Under the scale of existing production capacity, expand the Company's advantages in the mid-to-high-end market, increase the proportion of sales of high-value-added products, and further enhance the ODM capabilities in OEMs, increasing customer dependence and product added value.
- B. Actively develop production and sales plans, serve existing customers with high-quality products and competitive prices, and grow together with them.
- C. Extend the development of new models for existing customers.
- D. Promote innovative products and patent protection.
- E. Establish production bases in Southeast Asia, close to the supply chain of automakers, to avoid the risk of trade rules.

② Aerospace Medical Products

- A. More actively participate in professional exhibitions to look for suitable new business opportunities, including business and first-class composite technology solutions, as well as penetrating into seat sub-assembly market, and enhance the design capabilities of the combination of heterogeneous materials and composite materials, improving the customer's one-stop consumption of high-value service level.
- B. Aligned with the 14th Five-Year Plan, the Chinese government offers phased fiscal subsidies to facilitate the upgrading and improvement of medical equipment, aiming to optimize and elevate the entire industry chain, enhance technological innovation, and increase brand influence. This initiative aims to propel medical equipment towards the higher tiers of the value chain. Through sustained process innovation and competitive pricing that surpasses the European and American competitors, the initiative remains committed to identify opportunities for Best Cost Country transfers.
- C. Through cooperation with international OEM manufacturers and participation in domestic production on indigenous aircraft program to obtain important material specifications, accelerating the R&D of self-made materials, conducting laboratory tests on the physical properties of various materials and the mechanical properties of test pieces, and laying the foundation for future sales of aviation materials.
- D. Penetrate into other medical equipment fields, expand the

number of medical customers and product categories, actively propose design change solutions or assist customers in product lightweighting with composite expertise, creating win-win results for both customers and the Company.

(2) Long-term business plan

① Sports and Leisure Products

- A. Strengthen supply chain management, establish close strategic alliances with upstream and downstream customers with the Company's comprehensive scale advantages and technical advantages to achieve absolute competitive advantage in the entire value chain.
- B. Improve efficiency and reduce manufacturing costs to ensure market acceptance. Actively develop e-bike and carbon fiber rim markets.
- C. Strategic target customer development, through the creation of competition in the customer market and the Company's irreplaceable advantages, to attract competitors' customers to switch to the Company due to market challenges.
- D. Strengthen the assembly capability of the subsystem, accelerate the customer's new product launch schedule, and improve the assembly yield.

② Aerospace Medical Products

- A. Continue to implement streamlined production processes, focus on production efficiency, improve production capacity, and ensure product quality.
- B. Continue to develop new technologies and obtain leading-edge technologies and patents.
- C. Integrate the capabilities of plants in Taiwan, China, and Vietnam to provide customers with flexible capacity allocation and rapid development services.

③ Applications of Precision Injection Technology

- A. Continue to expand the applications of precision mold technology, value-added fiber-reinforced plastic injection, insert-over molding, hybrid molding, micro-injection to increase the value-added injection production.

4.1.2 Market and Sales Overview

1. Market Analysis

- (1) Analysis of the geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT\$ 1,000; %

Sales Region	FY 2023		FY 2024	
	Sales Amount	Sales Proportion	Sales Amount	Sales Proportion
Asia	5,757,898	62.14%	6,088,115	64.24%
Europe	2,077,099	22.41%	2,359,418	24.89%
Americas	1,210,296	13.06%	959,432	10.12%
Others	221,254	2.39%	71,150	0.75%
Total	9,266,547	100.00%	9,478,115	100.00%

- (2) Market share

① Sports and Leisure Products

The Company is a leading manufacturer of composite sports and leisure products. Based on market sales and the Company's sales volume, the Company has a market share of approximately 25% in high-end tennis rackets, approximately 30% in composite bicycle frames, and approximately 33% in composite safety helmets.

② Aerospace Medical Products

The Company accounts for approximately 35% of the market share of composite aircraft seatbacks and approximately 40% to 50% of the market share of bed plate market of CT scanners.

- (3) Demand and supply conditions for the market in the future and the market's growth potential

① Sports and Leisure Products

Benefiting from the sustained high levels of economic growth of Asia and various emerging countries, the sports population of each country continues to grow significantly. With the advancement of material technology and manufacturing technology, consumers have repeat consumption and fashion consumption trends, greatly shortened the product lifespan. With the popularization and globalization of sports and leisure activities, consumers began to pay more attention to their own performance and sense of achievement in leisure sports. At the same time, under the strategy of various brands introducing new products, cultivated a willingness to adapt to the trend of buying, and even integrate products into modern life as fashionable goods or souvenirs.

During the epidemic, dealers of various bicycle brands placed repeated orders due to the shortage of metal parts, resulting in inventory levels higher than pre-epidemic levels. It is estimated that after the inventory is liquidated this year, coupled with the environmental protection demand of net zero emissions, the bicycle industry will be able to return to the growth trend.

② Aerospace Medical Products

In the next 20 years, 50% of the world's air passenger traffic will be related to Asia, and the air passenger traffic in Asia is

expected to grow at a rate of 6.7% per year, higher than the growth in other regions around the world. The liberalization of aviation regulations among Asian countries and the rise of low-cost airlines, as well as strategic partnerships between airlines, have underpinned the growth of passenger traffic in this region. According to Boeing forecasts, 11,450 new aircraft will be needed in Asia alone over the next 20 years, for a total value of about USD 1.5 trillion. The number of aircraft in Asia is also expected to triple, growing from 4,410 to 13,480.

The Chinese market has become the most concerned market for medical equipment manufacturers, and market research firm Frost & Sullivan pointed out that the size of China's entire medical equipment market is expected to continue to grow at a double-digit rate. This data includes products ranging from patient monitoring devices to stents. Most of the market growth is expected to come from CT and X-ray equipment. Among the top five markets for medical imaging equipment, X-ray dominates with a share of 35.5%. This growth is primarily fueled by the rising adoption of interventional X-ray system, including C-arms. Moreover, ultrasound leads with the highest compound annual growth rate of 7.3%, followed by MRI at 6.3%, and CT at 5.6%.

(4) Competitive niche

- ① In-house supply center that can control the R&D and production of raw materials.
- ② With a considerable scale, it is conducive to forming an industrial alliance with the upstream supply chain during the rapid development of the carbon fiber industry.
- ③ With core composite application technology and manufacturing technology and abundant composite professionals, it is conducive to expanding higher value-added fields in the composite industry.
- ④ Entry barrier is high due to long product development and certification time.

(5) Favorable and unfavorable factors and countermeasures for future development

① Favorable factors

- A. The rich customer resources and are all industry-leading brands, which is more conducive to the Company to obtain industry information and market dynamics and is more conducive to promoting the industry-leading operation and management of the Company.
- B. The emerging market economy continues to grow, China has transformed from the world's factories to the world's market. As the national income increases, the consumption expenditure on leisure and sports will also increase relatively, the consumption potential is stunning. The proportion of low-end rural medical care designed in local languages is increasing, and our geographical location and language have the advantages to meet customer needs.

② Unfavorable factors and countermeasures

- A. High labor costs

If China continues to adjust its economic structure, and the rural population continues to shift to cities and towns, the "urbanization" caused by the continuous agglomeration of secondary industries into cities and towns will increase labor costs.

Countermeasures: Increase automation equipment and enhance R&D and design capabilities to increase the added value of products. And improve labor efficiency through effective management methods.

B. Shortage of professional talents in the process of diversified development

Countermeasure: Collaborate with universities and research institutions to acquire leading technology and talent.

C. High proportion of exports, susceptible to exchange rate fluctuations

Countermeasure: Maintain close contact with banks, keep abreast of exchange rate trends, and use appropriate foreign exchange tools to avoid the risk of exchange rate fluctuations.

2. Important uses and manufacturing processes of main products

(1) Important uses of main products

① Sports and Leisure Products

The main products are tennis rackets, badminton rackets, squash rackets, bicycle frames, safety helmets, knee pads, shoulder pads, etc., which are the first choice for fitness, sports, leisure, and safety protection.

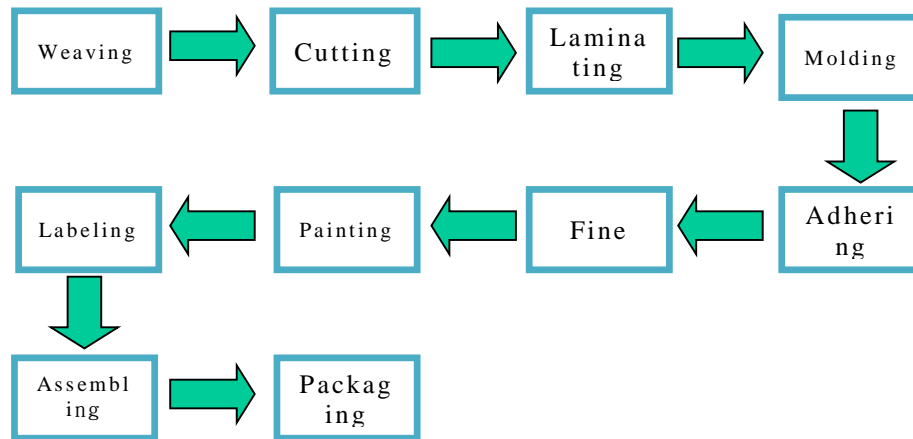
② Aerospace Medical Products

The main products are lightweight, durable, energy-saving and environmentally friendly high-end products, including commercial aircraft interior products, barrier-free space design auxiliary platforms (ramps), exoskeleton aids, safety accessories of ambulances and social welfare vehicles, and parts and components of medical imaging diagnostic equipment (CT/X-ray/Nuclear/PET/DSA bed plates and accessories, orthodontic accessories, MINI C-Arm), etc.

③ Precision Injection Products

In addition to using reinforced and high-fiber injection-molded structures, the original metal structure is gradually being replaced to achieve lightweight, balanced structural characteristics and value advantages. This is another alternative for customers in addition to the continuous reinforcement fiber solution, which expands the functional and flexible design applications of bicycles and baby strollers. As for micro-injection, in addition to the continuous technological improvement to meet the mass production demands of critical electronic sensing device customers, the Company also continues to develop a new generation of more subtle and more precise component products.

(2) Manufacturing process



3. Supply situation of main raw materials

Main Raw Material	Supplier	Supply situation
Carbon fiber	Formosa Plastics Group, Mitsubishi Chemical Corporation, Toray, Toho	Good
Resins	Nan Ya Plastics Corporation, Epoxy Base Electronic Material, DIC, Chang Chun Group	Good
Solvents	Chi Mei Trading Co., Ltd., Shingho Chemical Corporation, Yuan Jen Enterprises	Good

4. Explanation of significant changes in gross margin by main product category or department for the most recent 2 fiscal years

(1) Consolidated Sales Gross Profit Analysis for the Most Recent 2 Fiscal Years

Unit: NT\$ 1,000

Item \ FY	FY 2023	FY 2024
Net Operating Revenue	9,266,547	9,478,115
Gross Profit (Note)	3,030,788	3,307,294
Gross Profit Margin (Note)	32.71	34.89
Rate of Change in Gross Profit Margin	6.66%	

Note: Excluding unrealized profits among affiliated companies.

(2) Analysis of gross margin changes of more than 20%: Not applicable.

5. List of major suppliers and customers

- (1) The name of the supplier and the purchase amount and proportion thereof, which accounted for more than 10% of the total consolidated procurement amount in either of the 2 most recent fiscal years, and the reasons for the increase or decrease

Unit: NT\$ 1,000

FY	FY 2023				FY 2024			
Item	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with Issuer
1	A	281,296	12.27	None	A	460,497	13.85	None
2	Others	2,011,789	87.73	None	Others	2,865,545	86.15	None
	Net Purchases	2,293,085	100.00		Net Purchases	3,326,042	100.00	

Note: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name. Explanation of the reason for increases or decreases in the above figures: No significant changes.

- (2) The name of the customer who has accounted for more than 10% of the total consolidated sales in in either of the 2 most recent fiscal years, the amount and proportion of the sales, and the reasons for the increase or decrease

Unit: NT\$ 1,000

FY	FY 2023				FY 2024			
Item	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with Issuer
1	Company A	1,386,584	14.96	None	Company A	1,677,442	17.70	None
2	Company B	1,152,018	12.43	None	Company B	1,137,099	12.00	None
3	Others	6,727,945	72.61	None	Others	6,663,574	70.30	None
	Net Sales	9,266,547	100.00		Net Sales	9,478,115	100.00	

Explanation for the reason for increase/decrease: Both clients A and B are integral assembly factories for a singular bicycle brand. Due to the brand's revised assembly strategy, which now encompasses multiple factories, the principal orders from the brand have been distributed between clients A and B. Despite this restructuring, there is no discernible variance in sales revenue for clients A and B in FY 2024 when compared to client A's sales revenue in FY 2023.

4.1.3 Number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

March 31, 2025

FY		FY 2023	FY 2024	Current fiscal year up to 31 March, 2025
Number of employees	Number of direct labors	3,294	3,904	3,799
	Number of indirect labors	2,089	2,126	2,166
	Total	5,383	6,030	5,965
Average age		38.64	37.86	37.93
Average years of service		7.30	6.83	6.84
Education distribution percentage (%)	Ph.D.	0.06%	0.05%	0.05%
	Master's degree	1.10%	1.03%	1.04%
	University and College	21.90%	21.49%	22.23%
	Senior high school	14.92%	15.62%	15.47%
	Below senior high school	62.02%	61.81%	61.21%

4.1.4 Disbursements for Environmental Protection

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

4.1.5 Labor Relations

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

(1) Employee benefit plans

The Company cares about and attaches importance to the welfare of employees. The Company provides labor insurance, national health insurance, contributions to labor pension funds in accordance with the law, and provides group accident insurance, regular health examination, special health examination for specific operations, travel subsidies, employee meals, employee uniforms, safety shoes, year-end banquets and lucky draw event, where every participating employee is guaranteed a prize, year-end bonuses, as well as recognition outstanding employees. Each employee is entitled to two days of paid volunteer leave per year to participate in various volunteer activities organized by the Little Sunshine Volunteer Society.

The Company has established an Employee Welfare Committee, with an average annual allocation of over NT\$5 million, to provide various welfare programs to our employees over the past three years. These benefits include organizing two-day employee trips, gatherings, family day events, promoting various club activities (such as Little Sunshine Volunteer Society, badminton clubs, leisure sports clubs, aerobic yoga clubs, basketball clubs, cycling clubs, etc.), providing gifts during festival seasons, monthly birthday bonuses, quarterly birthday celebration events, scholarships for employees and their children, subsidies for weddings and funerals, arranging special sales events with contracted vendors, offering discounts at designated stores, and coordinating Christmas gift distribution events during festive seasons.

(2) Continuing education and training for employees

The Company conducts diversified training courses and various professional on-the-job education and training to train employees in accordance with the operational goals of the Company and the needs of colleagues in various departments, including new personnel training, on-the-job training, labor safety and health education training, professional courses and various off-site job-related training courses, to provide employees with the opportunities to develop professional skills and inspire self-growth and learning, in order to cultivate talents with both professional competence and a desire for challenge.

In the FY 2024, a total of 323 employees participated in training courses, accumulating a total training time of 3,720.5 hours.

(3) Retirement system and its implementation status

In accordance with the new labor pension system effective from July 1, 2005, the Company contributes 6% of the monthly salary of all officially employed local employees to their personal labor pension accounts at the Bureau of Labor Insurance for retirement pension every month, as required by law. The Company contributes

6% of the monthly salary of all employees to the pension fund. For the year 2024, the total pension contribution amounted to NT\$8,710 thousand.

New Score Holding Limited, Musonic Corporation, New Score Investment Limited, EIC Holding Limited, XPT Investments Co., Limited are the investment holding or trading companies, therefore, there is no retirement policy. Keentech Composite Tech. Co., Ltd., Xiamen Yeu Chuan Composite Technology Co., Ltd, and Xiamen Xin Hong Zhou Precision Technology Co., Ltd., and Xiamen Valver Color Sticker Co., Ltd. allocate retirement and pension funds in accordance with the laws and regulations of Mainland China and are allocated to local governments according to local regulations with the approval of local governments. Topkey Vietnam Corporation Company Limited contributes employee retirement pension funds at a fixed rate of total wages according to local government regulations on a monthly basis and pays them to the relevant competent authorities.

(4) Status of labor-management agreements

The provisions of the Company comply with the Labor Standards Act, and labor-management meetings are regularly convened every quarter. The Company maintains harmonious labor-management relations, and no labor disputes requiring mediation occurred during the current year.

(5) Measures for preserving employees' rights and interests

The Company has established a comprehensive document management system, which sets out various management measures, stipulates the rights and obligations of employees and welfare benefits, and regularly reviews and revises the content of employee benefits to protect the rights and interests of all employees. "Employees" is Topkey's greatest asset, while "trust" is the fundamental motivation that drives Topkey's employees to pursue excellence. The proactive attitude of employees who are willing to take on tasks and eager for achievements is the key factor for Topkey to fully demonstrate its execution. Therefore, we conduct various employee engagement activities, education and training, promotion, job rotation, model employee selection and recognition for senior employees, etc., to motivate employees to plan and develop their careers.

① The Company is deeply committed to providing employees with a dignified and safe working environment. We diligently uphold principles of fairness in employment practices, including diversity, compensation, and advancement opportunities, ensuring that no employee faces discrimination, harassment, or unequal treatment based on factors such as race, gender, religion, age, political affiliation, or any other protected status as specified in applicable laws. Embracing diversity, we exceed the legal requirement for employing individuals with disabilities by employing a total of 7 individuals, which is 3.5 times higher than the mandate set by the People with Disabilities Rights Protection Act (which requires employing 2 individuals, with each severely disabled person counted as two employees). Moreover, we honor the cultural traditions of our indigenous employees by granting leave for traditional ceremonies during their residential years. To date, we have upheld their employment and human rights without incident.

a. Employee Ethnicity Index

Category	Proportion of the total workforce (%)
Citizen of Taiwan R.O.C.	85.1
Indigenous people	1.4
Foreign nationality	13.5

b. Gender Diversity Index

Indicator	Percentage (%)
Proportion of female employees (%)	46.6
Proportion of female senior managers (%)	27.5

c. Other Diversity Index

Category		Proportion of total full-time employees (%)
Individuals with disabilities		1.69
Total workforce	Grouping by age: <30 years old	22.3
	Grouping by age: 30 to 50 years old	51.35
	Grouping by age: >50 years old	26.35
	Total	100

②The Company regularly holds labor-management meetings, 6 labor-management meeting was held in FY 2024,adopts a two-way approach to promote company policy and exchange of opinions between labor and management and establishes a harmonious labor-management relations through open, honest, and diverse communication channels such as e-bulletins, emails, etc. In addition, an employee complaint mailbox and channels are provided, all complaints will be managed and properly responded to by dedicated personnel.

③The Company provides a safe and healthy working environment for employees, including providing necessary health and first aid facilities, and is committed to reducing the hazard factor to the safety and health of employees to prevent occupational accidents. The Company conducts regular fire and building safety inspections,

arranges annual employee health examinations, and implements safety and health education programs, giving employees the greatest support for health.

④The Company employs legal personnel, and employees can consult with the legal personnel if they have any legal questions.

⑤The Company has established the "Measures on Prevention of Sexual Harassment in the Workplace" and set up a Sexual Harassment Committee to provide employees with a complaint channel.

⑥For personnel dispatched or contracted to the Company through employment agencies or service providers, all leave entitlements, holidays, and matters related to labor or social insurance are handled in accordance with applicable labor laws and regulations.

2. Explain the losses suffered by the company during the most recent 2 fiscal years and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and, in the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: In the latter half of the year 2023 (according to the ROC calendar), deficiencies in communication regarding scheduled leave resulted in employee resignations and subsequent complaints. Consequently, competent authorities imposed a fine of NT\$20,000. Subsequent to this incident, internal evaluations were conducted, and measures were instituted to mitigate the recurrence of labor disputes.

4.1.6 Information Disclosure in Cyber Security Management:

1. Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

(1)Cyber Security Frameworks:

Topkey Group has established an Information Security Committee tasked with executing essential measures for information security management activities, establishing and maintaining the cyber security management system, as well as coordinating the formulation, implementation, risk management, and compliance audits of cyber security management. The purpose is to strengthen the implementation and audit of information security management activities to provide a more secure information environment for all internal and external organizations, government agencies, customers, collaborators, and information users.

The Chairman of the Information Security Committee shall be the Chief Operating Officer, and the members of the committee shall be the directors of headquarters and relevant subsidiaries of the Group recommended by the Chairman and appointed with the consent of the President of the parent company.

The Information Security Committee holds an information security policy content review meeting at least once a year and may hold an interim meeting depending on the actual circumstances. A quarterly committee meeting is convened to review the information security policy revisions and decisions on major issues; budget review and progress reporting of each information security project; reporting of each information security data improvement results; and cover the

results of handling major cyber security incidents and the implementation results of preventing from recurrence.

The Information Security Committee operates on a PDCA cycle to ensure the achievement of objectives regarding cyber security and continuous improvement.

(2) Information Security Policy:

The Information Security Policy of the Group covers all personnel, affiliated enterprises, outsourced service providers, visitors, and on-site contractors, as well as all information assets. Through widespread awareness, it establishes a consensus that emphasizes the shared responsibility for information security. This ensures the confidentiality, integrity, and availability of all associated information assets, in accordance with applicable regulations, safeguarding them against deliberate or accidental threats, both internal and external. By providing a secure operational environment, it promotes the sustainable continuity of the Group's business operations.

The Group has also established the Regulations Governing the Management of Cyber Security to regulate the management of personnel, regional networks, virtual private networks, specific entity to connect to the internal network, mail servers, file servers, personal computers and other information security policy management measures. The purpose is to safeguard the Company's electronic data security and efficiently regulate information and communication operations.

The Group plans to integrate a comprehensive Information Security Management System (ISMS) by 2024, aiming to mitigate security risks from system, technical, and procedural aspects. This will establish an information security framework tailored to the needs of the Company, with continuous improvement through the Plan-Do-Check-Act (PDCA) cycle. By adhering to the standardized management protocols, the Company aims to mitigate security vulnerabilities caused by human error and facilitate continual improvement through annual internal audits.

(3) Specific Management Measures:

To realize the Company's information security policies and objectives, the establishments of comprehensive information security protection, along with the implementation of management measures are as follows:

① Strengthening Information Security:

Regularly every year conduct vulnerability scans on critical systems to identify and address weaknesses and vulnerabilities, thereby reducing security risks. Conducting annual routine security assessment assists in identifying and evaluating potential information security risks faced by the organization. Through comprehensive inspections of systems, applications, and network infrastructure, potential weaknesses and vulnerabilities can be identified and promptly addresses to enhance the overall cyber security. This helps establish robust information defense capabilities to counter evolving security threats.

② Cyber Security Training Courses:

Relevant training courses are conducted for new employees and managerial personnels from time to time, and legal knowledge training, such as intellectual property rights, personal data protection, and company confidential management measures are provided. Furthermore, the Information Department regularly published and promotes business email fraud cases, system account passwords are regularly changed, and

cooperates with external cyber security vendors to carry out social engineering training. This enables employees to understand information security and the Personal Data Protection Act, intellectual property rights, trade secret protection, and information security protection. Employees are required to sign a Personal Data and Information System Usage Disclaimer upon on-boarding to enhance their awareness of information security. In addition, if it is necessary to share highly sensitive and confidential information with collaborators to enable them to provide relevant services, a mutual confidentiality agreement will be signed by the collaborators.

③ Taiwan CERT/CSIRT Alliance:

In 2024, the Company will seek membership in the Taiwan Chief Information Security Officer Alliance (Taiwan CISO Alliance). Through active engagement with the alliance, the Company aims to establish channels for sharing cyber security intelligence, thereby bolstering collective cyber security defenses and response capabilities across enterprises. The purpose is to promote the Company's sustainable business operations.

(4) Resources Allocation for Information Security Management:

The Group has prioritized information security as a critical operational issues. Below outlines the measures and resource allocation plans for information security management:

① Dedicated Information Security Personnel:

Establishing an Information Security Committee responsible for planning, implementing, and managing the information security policies and measure of the organization. The dedicated information security personnel are tasked with ensuring proper protection of the organization's information assets and integrating updated security technologies and related audit procedures to maintain and continually enhance information security.

② Customer Satisfaction:

As of FY 2024, there have been no significant cyber security incidents, and there have been no complaints from customers regarding any breaches of business or personal data.

③ Cyber Security Training for Employees:

All employees undergo regular information security education and training sessions. Furthermore, they are subjected to social engineering phishing email tests annually, with results and relevant educational materials provided thereafter. Through these training programs, employees gain insights into the characteristics and risks associated with phishing attacks, along with techniques and best practices for detection and prevention.

④ Information Security Bulletins:

The Company produces over three information security bulletins biannually to enhance awareness regarding information security, as well as improve the ability to identify and response to security risks. These bulletins also serve to promote awareness of important security policy provisions and guidelines.

⑤ The Company plans to implement Managed Detection and Response (MDR) services to address the evolving tactics and techniques of cyber threats. This initiative leverages professional cybersecurity team and comprehensive Security Information and Event Management (SIEM) system to enhance the protection of critical systems and confidential

data. Through real-time monitoring and threat detection, MDR enables swift incident response, root cause analysis, and detailed security reporting, allowing the Company to implement timely and effective defensive measures, thereby ensuring operational stability.

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

4.1.7 Important Contracts

Nature of Contract	Parties	Beginning and End Dates of Contract	Major Content	Restrictive Clauses
Plant lease agreement	Goodway Machine Corp.	2014/04 - 2025/04	Plant leasing	
Supply agreement	Company A	Since 2010	Brand contracts	Business confidentiality
Land lease agreement	Central Taiwan Science Park Bureau, NSTC	2023/1 - 2037/12	Land leasing	
Civil construction contract	EARTH POWER Construction Co. Ltd.	Since January 2022	Plant construction	
Mechanical, electrical and air conditioning engineering contract	Chang Jia M&E Engineering Corp.	Since August 2022	Plant construction	
Office Renovation Contract	LOYU Interior Design Engineering Co., Ltd.	Since August 2023	Renovation Project	Renovation Project

V. Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

5.1 Financial Position

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

Unit: NT\$ 1,000

Item \ FY	2023	2024	Difference	
			Amount	%
Current assets	8,847,249	10,929,417	2,082,168	23.53%
Financial assets measured at fair value through other comprehensive income-non-current	-	-	-	-
Property, Plant and Equipment	4,712,180	5,143,211	431,031	9.15%
Intangible assets	-	-	-	-
Other assets	167,909	104,991	(62,918)	-37.47%
Total assets	13,727,338	16,177,619	2,450,281	17.85%
Current liabilities	3,916,012	4,920,384	1,004,372	25.65%
Non-current liabilities	1,366,719	1,646,730	280,011	20.49%
Total liabilities	5,282,731	6,567,114	1,284,383	24.31%
Share capital	908,200	908,200	-	0.00%
Capital surplus	1,639,532	1,639,532	-	0.00%
Retained earnings	5,858,693	6,799,532	940,839	16.06%
Other equity	(372,946)	(140,145)	232,801	-62.42%
Treasury shares	-	-	-	-
Non-controlling interests	411,128	403,386	(7,742)	-1.88%
Total equity attributable to shareholders	8,444,607	9,610,505	1,165,898	13.81%
<p>The main reasons for the material changes in assets, liabilities, and equity in the most recent 2 years (deviation over 10%, and the absolute change amount of NT\$10 million) and the measures to be taken in response:</p> <ol style="list-style-type: none"> 1. Current assets: Mainly due to the increases in cash and cash equivalents, as well as trade receivables. 2. Other assets: Mainly due to the decrease in deferred tax assets. 3. Total assets: Mainly due to the increase in current assets. 4. Current liabilities: Mainly due to the increases in short-term borrowings and trade payables. 5. Non-current liabilities: Mainly due to the drawdown of long-term borrowings to finance the plant construction in Central Taiwan Science Park (CTSP). 6. Total liabilities: Mainly due to the increase in current liabilities. 7. Retained earnings: Mainly due to profit growth driven by increased revenue in 2024. 8. Other equity: Mainly due to changes in exchange rate differences arising from the translation of financial statements of foreign operating entities. 9. Total equity: Mainly due to the increase in retained earnings. 				

5.2 Financial Performance

1. The main reasons for the material change in operating revenues, operating income, or income before tax during the past 2 fiscal years
Unit: NT\$ 1,000

Item \ FY	2023	2024	Increase (Decrease) Amount	Deviation (%)
Operating Revenue	9,266,547	9,478,115	211,568	2.28%
Operating Costs	6,235,759	6,170,821	(64,938)	-1.04%
Gross Profit	3,030,788	3,307,294	276,506	9.12%
Operating Expenses	1,327,647	1,430,376	102,729	7.74%
Operating Income	1,703,141	1,876,918	173,777	10.20%
Non-operating income and expenses	293,615	550,151	256,536	87.37%
Profit or loss before tax	1,996,756	2,427,069	430,313	21.55%
Income tax expense	513,321	635,332	122,011	23.77%
Net income (loss) for the period	1,483,435	1,791,737	308,302	20.78%
The analysis for the deviation over 10%, and the absolute change amount of NT\$ 10 million is as follow:				
<ol style="list-style-type: none"> 1. Operating revenue: Mainly due to the increase in gross profit. 2. Non-operating income and expenses: Mainly due to a foreign exchange loss of NT\$14 million in fiscal year 2023, followed by a foreign exchange gain of NT266 million in fiscal year 2024. 3. Profit or loss before tax: Mainly due to the increase in profit for the fiscal year 2024 compared to 2023, resulting from the factors mentioned above. 4. Income tax expense: Mainly due to the increase in income tax expense resulting from the higher profit before tax for the fiscal year 2024. 5. Net income (loss) for the period: Mainly due to the growth in operating profit and the increase in non-operating foreign exchange gain for the fiscal year 2024. 				

2. Sales volume forecast and its basis

The biggest variable in the global economic situation this year is the economic uncertainty caused by the newly introduced tariff policy of the United States, which may increase inflationary pressure and slow down global economic growth, and even increase the probability of recession. In addition, geopolitical risks have not yet ceased, so the global economic environment this year is not expected to be optimistic. Relevant market research analysis and the current situation status and development of the industry, please refer to IV. Overview of Business Operations.

3. Effect upon the company's financial operations as well as measures to be taken in response

For future operational goal setting, in addition to meeting the needs of customers, the Company sets annual production and sales targets based on the production capacity planning and past operating performance. However, this year's bicycle product customers have repeatedly revised the estimated sales volume, so the Company has initiated the expansion of the bicycle production line and will constantly review the customer's order quantity and the estimated quantity change and adjust the production and marketing plan according to the customer's order status at any time to ensure that the Company's orders this year can be smoothly produced and shipped.

5.3 Cash Flows

1. Analysis of cash flow changes during the most recent fiscal year

Unit: NT\$ 1,000

Cash balance at the beginning of the year (1)	Net cash flows from operating activities for the year (2)	Net cash flows from investing activities for the year (3)	Net cash flows from financing activities for the year (4)	Effect of changes in exchange rate on cash and cash equivalents (5)	Cash balance (Shortfall) (1+2+3+4+5)	Remedy for liquidity shortfall	
						Investment Plan	Financing Plan
5,486,707	1,996,589	(731,895)	54,663	212,358	7,018,422	NA	NA
Explanations: 1. Analysis of cash flow changes during the most recent fiscal year: (1) Operating activities: Net cash inflow from operating activities was mainly due to continued profitability. (2) Investing activities: Cash outflows from investing activities were mainly the result of capital expenditure incurred in the purchase of equipment. (3) Financing activities: Cash outflows from investing activities were mainly due to new bank loans. 2. Remedial measures for estimated cash shortfall and liquidity analysis: (1) Investment plan: Not applicable. (2) Financing plan: Not applicable.							

2. Corrective measures to be taken in response to illiquidity: Not applicable.

3. Liquidity analysis for the coming year (2025):

Unit: NT\$ 1,000

Cash balance at the beginning of the year (1)	Net cash flows from operating activities for the year (2)	Net cash flows from investing activities for the year (3)	Net cash flows from financing activities for the year (4)	Effect of changes in exchange rate on cash and cash equivalents (5)	Cash balance (Shortfall) (1+2+3+4+5)	Remedy for liquidity shortfall	
						Investment Plan	Financing Plan
7,018,422	1,952,000	(509,000)	(1,672,000)	-	6,789,422	NA	NA
Explanations: 1. Analysis of cash flow changes for the coming year: (1) Operating activities: Net cash inflow from operating activities is mainly due to the expected net cash inflow from operating activities in 2025. (2) Investing activities: Cash outflows from investing activities are mainly result from the expected total capital expenditures for the purchase of equipment. (3) Financing activities: Cash outflows from financing activities mainly refers to the balance of cash dividends paid and repayment of bank loans in 2025. 2. Remedial measures for estimated cash shortfall and liquidity analysis: (1) Investment plan: Not applicable. (2) Financing plan: Not applicable.							

5.4 Effect upon financial operations of any major capital expenditures during the most recent fiscal year

1. Use of major capital expenditures and sources of funds:

The Company's recent major capital expenditures are mainly paid for the construction of the plant in CTSP, which is mainly funded by the Company's own capital and Loans for Returning Overseas Taiwanese Businesses.

2. Expected potential benefits:

The company's plant in CTSP was put into operation in the first quarter of 2025 and is expected to achieve break-even in 2025.

Subsequently, we will evaluate the equipment investment projects that should be added to expand production scale and create greater economic benefits, depending on the status of customer orders.

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

1. The Company's reinvestment policy: The principle of the Company's reinvestment policy considers the developmental needs of the core business and long-term strategic investment, not considering short-term financial investment, and aligns with the global supply chain layout of customers. And grasp the important emerging strategic industry development and market trend investment to expand the operating scale of the Group.

2. Main reasons for the profits/losses:

Unit: NT\$ 1,000

Re-investment business	Accumulated investment amount	Main reasons for profit or loss		Improvement plan
		Investment (loss) profit recognized by the Company	Explanation	
NSH Holding Limited	2,668,865	862,585	All the Group's investee enterprises are operating profitably, allowing the Company to recognize investment income	Not applicable
Topkey Vietnam Corporation Company Limited	491,715	(54,881)	This is because the investment is in its early stages and market demand has not yet recovered significantly, so losses are incurred.	Details as described in 3. (1) below
XPT Precision Company Limited	21,096	(68)	These are the start-up costs and other expenses incurred during the preparation stage. Since the operation has not yet started, losses have occurred.	Not applicable

3. Improvement plans and investment plans for the coming year:

- (1) Topkey Vietnam Corporation Company Limited is the subsidiary recorded a loss in the consolidated financial report for the FY 2024 due to bicycle market demand has not yet recovered significantly, leading to insufficient mass production volume to achieve economic scale and resulting in losses. It is expected to get rid of the loss when the demand in the bicycle market rebounds and mass production reaches economic scale in subsequent years.

5.6 Risk Management analysis and assessment

5.6.1 Risk Factors

1. Effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

(1) Interest rate fluctuations:

The amount of interest expense of the Company in 2024 was NT\$ 69,071 thousand, accounting for 0.73% of the operating income in the current period. Due to the stable financial position of the Company, excellent credit record, good relations with banks and relatively low borrowing rates, it is expected that future interest rate fluctuations will not have a significant impact on the overall operation of the Company.

(2) Exchange rate fluctuations:

The Company's sales revenue and raw material purchases are mainly denominated in USD, but the daily expenses in the main operating areas of Taiwan and Xiamen, China, need to be exchanged into NTD and RMB, which may expose the Company to exchange rate risk. The ratio of net exchange gains and losses to net revenue in the most recent two years of 2023 and 2024 was approximately -0.16% and 2.81%, respectively. Due to the proper risk control by the Finance Department, the impact of exchange rate fluctuations on the profit and loss of the Company has been minimized.

The specific response measures taken by the Finance Department of the Company are as follows:

- ① Adopt the principle of natural hedging against foreign currency exchange rate risk. As the Company's sales revenue and raw material purchases are mainly denominated in USD, the natural hedging effects are generated through mutual offsetting to reduce the demand for exchange, and forward foreign exchange contracts and borrowing foreign currency debts are used as needed to reduce related exchange rate risks.
- ② Based on the judgment of the future exchange rate trends, the financial officer maintains an appropriate net foreign exchange position to reduce the impact of exchange rate fluctuations on the Company's profitability.
- ③ Maintain close contact with major banks and monitor the changes in the foreign exchange market at any time, so that the relevant managers can be fully aware of the trend of the exchange rate and respond to market emergencies.
- ④ The Company's "Handling Procedures for Acquisition or Disposal of Assets" is formulated in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" to regulate the Company's operation procedures related to derivative financial instruments.

(3) Inflation:

In the rapid change of the overall economic environment, the Company has not yet been significantly impacted by the above inflation or austerity crisis. Moreover, the Company's products and its terminal application products are sold all over the world. The Company can effectively respond to the impacts of inflation or austerity to minimize the impacts on its operations by closely monitoring global political and economic changes, and fluctuations in the market prices of raw materials and end products, maintaining good interaction with suppliers and customers, flexibly adjusting the procurement and sales strategies, cost structure and transaction terms at the same time.

2. The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company has established procedures such as "Handling Procedures for Acquisition or Disposal of Assets", "Regulations Governing Loaning of Funds", and "Regulations Governing Making of Endorsements/Guarantees" as the guidelines for the Company and its subsidiaries to follow when engaging in relevant operations. As of the date of publication of the annual report, the Company has not engaged in high-risk, highly leveraged investments, loans to others outside the Group, endorsement guarantees, and derivative transactions with high risks. In addition, the Company has always focused on the operation of its own business and has not ventured into other high-risk industries, and its financial planning and operation policies will continue to adhere to the principle of "conservative and stable" and will not engage in high-risk, highly leveraged investments and transactions. Therefore, the related risks are limited.

3. Research and development work to be carried out in the future, and further expenditures expected for research and development work:

(1) Future R&D Plans:

①The Company has 40 years of experience in manufacturing of composite products, the Company's technical capabilities range from resin formulation R&D and semi-finished products (resin, prepreg, coating) production to the development and production of composite products. We have a complete equipment system for resin basic testing, formulation research, composite performance evaluation, as well as a variety of technical experience in product application development and process automation research.

②In addition to the improvement of the existing formulations, in response to the Company's plans to enter the automotive, information technology (IT) and high-end bicycle product industries, we actively invested in the research of resin transfer molding (RTM)formulation process, high-performance thermoplastic (TPC)an environmentally friendly and recyclable material and high-performance epoxy formulations with high temperature resistance, etc. We are also actively developing coating formulations that are photoreactive (UV), water-based, and solvent-free to reduce volatile organic compounds (VOC) emissions. In the aerospace industry, we have developed materials that can be used in aircraft structures, developed CAE (Computer Aided Engineering) computer aided engineering to

support the design and analysis of composite structures, and are expected to be certified by the Laboratory TAF (National Accreditation Foundation) ISO 17025 this year to improve the circulating energy of quality control management and continuously improve the quality of laboratories.

③ In addition to its own research and development, the Company has also actively invested in cooperation with production and academic research units and domestic and foreign material manufacturers, and through diversified cooperation, it can better enrich the company's technical energy in materials, process, and analysis.

(2) Further expenditures expected for research and development work:

The Company's R&D expenditures in 2023 and 2024 were NT\$ 447,713 thousand and NT\$ 469,310 thousand, accounting for about 4.86% and 4.95% of revenue, respectively. An estimated R&D expenditure of NT\$ 480,000 thousand will continue to be invested in 2025 according to the future product development plan. Through joint R&D and industry-academia collaboration with customers, the Company continuously carry out the entire R&D process from design to mass production in line with market trends, constantly developing advanced technologies, accumulating R&D results, and refining improving product efficiency and cost, to maintain market competitive advantages.

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

The Company's main operating activities are carried out in Taiwan、mainland China and Vietnam, and the products are mainly sold to developed countries such as the United States, Europe, etc. The Company's main operating bases and product sales geographies are the world's major economic systems, where the economic development and political environment are relatively stable. The products developed and sold by the Company are not licensed or restricted industries. All businesses are carried out in accordance with important domestic and foreign policies and laws and pay attention to important policy trends and legal changes at home and abroad at all times, respond to changes in the market environment in a timely manner and take appropriate countermeasures. As a result, the Company's financial operations had not yet been materially affected by the important policies and legal changes in Taiwan, Mainland China or the United States, Europe, etc.

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

The Company is a leading manufacturer in all industries in which it operates, and it keeps abreast of real-time evolving trends in market products and technologies, and aware of changes in supply and demand to analyze the effect of technological and industry changes on the Company. Moreover, the Company is continuously developing new materials, process technologies and product applications to maintain competitive advantage. As of now, the Company's financial operations have not yet been materially affected by the developments in science and technology or industrial change.

6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Since its establishment, the Company has complied with the relevant government laws and regulations, adhered to the business philosophy of integrity, diligence, innovation, and gratitude, improved the quality of employees, and internalized into the most important people-oriented corporate culture of Topkey, adhered to the commitment and social responsibility to customers, suppliers, employees and shareholders, striving to maintain a good corporate image. During the most recent fiscal year and up to the publication date of the annual report, there has been no change in the corporate image resulting in a corporate crisis.

7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

The Company has no merger and acquisition plan during the most recent fiscal year and up to the publication date of the annual report. However, if there is a merger and acquisition plan in the future, the Company will, in accordance with the Company's "Handling Procedures for Acquisition or Disposal of Assets", consider prudently whether the merger can bring specific synergies to the Company in order to effectively protect the interests of the Company and the rights of shareholders.

8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

After assessing the feasibility and benefits, the Company has set up additional production lines in Taiwan, Vietnam, and Xiamen to meet the needs of the market. To cope with and avoid the possible risk of oversupply, in addition to expanding production lines by batch, subject to market changes, the Company will continue to actively develop new customers, develop new products and technologies using composite materials, improve yields, and strive to reduce costs, maximizing the benefits of capacity expansion and establishing long-term competitive advantages in the competitive environment.

9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

- (1) Concentrated purchasing risk: All the suppliers of major raw materials are our long-term cooperative manufacturers who have a good relationship with the Company, and there are more than two sources of supply with stable quality. There is no risk of concentrated purchasing of raw materials.
- (2) Concentrated sales risk: The Company has a wide range of product lines and in the most recent two fiscal years, there have been no specific customers that have accounted for a disproportionately large share of sales. Furthermore, the Company is continuously developing new products and new customers, and the number of customers has increased over the years. Therefore, the Company should not have concentrated on sales risk.

10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

The Chairman and other directors of the Company have been involved in the Company's decision-making discussions for a long time, and the Company has focused on the operation of the business. As of the publication date of the annual report, there have been no significant transfers or changes of shares ownership.

11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.
12. Other important risks, and mitigation measures being or to be taken: None.

5.6.2 Litigious and non-litigious matters

1. Major litigious, non-litigious or administrative disputes that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute during the most recent 2 fiscal years or during the current fiscal year up to the date of publication of the annual report: None.
2. Major litigious, non-litigious or administrative disputes that involve a company director, supervisor, the general manager, de facto responsible person, major shareholder with a stake of more than 10 percent or company controlled by the company, that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities during the most recent 2 fiscal years or during the current fiscal year up to the date of publication of the annual report: None.
3. The occurrence of any event set forth under Article 157 of the Securities and Exchange Act that involves a company director, supervisor, the general manager, or a major shareholder with a stake of more than 10 percent and how the company is currently handling the matter during the most recent 2 fiscal years or during the current fiscal year up to the date of publication of the annual report: None.

5.6.3 If a company director, supervisor, the general manager, or a major shareholder with a stake of more than 10 percent has experienced financial difficulties or lost creditworthiness during the most recent 2 fiscal years or during the current fiscal year up to the date of publication of the annual report, list the effect on the company's financial status: None.

5.6.4 Other important risks: None.

5.7 Other Important Matters

None.

VI. Special Disclosure

6.1 Information related to the Company's affiliates

Please refer to information disclosed on the Market Observation Post System (MOPS) for the consolidated business report, consolidated financial statement, and affiliation report for the fiscal year 2024.

Index Path: MOPS > Individual Company > Electronic Books > Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises

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

6.2 Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

6.3 If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

6.4 Other matters that require additional description

None.

Topkey Corporation

Chairman: Wen-Chen Shen

May 5, 2025