

Stock Code: 3605



ACES ELECTRONICS CO., LTD.

# 2024 Annual Report

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Annual report is available at

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

ACES's Website: <https://www.acesconn.com>

**1. Spokesman, Acting spokesman, title, telephone number, and email**

Spokesman: Fu Da-Gui

Title: Senior Director of Administration

Tel: (03)463-2808

Email: ir@acesconn.com

Acting spokesman: Yang Tsung-Lin

Title: Corporate Research & Development officer

Tel: (03)463-2808

Email: ir@acesconn.com

**2. Addresses and telephone numbers of the head office, branch office, and plant**

Head office: No. 530-6, Sec. 2, Guoling Rd., Zhongli District, Taoyuan City

Plant: No. 530-6, Sec. 2, Guoling Rd., Zhongli Dist., Taoyuan City

Tel: (03) 463-2808

Branch office: Nil

**3. Name, address, website, and telephone number of the stock transfer agency**

Name: KGI Securities Co., Ltd., Transfer Agency Department

Address: 5F, No.2, Sec.1, Chongqing S. Rd., Taipei City, Taiwan

Website: <https://www.kgi.com.tw>

Tel:(02)2389-2999

**4. Name, firm, address, website, and phone number of CPAs certifying the latest financial statements**

Accountants: Accountant Heng-Sheng Lin and Accountant Zheng-Xue Chen

Name of CPA firm: KPMG

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

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

Tel: (02) 8101-6666

**5. Venue for trading the Company's listed overseas securities and inquiry method for such overseas securities: Nil**

**6. Company website: <https://www.acesconn.com>**

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## I. Letter to Shareholders

First of all, on behalf of the management team of ACES Electronics Co., Ltd., I would like to express our sincere gratitude for all shareholders for the unwavering support and concern for the company over the years. Looking back on the past year, while the global economy has gradually recovered, persistent geopolitical shocks, high-interest-rate policies, and technology-trade conflicts have driven supply chains toward regionalization. However, the global economic landscape and electronics industry have undergone significant shifts, propelled by AI application, 5G communication transmission driving server demand, and electric vehicles (EVs) emerging as a new economic growth engine.

In response to changes in the industry, the Company has gradually shifted our focus from traditional product design and manufacturing to joint design and development of systems and modules with customers in the development layout of connectors and connecting lines; at the same time, by integrating the technical capabilities of the group, we aim to acquire more growth momentum in the future. This transformation will have a significant impact on our future industrial competitiveness.

Looking ahead, the global macro economy is predicted to remain fluctuating drastically this year (2025). The Company will pay close attention to changes in the industrial environment, face the challenges prudently, and continue to enhance market competitiveness in the future. The Company anticipates that strengthening product R&D, optimizing production processes, and expanding market reach will enhance profitability growth, thereby fostering a positive direction for operational development.

### In terms of implementation results of the business plan

In terms of consolidated financial statements for 2024, the consolidated net operating revenue amounted to NT\$9.771 billion, consolidated operating net profit was NT\$0.278 billion, consolidated pre-tax net profit was NT\$0.387 billion, and consolidated net profit for the current period was NT\$0.344 billion (attributable to the net profit of the parent company's shareholders), translating to basic earnings per share after tax of NT\$2.51.

Unit: NTD thousand

Item	2024	2023	YoY Growth/Decrease Rate
Consolidated Net Revenue from Operations	9,770,897	8,486,228	15.14%
Consolidated Profit from Operations	278,480	-330,729	184.20%
Consolidated Profit before Income Tax	387,213	-269,692	243.58%
Consolidated Profit for the year	344,355	-268,188	228.40%
Net Profit Attributable to Shareholders of the Parent	344,060	-266,543	229.08%

The Company did not formally prepare financial forecasts for 2024. However, based on the Company's internal operating plan, the actual shipment amount for 2024 achieved 92% of the original target, and the overall revenue increased by 15% compared to the previous year.

### In terms of financial balance and profitability

Item		2024	2023
Return on Assets		3.30%	(1.43%)
Return on Equity		5.87%	(4.89%)
Profit Ratio of Paid-up Capital	Profit from Operations	18.72%	(24.60%)
	Profit before Income Tax	26.03%	(20.06%)
Net Profit Margin		3.52%	(3.14%)
Earnings per Share (NT\$)		NTD2.51	NTD(1.98)

### **In terms of research and development**

In response to market demand trends, in terms of connector development, the Company continues to develop high-end connectors with fine-pitch, low-profile, high-frequency, and high-power. In terms of cable development, the Company is focusing on high-speed transmission cables for server internal cables and data center external cables, and chassis for data centers, auxiliary driving systems for automotive electronics, intelligent cabins, car networking, etc., as well as the assemblies of professional cables with high current and high power for industrial use. The Company has rapid development capabilities in product R&D and design, which shortens product development time, and can provide customized connectors and cable products according to customer needs; meanwhile, with the support of the overseas marketing network, the Company promotes new designs and new products to large international customers to meet their comprehensive needs and continue to achieve high growth goals.

### **This year's business plan, business policy, and future outlook**

The Company has always adhered to the concept of "knowledge, vision, value, attitude, commitment, and execution", operates with integrity, and strives to improve the operating efficiency of the group. In order to meet the long-term strategic development needs and promote the maximum value and efficiency of each business entity, and focus on overseas markets and the mainland market. The Company's overseas sales bases cover the United States, Japan, Germany, Philippines, Vietnam, and Singapore. Deeply cultivating regional industrial development and enhancing penetration rates to target customers, the Company is strategically positioned to leverage the expanding demand in AI, high-performance computing, cloud services, and the new energy vehicle sectors. Through continuous technological innovation and localized market cultivation, the Company aims to strengthen product competitiveness and expand market share, and to provide connectors, cables, electromagnetic shielding covers, internal mechanical components, external casings, and complete assembly and testing services needed for consumer electronics, automotive electronics, cloud servers, industrial control industries, etc., then to provide higher value-added products and services and increase growth momentum.

In terms of production and manufacturing, the R&D Headquarters Building of the Company has been completed in the first quarter of 2025 for long-term development, expanding the production capacity of Taiwan's product line in the future and enhance the group's competitiveness. The Company has also established strong production capacity in Asia with manufacturing factories located in Taiwan, mainland China (Kunshan, Dongguan, Zhuhai), Philippine and Vietnam. We will continue to implement the process lean plan and optimize the cost structure by increasing the proportion of automated production, and strive to reach the goal of becoming the preferred supplier for international customers.

Looking forward to this year (2025), we are still facing a market environment full of variables and fierce competition. The Company will continue to adopt a pragmatic attitude, face future challenges prudently, maintain our existing competitive advantages, and strive to achieve this year's operational growth goals. We hope to gradually become a leading brand in the connectivity industry in the future.

Finally, we hope that all shareholders can continue to give encouragement and guidance to the management team by upholding the love and support for the Company in the future.

Wishing you all good health and all the best.

Chairman: Yuan Wan-Ting  
General Manager: Huang Tien-Fu  
Accounting Supervisor: Lee Shu-Yun

## II. Corporate Governance Report

(1) Directors, general managers, deputy general managers, managers, department heads, and branch managers

A. Directors and supervisors

(A) Directors and supervisors

April 27, 2025

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected (Note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main education and work experience.	Current positions held in the Company and other companies	Executives, Directors, or Supervisors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Yuan Wan-Ting	Male 51~60	2022.6.29	3 years	1998.5.26	8,256,380	6.75%	8,863,487	5.78%	6,128,631	4.00%	0	0	Executive MBA, National Central University EMBA, Guanghua School of Management, Peking University, China Manager, MOLEX Taiwan Ltd.	Director, Weiji Investment Co., Ltd. Independent director, Young Optics Inc. Director and Chairman of ACES's affiliated companies (Note 2)	Director	Hsu Chang-Fei	spouse	Nil
Director	R.O.C	Weiji Investment Co., Ltd.		2022.6.29	3 years	2010.6.8	5,200,764	4.25%	5,583,185	3.64%	0	0	0	0			Nil	Nil	Nil	N/A
	R.O.C	Weiji Investment Co., Ltd. Representative: Huang Wen-Cheng	Male 61~70	2022.6.29	3 years	2007.9.18	0	0	0	0	0	0	0	0	Bachelor of Mechanical Engineering, National Cheng Kung University MBA, National Chengchi University President, China Motor Corporation Vice CEO, Yulon-group Co., Ltd. Chairman, Automotive Research & Testing Center	Chairman, Global Fortune Investment Co., Ltd. Chairman, Global Fortune Management Co., Ltd. Independent Director, Entire Technology Co., Ltd. Director, eLAND Information Co., Ltd. Supervisor, ezTravel Co., Ltd. Supervisor, ezTravel Travel Service Co., Ltd. Director, Kuo-Fu Fortune Investment Co., Ltd. Director, Phoenix Innovation Investment Corporation Director, Phoenix II Innovation Investment Corporation Director, Phoenix VI Innovation Investment Corporation Director, Conserve & Associates, Inc Director of ACES' s affiliated companies (Note 2)	Nil	Nil	Nil	N/A
Director	R.O.C	Hsieh Han-Chang	Male 61~70	2022.6.29	3 years	2019.6.28	0	0	0	0	0	0	0	0	EMBA of National Chengchi University VCEO of Yeangder Group CEO and General Manager of	VCEO of Yeangder Group MD & President of Shihlin Electric and Engineering Corp Director of the Ambassador Hotel	Nil	Nil	Nil	N/A

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected (Note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main education and work experience.	Current positions held in the Company and other companies	Executives, Directors, or Supervisors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
															Shihlin Electric and Engineering Corp	Ltd Director of HCT LOGISTICS CO., LTD. Supervisor of Yeangder Invested Company Chairman of Hsin Ling Electric and Engineering Corp. Director of Chuan Lin Scien- Technical Corp. Director of Ruei Lin Electric & Engineering Corp. Director of Yeangder Entertainment Co., Ltd. Director of Yeang-der Senior High School Director of SEEC International Holdings Ltd. Director of Shihlin Electric (Suzhou) Power Equipment Co., Ltd. Director of Yeangder Culture and Education Foundation Vice CEO of the Memorial Foundation of Mr.Ching Teh Hsu Supervisor of Yeangder Safety Consultant Corp. Director of Sankyo Company Ltd				
Director	R.O.C	Hsu Chang-Fei	Female 51~60	2022.6.29	3 years	2015.6.30	5,708,849	4.66%	6,128,631	4.00%	8,863,487	5.78%	0	0	Bachelor of Foreign Languages and Literatures, National Chung Hsing University Supervisor, Aces Electronics Co., Ltd.	Nil	Chairman	Yuan Wan- Ting	spouse	N/A
Independent director	R.O.C	Lee An-Chen	Male 61~70	2022.6.29	3 years	2012.6.6	0	0	0	0	0	0	0	0	Master of Power Mechanical Engineering, National Tsing Hua University Ph.D. in Mechanical Engineering, University of Wisconsin-Madison, USA	Lifetime Chair Professor, Mechanical Engineering, National Yang-Ming Chiao Tung University	Nil	Nil	Nil	N/A
Independent director	R.O.C	Liaw Dar-Lii	Male 71~80	2022.6.29	3 years	2013.6.20	0	0	0	0	0	0	0	0	Bachelor of Accounting, National Chengchi University President of the Division, Hong Tai Electric Industrial Co., Ltd.	Nil	Nil	Nil	N/A	



Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected (Note 1)		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Main education and work experience.	Current positions held in the Company and other companies	Executives, Directors, or Supervisors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C	Sheen Gwo-Ji	Male 61~70	2022.6.29	3 years	2022.6.29	0	0	0	0	0	0	0	0	Ph.D., Industrial Engineering, University of Wisconsin- Madison, USA Dean of the College of Management and Director of the Graduate Institute of Industrial Management at National Central University Chairman of the Chinese Enterprise Resource Planning Society Assistant Professor in the Department of Mechanical Engineering at the University of Illinois at Chicago, USA.	Professor, Department of Business Administration and Graduate Institute of Industrial Management, National Central University Executive Director of the Chinese Enterprise Resource Planning Society	Nil	Nil	Nil	N/A

Note 1: Excluding the number of shares held in trust with no decision-making power.

Note 2: Please refer to the relevant information of related companies (pages 132 ~136).

Note 3: If the Chairman and General Manager or equivalent position (the highest executive officer) of the Company are the same person, spouse, or first-degree relative, the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors, and ensuring that the majority of the directors are not concurrently serving as employees or executives) should be explained with relevant information.

(A) Major shareholders of the institutional shareholders  
a. Major shareholders of the institutional shareholders

April 27, 2025

Name of institutional shareholder	Major shareholders (ownership percentage) of institutional shareholders
Weiji Investment Co., Ltd.	Yuan Wan-Ting(49%)、Hsu Chang-Fei (25%) Yuan Chen-Ting(13%)、Yuan Ju-Hsuan (13%)

(B) Professional Qualifications and Independence Analysis of the Directors and Supervisors:

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Yuan Wan-Ting	1. For professional qualifications and experience, please refer to pages 3-5 of this annual report for information on directors . 2. All directors and supervisors have not been involved in any of the circumstances listed in Article 30 of the Company Act.	N/A	1
Director Huang Wen-Cheng			1
Director Hsieh Han-Chang			0
Director Hsu Chang-Fei			0
Independent director Lee An-Chen		All independent directors of the Company comply with the requirements outlined in Article 3, Paragraph 1 of the "Regulations Governing the Appointment of Independent Directors of Public Companies" (Note 1).	0
Independent director Liaw Dar-Lii			0
Independent director Sheen Gwo-Ji			0

Note 1: There have been no occurrences of the following situations within the two years before the appointment and during the period of service:

- (1) Being an employee of the Company or its affiliated enterprises.
- (2) Being a director or supervisor of the Company or its affiliated enterprises (except for independent directors appointed in accordance with this Act or local laws and regulations who concurrently serve as directors of a parent company, subsidiary, or a subsidiary of the same parent company).
- (3) The individual, their spouse, minor children, or natural person shareholders who hold more than 1% of the total issued shares or are among the top ten shareholders of the Company under another person's name.
- (4) The manager listed in (1), relatives within the second degree of kinship, direct lineal blood relatives within the third degree of kinship, or spouses of the personnel listed in (2) and (3).
- (5) Being a director, supervisor, or employee of a corporate shareholder that directly holds more than 5% of the total issued shares, is among the top five shareholders, or has appointed a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act to serve as a director or supervisor of the Company (except for independent directors appointed in accordance with this Act or local laws and regulations who concurrently serve as directors of a parent company, subsidiary, or a subsidiary of the same parent company).
- (6) Being a director, supervisor, or employee of another company or institution where the same individual controls over half of the Company's voting rights or where over half of the company's board seats or voting rights are held by the same individual (except for independent directors appointed in accordance with this Act or local laws and regulations who concurrently serve as directors of a parent company, subsidiary, or a subsidiary of the same parent company).
- (7) Being a director, supervisor (auditor), or employee of another company or institution where the chairman of the board, general manager, or a similar position of the Company and the individual or their spouse hold the same position or where the director-general or a similar position of the Company and the individual or their spouse are directors (supervisors), supervisors (auditors), or employees (except for independent directors appointed in accordance with this Act or local laws and regulations who concurrently serve as directors of a parent company, subsidiary, or a subsidiary of the same parent company).
- (8) Being a director, supervisor (auditor), manager, or shareholder who holds more than 5% of the shares of a specific company or institution with financial or business dealings with the Company.
- (9) Being a professional, sole proprietor, partner, company, or institution that provides relevant services such as auditing, legal, financial, or accounting services to the Company or its affiliated enterprises and has not received cumulative compensation of more than NTD 500,000 in the past two years, as well as their spouses, owners, partners, directors, supervisors (auditors), and managers. However, this does not apply to members of the remuneration committee, public tender offer review committee, or merger and acquisition special committee who perform their duties in accordance with the Securities Exchange Act or the Company Mergers and Acquisitions Act.

(C) Board Diversity and Independence:

a. Board Diversity

According to Article 20 of the Corporate Governance of the Company, the board of director structure should consider the Company's business development scale and the shareholding situation of its major shareholders, and take into account practical operational needs to determine an appropriate number of directors of five or more.

The composition of the board of directors should consider diversity and develop appropriate diversity policies based on its operations, business models, and development needs, including but not limited to the following two major aspects:

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

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

- (a) Operational judgment ability.
- (b) Accounting and financial analysis abilities.
- (c) Business management abilities.
- (d) Crisis management abilities.
- (e) Industry knowledge.
- (f) International market perspective.
- (g) Leadership abilities.
- (h) Decision-making abilities.

Diversity policies and implementation status of current board members are as follows:

Core elements of diversity Job title Name	Basic composition			Professional background					Industry experience					
	Nationality	Gender	Age	Business management	Engineering	Finance / Accounting	Foreign languages	Education	Business	Information Technology	Finance / Accounting	Social engagement	Education	Operation management
Chairman Yuan Wan-Ting	R.O.C	Male	51~60	✓	✓				✓	✓		✓		✓
Director Huang Wen-Cheng	R.O.C	Male	61~70	✓	✓	✓			✓	✓	✓			✓
Director Hsieh Han-Chang	R.O.C	Male	61~70	✓	✓				✓		✓	✓		✓
Director Hsu Chang-Fei	R.O.C	Female	51~60	✓		✓	✓	✓			✓	✓	✓	
Independent director Lee An-Chen	R.O.C	Male	61~70		✓			✓		✓				
Independent director Liaw Dar-Lii	R.O.C	Male	71~80			✓			✓		✓			✓
Independent director Sheen Gwo-Ji	R.O.C	Male	61~70	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓

Our current board of directors consists of 7 members, including 3 independent directors, with expertise in various professional fields such as industry, finance, accounting, and technology. Collectively, they possess abilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.

All of our current board members are citizens of the Republic of China, and independent directors account for 43% of the board. The age distribution includes 2 directors in the 51-60 age range, 4 directors in the 61-70 age range, and 1 director in the 71-80 age range. There are 6 male and one female directors. The Company currently does not meet the one-third requirement for female directors on the Board of Directors. However, during the re-election of directors at the 2025 Shareholders' Meeting, three of the nominated director candidates are female. If all three female candidates are successfully elected, the proportion of female directors on the Company's Board of Directors will reach one-third, thereby achieving board gender diversity.

b. Independence of the board of directors

Our current board of directors has 7 members, including 3 independent directors. 2 directors are relatives within the second degree of kinship. However, among the independent directors or between the independent directors and the directors, there are no spouses or relatives within the second degree of kinship, which complies with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

B. General Manager, Deputy GM, Associate, and Supervisors of each department and branch:

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Title	Nationality	Name	Gender	Date Effective (Note 1)	Shareholding		Spouse & Minor Child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C	Huang Tien-Fu	Male	2023/7/10	92,000	0.06%	0	0	0	0	Doctor of Power Mechanical Engineering, National Tsing Hua University Head of Advanced Precision Technology Research Group, Material and Chemical Research Laboratories, Industrial Technology Research Institute (ITRI) Director, Greenhouse System Technology Center, Industrial Technology Research Institute (ITRI) Eastern Division	Director and General Manager of ACES's affiliated companies (Note 2)	Nil	Nil	Nil	Nil
Chief Operating Officer	R.O.C	Lin Wan-fu	Male	2023/8/11	102,470	0.08%	7,000	0.00%	0	0	Master of Business Administration, Royal University of Canada Vice President, Global Shared Factory, MOS Technology Inc., Taiwan	Director of ACES's affiliated companies (Note 2)	Nil	Nil	Nil	Nil
Chief Operating Officer	R.O.C	Yang Tsung-Lin	Male	2007/5/18	60,182	0.04%	0	0	0	0	Graduate Institute of Applied Mechanics, National Taiwan University Director of Qualibond Technology Co., Ltd. Supervisor of Product Design, MOLEX Taiwan Ltd. General Manager of ACES	Director of ACES's affiliated companies (Note 2)	Nil	Nil	Nil	Nil
Deputy General Manager	R.O.C	Lee Shu-Yun	Female	2014/3/21	578	0.00%	0	0	0	0	Master's degree in Finance Management from National Central University Assistant Manager in the Underwriting Department at Yuanta Securities Co., Ltd. Special Assistant to the Chairman at Aces Electronic Co., Ltd.	Director and Supervisor, of ACES's affiliated companies (Note 2)	Nil	Nil	Nil	N/A

Note 1: The appointment date of insiders or the date of declaration of assuming office.

Note 2: Please refer to the information on related corporates (pages 132~136).

Note 3: When the general manager or equivalent position (highest management person) and the chairman are the same person, are spouses, or are first-degree relatives, the reason, rationale, necessity, and corresponding measures (such as increasing the number of independent directors and ensuring that over half of the directors do not concurrently serve as employees or management personnel, etc.) should be disclosed.

(2) The remuneration of directors, general manager, deputy general managers, etc. in the most recent fiscal year:

A. Remuneration of general directors and independent directors

Unit: NT\$ thousand

Title	Name	Director remuneration								The sum of A, B, C, and D as a percentage of after-tax net profit		Remuneration from other jobs								The sum of A, B, C, D, E, F, and G as a percentage of after-tax net profit		Remuneration from reinvested businesses other than subsidiaries	
		Remuneration (A)		Retirement pension (B) (Note 1)		Director remuneration (C) (Note 2)		Business execution expenses (D) (Note 3)				Remuneration, bonus, and special fees (E)		Retirement pension (F) (Note 1)		Employee remuneration (G)							
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements		
																Cash	Stock	Cash	Stock				
Chairman	Yuan Wan-Ting																						
Director	Weiji Investment Co., Ltd.	7,293	7,293	0	0	7,048	7,048	559	559	14,900 4.33%	14,900 4.33%	0	0	0	0	0	0	0	0	14,900 4.33%	14,900 4.33%	Nil	
	Weiji Investment Co., Ltd. Representative: Huang Wen-Cheng																						
	Director																						Hsieh Han-Chang
Director	Hsu Chang-Fei																						
Independent director	Lee An-Chen	0	0	0	0	1,944	1,944	90	90	2,034 0.59%	2,034 0.59%	0	0	0	0	0	0	0	0	2,034 0.59%	2,034 0.59%	Nil	
Independent director	Liaw Dar-Lii																						
Independent director	Sheen Gwo-Ji																						

- The policy, system, standards, and structure of remuneration payment for independent directors, as well as the correlation between the responsibilities, risks, input time, and the amount of remuneration paid:  
The remuneration of the directors and supervisors of the Company is determined in accordance with the provisions of the company's articles of association. As independent directors are also members of the board of directors, their remuneration is included in the remuneration of directors and supervisors and is handled in accordance with the Company's articles of association. In addition, the articles of association also stipulate that the Company shall allocate an amount not exceeding 3% of its annual profit as remuneration for directors and supervisors. The payment of remuneration to independent directors is handled in accordance with the "Principles for the Payment of Remuneration to Directors and Supervisors" of the Company. Moreover, if an independent director serves as a member of a functional committee of the board of directors, such as the audit committee, remuneration, and remuneration committee, etc., the actual expenses incurred in carrying out their duties, in addition to transportation expenses, are reimbursed on an actual expense basis.
- In addition to the disclosure in the above table, the remuneration received by the Company's directors for providing services (such as serving as a consultant to non-employee subsidiaries/financial reporting of all companies/venture businesses) in the most recent fiscal year was None.

Note 1: The Company has not made any actual payments of retirement benefits to directors or made any provision for retirement benefit expenses.

Note 2: The Company's board of directors resolved on March 14, 2025, approving the calculation of employee compensation for the 2024 fiscal year in the amount of NT\$12,092 thousand, and director and supervisor compensation for NT\$8,992 thousand. The employee's and director's and supervisor's compensations have not been allocated as of the printing date of the annual report, and previous mentioned amounts are temporarily proposed by the board of directors.

Note 3: Refers to the relevant business execution expenses of directors in the current fiscal year (including travel expenses, special allowances, various subsidies, dormitories, vehicle allocations, and other tangible benefits provided).

## Range of Remuneration

Remuneration levels for each director of our company	Director's name			
	Total amount of the first four remuneration levels (A+B+C+D)		Total amount of the first seven remuneration levels (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Below NT\$ 1,000,000	Weiji Investment Co., Ltd., Huang Wen-Cheng, Hsieh Han-Chang, Hsu Chang-Fei, Lee An-Chen, Liaw Dar-Lii, Sheen Gwo-Ji	Weiji Investment Co., Ltd., Huang Wen-Cheng, Hsieh Han-Chang, Hsu Chang-Fei, Lee An-Chen, Liaw Dar-Lii, Sheen Gwo-Ji	Weiji Investment Co., Ltd., Huang Wen-Cheng, Hsieh Han-Chang, Hsu Chang-Fei, Lee An-Chen, Liaw Dar-Lii, Sheen Gwo-Ji	Weiji Investment Co., Ltd., Huang Wen-Cheng, Hsieh Han-Chang, Hsu Chang-Fei, Lee An-Chen, Liaw Dar-Lii, Sheen Gwo-Ji
NT\$ 1,000,000(included)~NT\$ 2,000,000(excluded)	Nil	Nil	Nil	Nil
NT\$ 2,000,000(included)~NT\$ 3,500,000(excluded)	Nil	Nil	Nil	Nil
NT\$ 3,500,000(included)~NT\$ 5,000,000(excluded)	Nil	Nil	Nil	Nil
NT\$ 5,000,000(included)~NT\$ 10,000,000(excluded)	Yuan Wan-Ting	Yuan Wan-Ting	Yuan Wan-Ting	Yuan Wan-Ting
NT\$ 10,000,000(included)~NT\$ 15,000,000(excluded)	Nil	Nil	Nil	Nil
NT\$ 15,000,000(included)~NT\$ 30,000,000 元(excluded)	Nil	Nil	Nil	Nil
NT\$ 30,000,000(included)~NT\$ 50,000,000(excluded)	Nil	Nil	Nil	Nil
NT\$ 50,000,000(included)~NT\$ 100,000,000(excluded)	Nil	Nil	Nil	Nil
Above NT\$ 100,000,000	Nil	Nil	Nil	Nil
Total	7	7	7	7

## B. Remunerations of General Manager and Deputy GM

Unit: NT\$ thousand; thousand shares

Title	Name	Salary (A)		Retirement pension (B) (Note 1)		Bonus and special fees (C) (Note 2)		Employee remuneration (D) (Note 3)				Percentage of the total amount and post-tax net profit attributable to A, B, C, and D (%)		Remuneration from reinvested businesses other than subsidiaries
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Huang Tien-Fu	11,432	11,432	432	432	409	409	1,389	0	1,389	0	13,662 3.97%	13,662 3.97%	None
Chief Operating Officer	Lin Wan-Fu													
Chief Operating Officer	Yang Tsung-Lin													
Deputy General Manager	Lee Shu-Yun													

Note 1: The provision for retirement benefits represents the expenses associated with the Company's defined benefit retirement plans.

Note 2: The amounts disclosed shall include various bonuses, incentives, travel expenses, special allowances, various subsidies, dormitories, vehicle allocations, and other tangible benefits provided to the general manager and deputy general manager for the most recent fiscal year. When providing housing, vehicles, and other transportation or personal expenses, the nature and cost of the assets provided, the actual rent or rent calculated based on fair market value, fuel costs, and other benefits shall be disclosed.

Note3: The board of directors of the Company approved the distribution of a total of NTD 12,092 thousand for employee compensation for the year 2024 on March 24, 2025. As of the date of printing this annual report, the list of employee compensation distribution has not been finalized and is subject to further estimation.

The range of remuneration paid to General Manager and Deputy General Manager in the Company	Name of General Manager and Deputy General Manager	
	The Company	All companies in the financial report
Below NTD 1,000,000	None	None
NTD 1,000,000(included)~NTD 2,000,000(excluded)	None	None
NTD 2,000,000(included)~NTD 3,500,000(excluded)	Huang Tien-Fu 、Yang Tsung-Lin 、Lee Shu-Yun 、Lin Wan-Fu	Huang Tien-Fu 、Yang Tsung-Lin 、Lee Shu-Yun 、Lin Wan-Fu
NTD 3,500,000(included)~NTD 5,000,000(excluded)	None	None
NTD 5,000,000(included)~NTD 10,000,000(excluded)	None	None
NTD 10,000,000(included)~NTD 15,000,000(excluded)	None	None
NTD 15,000,000(included)~NTD 30,000,000(excluded)	None	None
NTD 30,000,000(included)~NTD 50,000,000(excluded)	None	None
NTD 50,000,000(included)~NTD 100,000,000(excluded)	None	None
More than NTD 100,000,000	None	None
Total	4	4

### C. Managers with Employee Remuneration Distribution

December 31, 2024 / Unit: NTD thousands

	Title	Name	Stock	Cash	Total	The ratio of Total Amount to Net Income (%)
Managerial Officers	General Manager	Huang Tien-Fu	0	1,389	1,389	0.40%
	Chief Operating Officer	Lin Wan-Fu				
	Chief Operating Officer	Yang Tsung-Lin				
	Financial Supervisor	Lee Shu-Yun				

Note 1: The board of directors of the Company approved the distribution of a total of NTD 12,092 thousand for employee compensation for the year 2024 on March 24, 2025. As of the date of printing this annual report, the list of employee compensation distribution has not been finalized and is subject to further estimation.

D. Comparison and explanation of the analysis of the ratio of total remuneration (paid to the Directors, Supervisors, General Manager, and Deputy General Managers of the Company by the Company and all the companies in the consolidated statements in the last two years) to net profit after tax and the correlation among the remuneration payment policy, standards, and combinations, the procedures for setting the remuneration, the business performance and future risks

(A) Analysis of the ratio of the total remuneration paid by the Company and Companies in the consolidated financial report to its Directors, Supervisors, General Manager, and Deputy General Managers in the last two years to net profit after tax on parent company only or consolidated financial reports is as follows:

Title	Remuneration to Net Income Ratio			
	2023		2024	
	The Company	All companies within the consolidated financial statements	The Company	All companies within the consolidated financial statements
Director	(3.09%)	(3.09%)	4.92%	4.92%
General Manager & Deputy General Manager	(4.73%)	(4.73%)	3.97%	3.97%

(B) The Company's policy, standards, and composition of remuneration, the establishment of remuneration procedures, and the correlation with operational performance and future risks.

Director remuneration of the Company is governed by Article 24 of the Company's Articles of Association, which allows for remuneration of directors within the limit of not exceeding 3% of the profit for the year. The procedure for determining remuneration follows the assessment of the performance of the company's directors. This assessment considers not only the overall operational performance of the company, industry future operating risks, and development trends but also factors such as individual attendance at board meetings, personal performance achievement rates, and contributions to the Company's performance. It also takes into account industry standards to provide reasonable compensation and nomination for reelection.

Article 24 of the Company's Articles of Association sets a profit threshold of not less than 1% for employee remuneration for the year. The remuneration of company managers is evaluated based on the scope of responsibilities within the Company and their contributions to operational performance. The "Performance Appraisal Management Measures" of the company are used as a reference for evaluation. In addition to considering the overall operational performance of the company and the results of individual performance evaluations, factors such as managers' target achievement rates, profitability, operational efficiency, and contribution levels are considered to calculate their remuneration proportion, aiming to provide reasonable compensation.

The Company will review the remuneration system for directors and managers in a timely manner based on actual operating conditions and relevant laws and regulations. The reasonableness of related compensation is subject to review by the Compensation Committee to balance the Company's sustainable operation and risk management.



### (3) Implementation of Corporate Governance

#### A. Operation of the board meeting

(A) In the past fiscal year (2024), the board of directors held 6(A) meetings. The attendance of directors and supervisors is as follows:

Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Remarks
Chairman	Yuan Wan-Ting	6	0	100%	
Director	Weiji Investment Co., Ltd. Representative: Huang Wen-Cheng	6	0	100%	
Director	Hsieh Han-Chang	4	2	67%	
Director	Hsu Chang-Fei	5	1	83%	
Independent director	Lee An-Chen	6	0	100%	
Independent director	Liaw Dar-Lii	5	1	83%	
Independent director	Sheen Gwo-Ji	5	1	83%	

Other matters to be recorded:

- The operation of the board of directors should be disclosed if any of the following situations occur, including the date and term of the board meeting, the content of the resolution, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors:
  - Matters listed in Article 14-3 of the Securities and Exchange Act.  
The Company has established an audit committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For related information, please refer to the operation of the audit committee on page 15 of this annual report.
  - Except for the above items, there were no other board meeting resolutions that the independent directors opposed or reserved their opinions on, and had records or written statements: None.
- Disclosure of the execution status of directors' recusal from interested transactions shall include the names of the directors, the contents of the transactions, the reasons for the recusal, and the voting participation status: None.
- The assessment cycle and period, scope, method, and content of the board of directors' self-assessment (or peer evaluation) should be disclosed: Please refer to page 14 of this year's annual report for information on the execution of the board of directors' self-evaluation.
- Assessment of the achievement of the goals to strengthen the functions of the Board of Directors during the current and recent fiscal years (such as the establishment of an audit committee, enhancement of information transparency, etc.):
  - The Company has established the "Board of Directors Performance Evaluation Procedure" which evaluates the performance of the board of directors, individual directors, and functional committees at the end of each fiscal year. The evaluation results are submitted to the most recent board of directors for review and improvement and are publicly disclosed on the company's website. The results of the 2024 fiscal year's board of directors' performance evaluation will be reported to the board on January 17, 2025, and publicly disclosed on the Company's website.
  - The Company purchases liability insurance for all directors and supervisors on a regular basis every year to reduce and distribute the risk of significant damages caused to the company and shareholders due to errors or omissions of the directors. We regularly review the policy content to ensure that the insurance compensation amount and coverage are suitable for our needs, and the latest report was presented to the most recent board of directors after the insurance was purchased.

(B) The execution and results of the board evaluation for the year 2024 are as follows:

Evaluation cycle	Internal performance evaluations are conducted annually at the end of each fiscal year, and the evaluation results are submitted to the board for review and improvement by the end of March of the following fiscal year.
Evaluation period	2024/1/1~2024/12/31
Evaluation scope	The Board of Directors, individual board members, and functional committees.
Evaluation method	Internal self-assessment of the Board of Directors, individual self-assessment of board members, and internal self-assessment of each functional committee.
Evaluation content	<p>1. Board of Directors performance evaluation items:</p> <p>(1) Participation in company operations.</p> <p>(2) Improving the quality of board decisions.</p> <p>(3) Board composition and structure.</p> <p>(4) Selection and continuous education of directors.</p> <p>(5) Internal controls.</p> <p>2. Individual board member performance evaluation items:</p> <p>(1) Understanding of company goals and missions.</p> <p>(2) Understanding of board responsibilities.</p> <p>(3) Participation in company operations.</p> <p>(4) Management of internal relationships and communication.</p> <p>(5) Professionalism and continuous education of directors.</p> <p>(6) Internal controls.</p> <p>3. The measurement items for the performance evaluation of functional committees include the following five aspects:</p> <p>(1) Degree of participation in company operations</p> <p>(2) Understanding of the responsibilities of functional committees</p> <p>(3) Enhancement of the decision-making quality of functional committees</p> <p>(4) Composition and appointment of members of functional committees</p> <p>(5) Internal controls</p>
Evaluation Results and Improvement Measures	<p>(1) Performance Evaluation Results:</p> <p>A. Board of Directors:</p> <p>(A) The overall score: Excellent.</p> <p>(B) The overall average score is 4.67 (out of 5), with slightly lower scores in the aspects of "participation in company operations" and "selection and continuing education of directors" compared to other aspects. The Company will continue to improve in these areas.</p> <p>B. Individual Board Members:</p> <p>(A) The overall scores of individual board members: Excellent.</p> <p>(B) The overall average score is 4.73 (out of 5), with slightly lower scores in the aspects of "participation in company operations" and "Management of internal relationships and communication" compared to other aspects. The Company will continue to improve in these areas.</p> <p>C. Functional Committees:</p> <p>The company currently has two functional committees, namely the "Remuneration Committee" and the "Audit Committee." The overall scores of these two committees are both "Excellent" .</p> <p>(A) The overall average score for the Remuneration Committee is 4.91 (out of 5), with slightly lower scores in the aspect of "understanding of committee responsibilities" compared to other aspects. The company will continue to improve in this area.</p> <p>(B) The overall average score for the Audit Committee is 4.94 (out of 5), with slightly lower scores in the aspect of "enhancement of decision-making quality" compared to other aspects. The company will continue to improve in this area.</p> <p>(2) Improvement Measures:</p> <p>Regarding the areas with lower scores mentioned above, the company's future improvement directions are as follows:</p> <p>1. Organize important meetings periodically to invite directors and committee members to participate, in order to increase communication opportunities between the management team and directors/committee members. This will help directors/committee members understand their responsibilities, familiarize themselves with the company's operations and environment, and understand the scope of existing or potential risks, thereby enabling them to effectively evaluate and supervise internal control systems and risk management. This will also enable timely and appropriate supervision and guidance.</p> <p>2. Strengthen the completeness and timeliness of providing agenda materials to the board of directors and functional committees.</p> <p>3. Measure the time allocated for agenda discussions to ensure sufficient time for discussion, and if necessary, convene meetings earlier.</p> <p>(3) Conclusion:</p> <p>In conclusion, the overall operation of the Company's board of directors and functional committees is good, meeting corporate governance requirements, and effectively enhancing the functions of the board of directors.</p>
Reporting date to the Board of Directors.	2025/1/17

B. The operation of the Audit Committee:

The Audit Committee held 5 meetings during the most recent fiscal year (A), and the attendance of independent directors is as follows:

Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) (B/A)	Remark
Independent Director	Liaw Dar-Lii	5	0	100%	
Independent Director	Lee An-Chen	5	0	100%	
Independent Director	Sheen Gwo-Ji	5	0	100%	

Other matters to be recorded:

1. If the Audit Committee encounters any of the following situations in its operation, the date and session of the Audit Committee meeting, the content of the agenda, the independent directors' dissenting opinions, reservations, or significant recommendations, the Audit Committee's decision, and the company's handling of the Audit Committee's opinions should be disclosed:

A. The items listed in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee Meeting (Session)	Agenda	Content of dissenting opinions, reservations, or significant recommendations made by independent directors	Audit Committee decision	The Company's handling of the Audit Committee's opinions.
2024/3/12 (9th Session of the 1st Term)	<ul style="list-style-type: none"> <li>●The Company's 2023 annual operating report and financial statements.</li> <li>●The Company's 2023 profit distribution proposal.</li> <li>●Acquisition of real estate usage rights assets from related parties by the Company.</li> <li>●The declaration of the Internal Control System in 2023.</li> </ul>	None	The proposal was passed according to the case with no objections from all committee members present.	Submitted for discussion at the Board of Directors and approved by all directors present.
2024/5/10 10th Session of the 1st Term.)	<ul style="list-style-type: none"> <li>● The Company's 2024 1st quarter consolidated financial statements.</li> <li>●The company's appointment of KPMG to perform audit verification services for the 2024 financial report at public expense.</li> <li>●The endorsements and guarantees proposal.</li> <li>●The 3rd unsecured convertible corporate bond proposal.</li> <li>●The issuance of 2024 new restricted employee shares proposal.</li> </ul>	None	The proposal was passed according to the case with no objections from all committee members present.	Submitted for discussion at the Board of Directors and approved by all directors present.
2024/7/23 (11th Session of the 1st Term.)	<ul style="list-style-type: none"> <li>●The revisions of 2024 new restricted employee shares issuance measures.</li> <li>●The formulation of matters related to the 1st issuance of 2024 new restricted employee shares.</li> </ul>	None	The proposal was passed according to the case with no objections from all committee members present.	Submitted for discussion at the Board of Directors and approved by all directors present.
2024/8/9 (12th Session of the 1st Term.	<ul style="list-style-type: none"> <li>●The Company's 2024 second quarter consolidated financial reports.</li> <li>●The Company's acquisition or disposal of machinery and equipment for business use from related parties.</li> <li>●The amendment of “the Rules of Procedure for the Board of Directors’ meetings” .</li> </ul>	None	The proposal was passed according to the case with no objections from all committee members present.	Submitted for discussion at the Board of Directors and approved by all directors present.
2024/11/8 (13th Session of the 1st Term.)	<ul style="list-style-type: none"> <li>● The Company's 2024 third quarter consolidated financial report case.</li> <li>● Establish the capital increase record</li> </ul>	None	The proposal was passed according to	Submitted for discussion at the Board of

	<div>date for the conversion of the Company’s second domestic unsecured convertible bonds into ordinary shares in the third quarter of 2024.</div> <div><div>● The Company's acquisition of real estate from related parties case.</div><div>● Establish the “Standard Operation Procedures of Sustainable Information Management” .</div><div>● The amendment of the “Organization and Regulations of the Audit Committee”.</div><div>● The amendment of the “Information Cycle”</div><div>●The amendment of the “Internal Audit Implementation Rules”.</div><div>●Submit the 2025 Annual Audit Plan.</div></div>		<div>the case with no objections from all committee members present.</div>	<div>Directors and approved by all directors present.</div>
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B. Other resolutions that have been passed with the approval of more than two-thirds of all directors but have not been approved by the Audit Committee: None.

2. The execution status of independent directors' abstention from voting on matters involving conflicts of interest should be disclosed, including the name of the independent director, the content of the agenda, the reasons for abstention due to potential conflicts of interest, and the voting participation status: None.

3. The communication status between independent directors the head of the internal audit and the accountant (including significant matters, methods, and results of communication on the company's financial and business conditions).

(1) The communication methods between independent directors and the internal audit supervisor and accountant:

A. The head of the internal audit and the accountant may contact independent directors directly as needed during normal times.

B. In addition to receiving audit reports monthly, our company's independent directors are also briefed on the important business conditions of our company and its subsidiaries by the head of the internal audit at the annual meeting. They have a full understanding of the execution status and effectiveness of the auditing business.

C. The accountant reports on the results of financial statement audits and discoveries at the annual meeting to the independent directors.

(2) The communication status between independent directors and the head of the internal audit and the accountant during the year 2024 is as follows:

Date	Reported and communicated matters	Description	Suggestion and res
2024/8/9	1. Accountant: Communication matters with the Company's governance unit.	1. Independence, and responsibilities of auditors. 2. Second quarter 2024 review results. 3. Updates on significant regulations governing securities	No objections.
	2. Audit report.	1. Execution of the 2024 Group Audit Plan. 2. Operations related to funding loans, endorsement guarantees, and derivatives financial products.	No objections

### C. Corporate Governance Status, Differences with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons:

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
1. Does the company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the company established and disclosed its own Corporate Governance Best Practice Principles?	✓		The Company has established the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for Listed Companies. It's disclosed on the company's official website and Market Observation Post System.	In compliance with the Corporate Governance Best Practice Principles for Listed Companies.
2. The company's shareholding structure and shareholders' equity (1) Has the company set up internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation matters and followed the procedures?  (2) Does the company have a list of its major shareholders and the ultimate controllers of the major shareholders?  (3) Has the company established and implemented risk management and firewall mechanisms with its affiliates?  (4) Has the company set up an internal standard to prohibit the insiders' use of private information to trade securities?	✓  ✓  ✓  ✓		(1) The Company has established a spokesperson mailbox, a reporting system on its website, and procedures for handling cases of illegal, unethical, or dishonest behavior. There is dedicated personnel to handle shareholder proposals or disputes. (2) A person is in charge of managing relevant information and can access the list of major shareholders and their ultimate controllers at any time. (3) The Company has established "Group Organization Operation Management Procedures," "Supervision and Management Procedures for Subsidiaries," "Transaction Procedures for Group Enterprises, Specific Companies, and Related Parties," and "Regulations on Financial and Business Operations Among Related Parties." There are clear regulations for the management, business, and financial transactions with related enterprises, achieving a risk control mechanism. (4) The Company has established procedures for processing internal important information and preventing insider trading. Relevant regulations are communicated to internal personnel in a timely manner, and internal personnel are prohibited from buying or selling securities using undisclosed information on the market.	In compliance with the spirit of the Corporate Governance Best-Practice Principles for Listed Companies.
3. The composition and duties of the board of directors (1) Has the board of directors formulated a diversified approach based on the composition of its members and implemented it?	✓		(1) The Company has established a policy on the diversified composition of the Board of Directors in accordance with "Corporate Governance". The current Board of Directors consists of 7 members, including 3 independent directors, with expertise in various fields such as industry, finance, accounting, and technology. They possess the ability to make operational judgments, manage the business, handle crises, and possess industry knowledge, international market perspectives, and leadership decision-making skills. All of our current board members are citizens of the Republic of China, and independent directors account for 43% of the board. The age distribution includes 2 directors in the 51-60 age range, 4 directors in the 61-70 age range, and 1 director in the 71-80 age range. There are 6 male and	In compliance with the spirit of the Corporate Governance Best-Practice Principles for Listed Companies.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
			one female directors. The Company currently does not meet the one-third requirement for female directors on the Board of Directors. However, during the re-election of directors at the 2025 Shareholders’ Meeting, three of the nominated director candidates are female. If all three female candidates are successfully elected, the proportion of female directors on the Company’s Board of Directors will reach one-third, thereby achieving board gender diversity. The policy and implementation of the diversified composition of the current Board of Directors are detailed on page 7.	
(2) Has the company set up other types of functional committees voluntarily in addition to the Remuneration committee and the audit committee according to law?		✓	(2) The company has only established the remuneration committee and the audit committee in compliance with legal requirements and has not established any other functional committees. The need for future committees will be evaluated based on the company's needs.	The company has not set up any other functional committees at present and will evaluate the need for such committees in the future.
(3) Has the company set up a performance appraisal method and an assessment method for the board of directors and conducted performance appraisals on a regular basis every year?	✓		(3) The company has established the "Board of Directors Performance Evaluation Procedure" which conducts an annual performance evaluation of the Board of Directors, including both the overall performance of the board and the individual performance of its members. The results are quantified based on evaluation indicators and submitted to the latest Board of Directors meeting for reporting. The compensation of the Board of Directors is determined in accordance with Article 24 of the company's articles of association, which states that the remuneration of directors shall not exceed 3% of the profits earned during the fiscal year. The procedure for determining the remuneration is based on the performance evaluation of the Board of Directors, which considers both the overall operating performance of the company and the future business risks and trends in the industry. Additionally, it also takes into account the individual director's actual attendance rate, personal performance achievement rate, and contribution to the company's performance, and takes into account industry standards and gives reasonable compensation and nomination for re-election accordingly. Article 24 of the Company's articles of association stipulates that employee compensation shall not be less than 1% of the annual profits. The compensation of our company's executives is evaluated based on their job responsibilities and contribution to the company's operational performance. Our "Performance Appraisal Management Regulations" are used as a reference for evaluation, and we consider the overall operational performance of the	In compliance with the spirit of the Corporate Governance Best-Practice Principles for Listed Companies.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
(4) Does the company regularly assess the independence of the audit firm?	✓		<p>company, individual performance evaluations, as well as the target achievement rate, profit margin, operational efficiency, and contribution of the directors and executives, and taking into account industry standards. We calculate their compensation ratio accordingly and provide reasonable compensation.</p> <p>The Company reviews the director and executive compensation system periodically in accordance with the actual business situation and relevant laws and regulations, to ensure the balance between sustainable business operations and risk management. All related compensation is reviewed and approved by the Remuneration Committee.</p> <p>(4) The Company conducts an annual assessment of the independence and suitability of the audit firm, and the evaluation process is as follows:</p> <ol style="list-style-type: none"> <li>1. Reviewing the personal qualifications of the auditor.</li> <li>2. The auditor issues a statement of independence.</li> <li>3. Evaluating relevant independence standards based on the Code of Ethics for Professional Accountants No. 10 "Independence in Auditing and Review Services." The main independence standards evaluated include whether the auditor is a director, shareholder, or other related parties of the Company, confirming that there is no financial interest or business relationship with stakeholders. In addition, the rotation of auditors is also carried out in compliance with relevant laws and regulations.</li> </ol> <p>In 2024, the audit quality indicators (AQIs) provided by the reference auditor were evaluated based on 5 dimensions and 13 indicators, including professionalism, quality control, independence, supervision, and innovation. The auditor and the audit firm were evaluated on their auditing experience, training hours, turnover rate, professional support, quality control review, and quality control support capabilities. The results showed that both the auditor's and the audit firm's capabilities were comparable to or better than those of their peers. In recent years, they have also been promoting digital innovation tools in auditing to enhance efficiency and quality.</p> <p>According to the above evaluation of the auditor's independence and Audit Quality Indicators (AQI), the auditor engaged by the Company complies with the independence and competence requirements, and the matter has been submitted for review and approval by the Audit Committee and the Board of Directors On May 10, 2024.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
4. Is the listed company equipped with sufficient and appropriate corporate governance personnel and designates a corporate governance officer to be responsible for corporate governance matters (including but not limited to providing necessary information for the directors and supervisors to perform their duties, assisting the directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholder meetings in accordance with the law, preparing minutes of board meetings and shareholder meetings, etc.)?		✓	<p>The Company has established a corporate governance unit as the General Administration Department. The position of Corporate Governance Officer is concurrently held by the Deputy General Manager of the Finance Department of the company. The incumbent has over three years of experience in executive positions related to finance, equity, and corporate governance in publicly traded companies.</p> <p>The corporate governance unit of our company is responsible for the following corporate governance matters:</p> <ol style="list-style-type: none"> <li>1. Handle matters related to the board of directors and shareholders' meetings in accordance with the law.</li> <li>2. Prepare minutes of the board of directors and shareholders' meetings.</li> <li>3. Assist directors and supervisors in their appointment and continuous education.</li> <li>4. Provide information necessary for directors and supervisors to carry out their duties.</li> <li>5. Assist directors and supervisors in complying with laws and regulations.</li> <li>6. Report to the board of directors on the review results of the qualifications of independent directors in nomination, appointment, and during their tenure in compliance with relevant laws and regulations.</li> <li>7. Handle matters related to changes in the board of directors.</li> <li>8. Other matters as stipulated in the company's articles of incorporation or contracts.</li> </ol>	In compliance with the spirit of the Corporate Governance Best-Practice Principles for Listed Companies.
5. Has the company established a communication channel with interested parties (including but not limited to shareholders, employees, customers, and suppliers), set up an interested party page on the company's website, and responded appropriately to interested parties concerning important corporate social responsibility issues?	✓		A dedicated section for stakeholders has been set up on the Company's website, and the company has responded appropriately to important corporate social responsibility issues that stakeholders are concerned about.	In compliance with the spirit of the Corporate Governance Best-Practice Principles for Listed Companies.
6. Does the company appoint a professional stock agency to handle shareholders' meeting-related affairs?	✓		The Company has appointed a professional share agent, KGI Securities Co., Ltd. Share Agent Department, to handle the company's shareholder meetings and other share-related matters.	In compliance with the Corporate Governance Best-Practice Principles for Listed Companies.
7. Information disclosure (1) Has the company set up a website to disclose financial and corporate governance information?	✓		<p>(1) 1. The Company has established an online filing system for public information and designated a dedicated person to collect and disclose company information. The company has also established a spokesperson system with a spokesperson and proxy spokesperson to improve the accuracy and timeliness of major information disclosure.</p> <p>2. The Company has set up a website and established an "Investor</p>	In compliance with the Corporate Governance Best-Practice Principles for Listed Companies.



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
<p>(2) Does the company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing the spokesman system, and posting the company's corporate briefing process on the website, etc.)?</p> <p>(3) Has the company announced and filed its annual financial report within two months after the end of the accounting year, and provided early announcement and filing of its first, second, and third quarterly financial reports and monthly operational results within the prescribed deadline?</p>	✓		<p>Relations" section to regularly disclose financial and business-related information as well as corporate governance information for the reference of investors.</p> <p>(2)1. A designated person is responsible for the collection and disclosure of information: The shareholder services unit and finance department of the Company are responsible for information collection and disclosure, and the operation is smooth.</p> <p>2. The spokesperson system is implemented: The Company has designated the director of the Administration as the spokesperson.</p> <p>3. Corporate briefing information is posted on the Company website.</p> <p>(3) The Company has many subsidiaries that are included in the consolidated financial statements, which require more time for verification. Therefore, we are unable to announce and file the annual financial report within two months after the end of the accounting year and to announce and file the quarterly financial reports and monthly operational information ahead of the prescribed deadline.</p>	<p>In compliance with the Corporate Governance Best-Practice Principles for Listed Companies.</p> <p>In compliance with the Corporate Governance Best-Practice Principles for Listed Companies.</p>
8. Does the Company have any other important information (including but not limited to employees' rights, employee care, investor relations, supplier relationship, equity of interested parties, training for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>(1) Employee equity and employee care</p> <p>1. Through the convening of labor-management coordination meetings, the Company can prioritize employee rights and express care for our employees. We have established an employee complaint mailbox which is handled by dedicated personnel who deal with employee feedback. Hold expert lectures and health seminars periodically to enable employees to broaden their horizons and acquire health knowledge. The employee welfare committee organizes various activities for employees to benefit their physical and mental health, and also participates in donations to disadvantaged groups. We prioritize employee workplace safety and health issues and hold regular environmental and safety inspection meetings each month with the goal of continuous improvement. Outstanding colleagues who perform well at work are recognized and rewarded each year through a selection process for outstanding employees. We also promote various forms of public welfare activities under the name of outstanding employees. This motivational approach towards our employees instills a sense of satisfaction and happiness, allowing them to work smarter and live healthier lives.</p> <p>2. The Company established an employee retirement policy in accordance with the Labor Standards Act (old system) welfare</p>	In compliance with the Corporate Governance Best-Practice Principles for Listed Companies.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>plan and the contribution plan implemented under newly enacted "Labor Pension Act" (new system) effective July 1, 2005. In addition to legally required retirement pension reserve funds, the Company annually conducts actuarial evaluations of labor pension reserve funds through professional actuarial consultants to safeguard employees' future rights to claim pensions and ensure full pension contributions. The implementation status of pension contributions at all locations of the Company in 2024 is as follows:</p> <p>(a) In accordance with the provisions of the "Labor Standards Act," the company has established an employee retirement plan, under which a retirement reserve fund is contributed monthly based on the total payroll amount and deposited into a designated account at Bank of Taiwan. As of December 31, 2024, the balance in the Bank of Taiwan pension designated account was NT\$27,023,807.</p> <p>(b) In accordance with the Labor Pension Act, the Company contributes 6% of employees' declared contribution wages monthly to the individual pension designated accounts established by the Bureau of Labor Insurance for employees covered under the new system. As of December 31, 2024, the total employer contributions under the new pension scheme amounted to NT\$24,624,241.</p> <p>(c) The Company retains employees' years of service, and when employees meet retirement eligibility, their pensions are calculated based on combined years under both the old and new systems.</p> <p>3. All regulations and measures related to labor-management relations in the Company are implemented in compliance with relevant laws, and any new or revised measures related to labor-management relations are only established after sufficient consultation and agreement between labor and management. The Company regularly sends employees to participate in safety and health lectures, as well as providing pre-employment education and training, management courses, professional skills, self-improvement, and other training programs. We aim to provide a comfortable and safe working environment for our employees and to support their ongoing learning and development within the organization.</p>	
			(2) Investor Relations	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>The Company adheres to the principles of fairness and transparency in dealing with all shareholders. Every year, we convene a shareholders' meeting in accordance with the Company Act and relevant laws and regulations and notify all shareholders to attend the meeting in accordance with the relevant rules. We encourage shareholders to actively participate in the election of directors and supervisors and the amendment of the Company's articles of association, as well as to be informed of major financial transactions such as the disposal of assets. We also provide shareholders with ample opportunities to ask questions or make proposals to achieve balance and fairness. The Company has established rules for shareholder meetings in accordance with the law, properly preserves the minutes of shareholder meetings, and discloses relevant information on the Market Observation Post System (MOPS). To ensure that shareholders have the right to be fully informed, participate, and make decisions on important matters of the company, the Company has established the position of spokesperson and proxy spokesperson. We also have dedicated personnel to handle shareholder suggestions, questions, and disputes.</p> <p>Since its public listing, the Company has upheld the principle of information transparency and has disclosed information in accordance with the regulations of the Public Offering Company's Disclosure Checklist and the Taiwan Stock Exchange's Verification and Disclosure Procedure for Major Information of Listed Companies. We have established an online system for reporting and disclosing public information, and have assigned personnel to be responsible for collecting and disclosing company information. After the relevant departmental managers review and confirm the information, we promptly announce and report relevant information, providing timely and comprehensive information to investors that may impact their investment decisions.</p> <p>(3) Respect for Stakeholders’ Rights and Interests The Company complies with the law and regulations to honestly and openly disclose company information, to safeguard the basic rights and interests of investors. We maintain open communication channels with our banks, employees, consumers, and suppliers, and respect and uphold their legal rights and interests. We have spokespersons and proxy spokespersons to answer investor questions and provide high levels of transparency</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>in our financial and business information for investors and stakeholders. In addition, the Company has established procedures for group organizational management, supervision and management of subsidiaries, and management of related-party transactions. All transactions between related companies are carried out in accordance with these procedures. Furthermore, we have explained the restrictions on the competitive activities of our directors in the shareholders’ meeting.</p> <p>(4) The Company purchases liability insurance for all directors on a regular basis every year. This is done to reduce and distribute the risks associated with errors or omissions committed by directors, which could potentially cause significant damage to the company and its shareholders. We periodically review the content of the insurance policy to ensure that the coverage and compensation amount are sufficient and meet our needs. The most recent report on the board of directors was made after the purchase of insurance.</p> <p>(5) Succession Planning for Board Members and Key Management Personnel  The purpose of succession planning is to ensure that the company has a pool of talented individuals to succeed in key management positions, thereby maintaining depth in the management bench and meeting the long-term human resource needs of the organization. In planning for succession, the Company evaluates candidates based not only on their professional skills and execution capabilities, but also on their fit with the company's culture, work values, and personal qualities. A candidate with cross-functional experience is preferred to ensure a broad perspective on the business.</p> <p>1. Succession Planning and Implementation for Board Members:  The Company has a Board of Directors consisting of 7 members (including 3 independent directors) who possess expertise in management, finance, and R&amp;D. The future composition and member background of the board of directors will continue to follow the current structure. We have a strong network of connections and will also seek suitable talent from external sources to assume positions as needed. In addition, independent directors are required by law to have work experience in business, R&amp;D, legal, accounting, or corporate</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>affairs. Therefore, the direction of future succession planning will focus on professionals with expertise in each field.</p> <p>2. Succession Planning and Implementation for Key Management Personnel:  The Company's succession plan is currently in progress. The general managers of the Company and its subsidiaries are the successors to the general manager and chairman. Through managing the Company, they cultivate their succession capabilities. The group's various company executives are all professional staff who fully endorse the company's business philosophy, understand its vision, share its values, and have a certain amount of seniority within the group. Their performance, professional expertise, and business acumen have all been recognized. Some of the designated successors are already members of the board of directors of various companies within the group, and they are expected to learn about the operations of the board of directors in the coming years. The goal is for them to take over leadership positions in 8 to 10 years. The Company's succession plan is not limited to senior management, but will also be extended to lower levels to ensure that each level has qualified successors. The Company will also cultivate successors for departmental senior managers through its proxy system, job rotation, and functional training. The selection of suitable successors will be evaluated through on-the-job learning, self-study, job experience, and the Company's existing performance appraisal system. The retention rate of key talents will be used as an important performance indicator for the management department on a monthly basis.</p> <p>In addition, the Company conducts job rotations and promotions for key talents based on future development strategies, investment plans, technology roadmaps, employee performance evaluations, and retirement situations, to effectively transfer professional experiences and cultivate suitable management talent for succession.</p> <p>(6) The Company provides at least one training session per year to our directors, managers, and employees on the prevention of insider trading in accordance with relevant laws and regulations. The company provides education and promotion on the prevention of insider trading at least once a year to directors, managers, and employees. The education and training also cover new employees and include topics such as the definition of insider trading,</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Summary Description										
			<p>internal significant information, and its public disclosure, prohibition of insider trading, and penalties for violations. The Company conducted relevant education on preventing insider trading to current directors and managers on December 20th, 2024, and made the course materials available for employees to refer to at any time via the Company's internal system. The Company will notify directors and managers by email that trading in the company's stock is prohibited during the blackout periods, which begin two weeks before the announcement of the annual and quarterly financial reports. The blackout periods are defined as the 30 days before the announcement of the annual financial report and the 15 days before the announcement of each quarterly financial report.</p> <p>The education and promotion of relevant laws and regulations on preventing insider trading for employees were carried out in the year 2024 as follows:</p> <table><tr><th>Item</th><th>Participants</th><th>Hours</th></tr><tr><td>Prevent insider trading</td><td>927</td><td>0.5</td></tr><tr><td>Total</td><td>927</td><td>464</td></tr></table>	Item	Participants	Hours	Prevent insider trading	927	0.5	Total	927	464	
Item	Participants	Hours											
Prevent insider trading	927	0.5											
Total	927	464											
9. Please explain the improvement made based on the 11th corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation for the latest fiscal year, and propose priority areas and measures for those who have not yet improved. (Companies that have not been evaluated need not be filled in.) We have made the following improvements based on the corporate governance evaluation results released in the 10th assessment (the fiscal year 2023): 1. We have established internal rules that prohibit our directors, employees, and other insiders from using non-public information to profit from the market. We have disclosed these rules on our company's website and ensured their implementation.													
In the fiscal year 2025, we will prioritize the following areas for further strengthening: 1. Invited (self-initiated) to hold at least two corporate briefings, with the first and last briefings of the evaluated year spaced more than three months apart.													

D. The composition and operation of the Company's remuneration committee are as follows:

(A) On December 29, 2011, the board of directors of the Company approved the establishment of a remuneration committee. The members of the current remuneration committee are independent directors Mr. Liaw Dar-Lii, Mr. Lee An-Chen, and Mr. Chu Ming-Ching. Their term of office is from August 10, 2022, to June 28, 2025. Mr. Liaw Dar-Lii, an independent director, serves as the convener of the committee.

(B) The professional knowledge and independence of the members of the current remuneration committee are as follows:

Identity (Note 1)	Name	Term	Professional qualifications and experience (Note 2)	Independence status (Note 3)	The number of remuneration committee memberships held concurrently in other publicly listed companies.
Independent director	Liaw Dar-Lii		For professional qualifications and experience, please refer to page 4 of this year's annual report for information on the directors.	All members of the Company's remuneration committee comply with the provisions of Article 6, Paragraph 1 of the "Regulations Governing the Establishment and Exercise of Powers of the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter at Securities Firms" (Note 1).	0
Independent director	Lee An-Chen				0
Other	Chu Ming-Ching		Education: Agricultural Machinery Department, National Chung Hsing University Experience: Manager, Sales Unit, Cathay Life Insurance Co., Ltd.		0

Note 1: In the two years before the appointment and during the term of office, the member shall not have any of the following circumstances:

- (1) An employee of the Company or its affiliated enterprises.
- (2) Director or supervisor of the company or its affiliated enterprises (except for independent directors appointed mutually by the company and its parent company, subsidiary, or subsidiary of the same parent company according to this law or local laws and regulations).
- (3) The member, his/her spouse, minor children, or any natural person shareholder who holds 1% or more of the Company's issued shares or is among the top ten shareholders in the name of others.
- (4) Manager listed in (1) or spouse, relatives within two degrees of kinship, or direct blood relatives within three degrees of kinship of the personnel listed in (2) or (3).
- (5) Director, supervisor, or employee of the corporate shareholder who directly holds 5% or more of the total issued shares of the Company, is among the top five shareholders or is appointed as a director or supervisor of the company by the corporate shareholder according to Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors appointed mutually by the company and its parent company, subsidiary, or the subsidiary of the same parent company according to this law or local laws and regulations).
- (6) Director, supervisor, or employee of another company or organization that controls more than half of the seats or voting rights of the Company's board of directors, but not including independent directors appointed mutually by the Company or its parent company, subsidiary, or the subsidiary of the same parent company according to this law or local laws and regulations.
- (7) Director (trustee), supervisor (supervisor), or employee of another company or organization, who is the same person or spouse of the company's chairman, general manager, or equivalent position (except for independent directors appointed mutually by the Company and its parent company, subsidiary, or the subsidiary of the same parent company according to this law or local laws and regulations).
- (8) Director (trustee), supervisor (supervisor), manager, or shareholder holding 5% or more of the shares of a specific company or organization that has financial or business dealings with the Company.
- (9) Professional, sole proprietor, partnership, company, or organization providing related services in commerce, law, finance, accounting, and other fields to the company or its affiliated enterprises, and whose total remuneration received in the past two years does not exceed NT\$500,000, as well as their spouses, enterprise owners, partners, directors (trustees), supervisors (supervisors), managers, and their spouses. However, members of the remuneration committee, public tender offer review committee, or merger special committee who perform duties in accordance with the Securities and Exchange Act or the Company Merger and Acquisition Act are not subject to this restriction.

(C) Information on the operation of the remuneration committee

- a. The remuneration committee of our company consists of three members.
- b. The term of office for the current committee is from August 10, 2022, to June 28, 2025. In the most recent fiscal year, the remuneration committee held two meetings (A), and the qualifications and attendance of the members were as follows:

Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Convener	Liaw Dar-Lii	2	0	100%	
Member	Lee An-Chen	2	0	100%	
Member	Chu Ming-Ching	2	0	100%	

Other matters to be recorded::

1. If the board of directors did not adopt or amend the suggestion of the remuneration committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution, and the company's handling of the suggestion of the remuneration committee (if the remuneration passed by the board is better than the suggestion of the remuneration committee, please state the difference and the reasons): Nil.
2. If any member had objections or reservations about the resolution of the remuneration committee and there is a record or a written statement, please indicate the date and session number of the remuneration committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled:

(1) Resolutions of the Remuneration Committee for the fiscal year 2024 are as follows:

Date of the Remuneration Committee	Tenure	Agenda	Resolution
2024/1/31	The 4th meeting of the 5th Remuneration Committee.	Annual bonus payment for managers.	The proposal was passed according to the case with no objections from all committee members present.
2024/7/23	The 5th meeting of the 5th Remuneration Committee.	The proposal of allocation of the first issuance of new restricted employee stock to Managers for 2024.	The proposal was passed according to the case with no objections from all committee members present.

(2) Items decided by the compensation committee, with members having recorded or written dissenting or reserved opinions: None.

3. Duties of the Remuneration Committee:

The functions of the Company's Remuneration Committee are regulated by relevant laws and regulations. The committee takes a professional and objective stance to evaluate the compensation policies and systems for our company's directors and managers. Generally, the committee holds at least two meetings per year and may convene additional meetings as necessary. The committee also submits proposals to the board of directors for reference in decision-making.

(1) Duties of the Remuneration Committee:

- a. Regularly review and propose amendments to the organization regulations of the committee.
- b. Establish and regularly review the performance evaluation criteria for directors and managers, as well as the policies, systems, standards, and structures for compensation and benefits. The



evaluation criteria should be disclosed in the annual report.

- c. Regularly assess the achievement of performance goals for directors and managers and determine individual compensation and benefits based on the evaluation results.

(2) When fulfilling its duties, the Remuneration Committee adheres to the following principles:

- a. The performance evaluation and compensation and benefits for directors and managers should reference the industry's standard compensation practices for similar-sized companies and take into consideration their performance, the company's operating performance, and the future risk implications.
- b. The committee should not encourage directors and managers to engage in activities that exceed the company's risk appetite for the sake of compensation and benefits.
- c. The proportion of short-term incentive compensation and the timing of payment of variable compensation for directors and senior managers should be determined based on industry characteristics and the company's business nature.
- d. Committee members should recuse themselves from discussing and voting on any matters related to their compensation and benefits to ensure fairness and objectivity.

E. The implementation status of sustainable development promotion

1. The implementation status of sustainable development promotion and the differences between the sustainable development best practice principles for TWSE/TPEX listed companies, as well as the reasons for these differences.

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies						
	Yes	No	Description							
1. Has the company established a governance framework for promoting sustainable development, set up a dedicated department for promoting sustainable development, and authorized senior management to handle it, and is the board of directors supervising the situation?	✓		The Company focuses on sustainability issues and has established the "Sustainability Committee" as a dedicated unit for promoting sustainability. The chairman serves as the chairperson, actively promoting "corporate governance," "environmental sustainability," "social involvement," and "green products." The Company also enhances employee awareness of sustainability. At the same time, guided by the materiality principle, the Company identifies and analyzes significant issues concerning relevant stakeholders, establishes related risk management policies and objectives, builds consensus, and collaborates toward sustainability efforts. Additionally, in 2024, the Company established a "Sustainability Office" under the General Manager's Office to serve as the dedicated implementation unit. This office actively drives the Group's sustainability initiatives and consolidates all sustainability-related information across the organization. Regarding implementation progress, the "Sustainability Development Committee" will report on related plans, implementation effectiveness, and corresponding strategies at the last board meeting of each year. The Board of Directors must assess the likelihood of success of these strategies, review their progress, and urge adjustments when necessary.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.						
2. Has the company conducted a risk assessment on environmental, social, and corporate governance (ESG) issues related to its business operations in accordance with the principle of materiality, and developed relevant risk management policies or strategies?	✓		<div>A. The Company has conducted a risk assessment on major topics by the "Sustainability Development Committee" issues in accordance with the significant principles. Based on the evaluation of the risks, the Company has formulated the following risk management policies or strategies:</div> <table><tr><th>Material issues</th><th>Risk assessment items</th><th>Risk management policies or strategies</th></tr><tr><td>Economic and governance</td><td>Corporate Governance</td><td>In addition to adhering to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies<sup>13</sup> and relevant regulations, the Company has established internal "Code of Ethical Conduct" and</td></tr></table>	Material issues	Risk assessment items	Risk management policies or strategies	Economic and governance	Corporate Governance	In addition to adhering to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies <sup>13</sup> and relevant regulations, the Company has established internal "Code of Ethical Conduct" and	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
Material issues	Risk assessment items	Risk management policies or strategies								
Economic and governance	Corporate Governance	In addition to adhering to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies <sup>13</sup> and relevant regulations, the Company has established internal "Code of Ethical Conduct" and								

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
				"Corporate Governance Practice Guidelines" to safeguard investor/shareholder rights and strengthen board effectiveness. Concurrently, the Company is enhancing corporate governance structures and improving transparency across all disclosed information to align with global governance benchmarks
			Operation Performance	Operational Excellence Guided by the principles of "integrity-driven management" and a commitment to societal responsibility, we pursue sustainable business growth. By implementing intelligent workflow management, we track and evaluate operational performance regularly, integrate industry forecasting, conduct risk assessments, and execute financial planning with precision to ensure strategic decision-making accuracy.
			Quality of Products	Guided by the principle of "Do It Right the First Time, Continuously Improve, and Pursue Excellence in Quality", the Company rigorously implements quality management systems to meet customer requirements while maintains customer satisfaction scores consistently above 90 points.
			Sustainable supply chains	The Company established ethical conduct guidelines and code of conduct requirements to mandate supplier adherence, ensuring compliance with human rights standards and conflict minerals regulations,

Item	Execution status					Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description			
					while continuously conducted sustainability risk assessments.	
			Environment Dimension	Greenhouse gas emissions and energy management	The Company is committed to advancing environmental sustainability and will continue dedicating resources to protect the Earth's ecosystems, enhance resource recycling efficiency, and reduce the Company's overall carbon footprint. In alignment with the government regulations, the Company has set the following targets: Annual energy-saving goal: 1% reduction in electricity consumption. Carbon intensity reduction: 3% decrease in carbon emissions per unit of revenue by 2025 (using 2021 as the base year). These initiatives drive our strategic roadmap to achieve net-zero emissions by 2050. The Company fostered employee competency development by incentivizing participation in internal/external professional training programs, while providing:  Diverse learning channels: Integration of online learning platform and a digital course library tailored to roles (technical, managerial) and hierarchy levels. Transition support: Structured management training programs (e.g., leadership workshops, mentorship) to equip employees with critical skills during role transition.	
			Social	Talent	The Company fostered	

Item	Execution status					Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description			
			Dimension	Cultivation	employee competency development by incentivizing participation in internal/external professional training programs, while providing:  Diverse learning channels: Integration of online learning platform and a digital course library tailored to roles (technical, managerial) and hierarchy levels. Transition support: Structured management training programs (e.g., leadership workshops, mentorship) to equip employees with critical skills during role transition.	
				Compensation & Employee Benefits	In adherence to the Compensation Management Procedures, the Company' s remuneration policy embodies the principle of "Equal Pay for Equal Work" (gender-neutral compensation), distributing rewards through a merit-based system aligned with performance and goal attainment. The Company prioritizes long-term employee well-being while cultivates a win-win operational cycle by attracting and promoting top talent. Additionally, all formal employees' salaries are maintained above both the living wage and statutory minimum wage, adjusted annually according to Taiwan' s regional cost-of-living indices.	
				Occupational health and safety	Guided by our "Human-Centered Safety Culture" policy framework –	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
				<p>proactive prevention, continuous improvement, all-staff engagement, and legal compliance – we rigorously implement regulatory requirements while:</p> <p>Enhancing emergency response drills (e.g., earthquake/fire simulations) to elevate workforce preparedness.</p> <p>Strengthening worksite environmental controls to minimize occupational hazards and environmental risks.</p> <p>Expanding health promotion initiatives, including mindfulness workshops and ergonomic training, to maintain employee physical/mental well-being.</p>
			Employee-Employer relations	<p>The Company is committed to fostering trust-based collaboration between management and employees through open-door governance, creating a challenging yet supportive work environment.</p> <p>Employee-Employer Consultation meetings are held every quarter, and mailboxes and hotlines are set up for transparent communication between employees and the Company.</p>
			<p>The Company adheres to the principle of integrity and feedback to society, and in pursuing sustainable business and profits, we fulfill corporate social responsibility, value the rights and interests of stakeholders, and pay attention to environmental, social, and corporate governance issues, which are incorporated into our management policies and operations. In 2024, the Company established a "Sustainability Office" under the General Manager's Office to serve as the dedicated implementation unit. This office actively drives the Group's sustainability initiatives and consolidates</p>	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			all sustainability-related information across the organization to achieve the goal of sustainable management.	
C. Environmental Issues (A) Has the company established an appropriate environmental management system based on its industry characteristics?	✓		<p>A. The Company's main environmental management measures include:</p> <p>(A) Ensuring compliance with regulatory requirements for emissions of exhaust gas, wastewater, waste, noise, and chemical substances generated during the Company's processes.</p> <p>(B) Setting targets and managing the use of resources such as electricity, water, and air conditioning.</p> <p>(C) Submitting reports for the "Energy User Energy Conservation Audit System" as required by energy management regulations.</p> <p>(D) By the end of 2024, the Company's major factories at home and abroad have obtained certifications for ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System, QC080000 Hazardous Substance Process Management System, and conducted an inventory and the verification and declaration statement of greenhouse gas emissions under ISO 14064-1.</p> <p>(E) First Third-Party Verified ISO 14067 Product Carbon Footprint Report Achieved in 2024.</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(B) Is the company committed to improving energy efficiency and using low-impact renewable materials to reduce its environmental footprint?	✓		<p>B. The Company actively maximizes the efficient use of resources, uses environmentally-friendly materials that are pollution-free and non-toxic in all products produced during our processes and improves our process and operation management to reduce waste and lower production costs. Regarding waste and defective products generated during the production process, the Company calculates the amount produced through effective management procedures and recycle them. The recycled waste and defective products are then handed over to qualified waste recyclers to be reported to the Environmental Protection Bureau and disposed of and recycled in accordance with the law. Besides, the Company implemented localized procurement policy. The initiative promotes a localized procurement strategy focusing on eco-certified product sourcing, prioritizing goods</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			with government-recognized eco-labels, increasing in-house production ratios, and partnering with certified local supplier, then reducing transportation distances and costs.	
(C) Has the company assessed the potential risks and opportunities of climate change for its current and future operations, and taken relevant measures in response?	✓		<p>B. The Company continuously monitors the impact of climate change on operational activities, adhering to the belief in "coexistence with nature and a people-centered approach" and the spirit of "protecting the Earth and employee health." Additionally, referencing the recommendations for climate-related financial disclosures issued by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the Company initially conducts risk analyses on the impacts of climate change and plans corresponding measures.</p> <p>To deepen understanding of climate-related risks and opportunities, the Company launched a Climate Risk Identification Project in late 2024, guided by the TCFD recommendations. Key outcomes include 4 physical and 4 transition risk, and 5 strategic opportunities. Next Steps for 2025 are to develop management policies and action plans to address prioritized risks/opportunities<sup>36</sup>, and to conduct financial risk analysis to quantify climate impacts on business resilience.</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(D) Has the company calculated its greenhouse gas emissions, water usage, and total waste generation over the past two years, and developed policies for reducing greenhouse gas emissions, water usage, or other waste management?	✓		<p>D. The Company's greenhouse gas emissions, water usage, and total waste generation over the past two years are as follows:</p> <p>(A) Some of the Company's factories have conducted greenhouse gas inventories, and the data is as follows:</p> <p>a. The total greenhouse gas emissions for the year 2023 were 5,985.338 metric tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). The total greenhouse gas emissions for the year 2024 were 7,199.839 metric tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). Starting in 2021, the Company has for the first time included some Scope 3 categories in our inventory and verification, including employee business travel, employee commuting, upstream transportation and distribution of goods, waste disposal, and upstream emissions from fuel and electricity. The Company's greenhouse gas inventory for fiscal year 2024 has been completed and has obtained third-party certification. (For detailed information, please refer to the ACES's ESG Report)</p> <p>b. The targets for total electricity saving and greenhouse</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			<p>gas emissions in 2025 are, with a yearly 1% saving and reduction target of 3%, which will be achieved through the following aspects, then finally advancing toward net-zero emissions by 2050:</p> <p>(a) Air conditioning and lighting:</p> <p>i. Setting the temperature of the workplace and office at 26-28°C, with designated personnel responsible for turning on and turning off the air conditioning.</p> <p>ii. Lighting switches are subdivided and controlled by area. Time-controlled switches are used to manage lighting in public areas. All factory lighting fixtures have been replaced with LED lighting to reduce electricity waste.</p> <p>(b) Electricity usage for air compressors:</p> <p>i. Regular inspections are conducted to check for air leaks in the company's air ducts and repairs are made promptly to avoid increasing the load on the air compressors due to air leaks, thus achieving energy savings in the use of air compressors.</p> <p>ii. The company has fully replaced its air compressors with variable frequency drives.</p> <p>(c) Optimizing the fuel consumption of official vehicles and making advance arrangements for carpooling.</p> <p>(d) Waste sorting is implemented within the factory, and all waste is processed by qualified vendors with clear records of the disposal process.</p> <p>(e) Energy management - Promoting environmental protection measures such as digital energy-saving, waste reduction, and recycling, and providing training and promotion on energy-saving and emission reduction measures.</p> <p>(f) To further quantify and optimize energy management, ACES is planning to implement the ISO 50001 Energy Management System and is expected to participate in the government's 2025 Manufacturing Industry Energy Management Demonstration and Guidance Program in 2025 to enhance energy management capabilities.</p>	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			<p>(B) Comparison and explanation of water usage and total waste generation:</p> <p>a. Comparison and explanation of water usage:  Total water usage in 2023: 21,810 cubic meters  Total water usage in 2024: 22,822 cubic meters  Based on the statistics for the two fiscal years, the water usage in 2024 increased by 1,012 cubic meters compared to 2023. The primary reason is that an increase in production capacity led to a concurrent increase in water usage. (For more details, please refer to the ACES's ESG Report)</p> <p>b. Comparison and Explanation of Total Waste Generation:  Total waste generated in 2023: 18.62 metric tons (municipal solid waste)  Total waste generated in 2024: 19.5 metric tons (municipal solid waste)  According to the statistics for the two years, waste generation slightly increased by 0.88 metric tons. (For more details, please refer to the ACES's ESG Report)</p> <p>c. The Company's water consumption is primarily for general domestic use, with water-saving measures including  a. the replacement of faucets with water-saving valves.  b. the utilization of rainwater for landscape pond irrigation and lawn sprinkling.</p>	
D. Social issues (A) Does the company develop relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		(A) The Company has developed the "ACES ELECTRONICS - Corporate Social Responsibility Policy" by reference to the International Bill of Human Rights, which includes policies to protect human rights, including the International Covenant on Economic, Social, and Cultural Rights and the International Covenant on Civil and Political Rights, both of which are United Nations human rights conventions. In order to fulfill our corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders, we follow the principles outlined in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labour Organization's human rights conventions, to respect internationally recognized basic human rights, including	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			<p>freedom of association, caring for vulnerable groups, prohibiting child labor, eliminating all forms of forced labor, eliminating employment and job discrimination, and complying with labor-related laws and regulations in the country or region where the company operates, to protect the legitimate rights and interests of employees, and establish appropriate management methods and procedures.</p> <p>(1) Provide employees with a reasonable salary and bonus system.</p> <p>(2) Provide employee education and training programs.</p> <p>(3) Implement insurance plans and leave systems.</p> <p>(4) Set aside retirement benefits in accordance with the law.</p> <p>In terms of labor-management communication, through the convening of labor-management coordination meetings, we can attach importance to employee rights and express concern for employees. We have also set up physical and online employee suggestion boxes to receive employee complaints and suggestions, and value two-way communication and coordination.</p> <p>The Company fully complies with the Responsible Business Alliance (Responsible Business Alliance, referred to as RBA) and establishes the "ACES Electronics Social Responsibility Code of Conduct". The basic principle of using this code of conduct is that all business operations must fully comply with the laws, regulations, and legal requirements of the countries in which they operate, and encourage participants to actively use internationally recognized standards to promote social and environmental responsibility, business ethics, and ensure the safety of the working environment for the entire supply chain and subcontractors, respect for each employee, and compliance with moral principles in business operations.</p> <p>The Company is committed to continuously self-checking its performance in labor, health, safety, environmental, and ethical aspects, accepting on-site audits by third-party verification agencies, and proactively requiring suppliers to adopt RBA tools and standards. To demonstrate this commitment and create a sustainable business environment, we will uphold an attitude and position of integrity and non-compromise, establish relevant RBA policies, and strive tirelessly for the rights and welfare of</p>	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			<p>practitioners and communities in the electronics industry supply chain.</p> <p>The Company has also undergone the RBA Validated Assessment Program (VAP). All deficiencies have been improved at present, and will continue to be tracked in the future.</p> <p>The Company is committed to promoting human rights protection policies, and in addition to policy formulation, we have also implemented human rights assessments, risk mitigation measures, and related education and training.</p> <p>Measures to mitigate human rights risks:</p> <p>The Company is committed to ensuring that the human rights of its employees and those in its supply chain are respected and that their working environment is safe. To fulfill this commitment, the company has become a member of the Responsible Business Alliance and conducts a comprehensive investigation process to ensure that its code of conduct aligns with the RBA Code of Conduct.</p> <p>Human Rights Assessment:</p> <p>Every year, the Company conducts a hazard identification and risk assessment of labor ethics to control risks.</p> <p>Education and training on human rights protection:</p> <p><b>【Labor and Ethics Education and Promotion】</b></p> <p>New employees are provided with training on relevant legal compliance and promotion content, including the prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, working hour management, and protection of humane treatment.</p> <p><b>【Sexual Harassment Prevention and Education】</b></p> <p>Sexual harassment prevention education includes understanding the concept of sexual harassment, preventing sexual harassment, and the company's handling procedures for sexual harassment incidents.</p> <p><b>【Provide a complete series of occupational safety training】</b></p> <p>The Company provides comprehensive occupational safety training for employees. We offer different safety training programs tailored to the specific needs of different employee</p>	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			categories and the situations they may encounter in the workplace. These programs include fire safety training, emergency response training, first aid training, general safety and health education training, and more.	
(B) Does the company establish and implement reasonable employee welfare measures (including salaries, leaves, and other benefits), and appropriately reflect the business performance or results in employee compensation?	✓		<p>(B) The Company has established work rules and related personnel management regulations, covering basic wages, working hours, leave, retirement benefits, labor, and health insurance benefits, occupational accident compensation, etc., for the employed workers, and all related policies are in compliance with the relevant provisions of the Labor Standards Act. In addition, the company has also set up a labor welfare committee, which is operated by elected welfare commissioners to handle various welfare matters, such as employee travel.</p> <p>The Company's remuneration policy is based on individual abilities, contributions to the company, individual performance, and the correlation with the company's business performance.</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(C) Does the company provide employees with a safe and healthy working environment, and regularly conduct safety and health education for employees?	✓		<p>(C) The Company is committed to providing a safe and healthy working environment for employees. In addition to arranging health checks for new employees, we also hold regular health checks for existing employees. For direct personnel engaged in production line work, we arrange special health checks for occupational disease prevention under labor insurance. Before new employees start their jobs, we provide them with safety and health education and training and conduct related training in accordance with the Occupational Safety and Health Act.</p> <p>In addition, our company has established the "Precautions for Prevention and Handling of Sexual Harassment" and provided channels for complaints to maintain a healthy work environment. We also provide accident and medical insurance for employees to ensure their safety at work and to mitigate the company's management risks. Emergency response procedures are in place to carry out safety maintenance and disaster emergency response training. Every year, we invite local fire departments or professional fire consultants to provide fire training and drills. According to the regulations of the Occupational Safety and Health Act, we employ qualified nurses and contract occupational medicine specialists to provide on-site health services in compliance with legal requirements. The Company applied for ISO14001 and ISO45001 in 2015 and obtained the relevant</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			certificates in January 2017, with annual verifications to date. There were no major accidents or fire incidents in 2024.	
(D) Does the company establish an effective career development training program for employees?	✓		<p>(D) The company is committed to promoting continuous learning and self-improvement among employees through the motto "The Power of Knowledge," and spares no effort in investing in employee training. A comprehensive training system has been established for new employees, including basic and professional training, to help them quickly adapt to the new environment and feel a sense of belonging. In-service employees can continuously challenge themselves and grow through various training channels, such as internal and external training, on-the-job training (OJT) provided by supervisors or peers, and monthly library reading. In addition, career planning and development are integrated through job series/levels planning, job rotation, project assignments, and overseas assignments, enabling colleagues to jointly enjoy the joy of intellectual growth and create a better future.</p> <p>The Company has established an education and training management procedure to plan the training courses according to the professional and functional requirements of employees. This is to enhance the knowledge and skills of employees, improve their overall quality, and promote business performance. We provide leadership, organizational management, and teamwork training courses and activities for managerial staff to enhance their management and leadership capabilities. For marketing and sales staff, we offer a product or sales-related professional training to strengthen their marketing skills. For R&amp;D staff, we offer specialized training courses such as product development and design, APQP, and problem analysis and resolution. As the company expands globally, language learning courses are also provided to strengthen language skills. With the advent of Industry 4.0 and smart manufacturing as a global trend, we have invited the Smart Manufacturing Research Center of National Central University to conduct a 25-week professional training program on engineering, data applications, information security, and management for our company. We execute the following relevant training courses in accordance with the annual education and training plan:</p> <p>(1) New employee pre-service training: includes company culture and regulations, intellectual property overview, basic</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
			<p>operating system operations, quality management awareness, no harmful substance policy promotion, personal job responsibilities explanation, professional skills training, etc. Our company has a "New Employee Mentorship System", where new employees follow a plan to receive complete pre-service education and training, and with the guidance of a dedicated mentor, assist new employees in quickly familiarizing themselves with and integrating into their work positions.</p> <p>(2) Professional skills training:</p> <p>A. Internal Training: Department heads or senior staff members serve as instructors, and courses are arranged based on the technical and professional training needs of each functional unit to enhance employee personal value and sense of responsibility, correct work attitudes and concepts, and strengthen professional skills. This improves current work productivity and efficiency and expands the diversity of career development opportunities.</p> <p>B. Every year, a budget is allocated for education and training, and employees are sent to professional training institutions to acquire external professional knowledge and skills. At the same time, employees are also encouraged to continue their education while working.</p> <p>(3) Quality consciousness:</p> <p>Through the "Knowledge Management Zone," we regularly update internal/external audit recommendations and improvement plans, as well as share and analyze common customer complaints. Through this quality information exchange channel, we help continuously improve internal operational processes and quality management capabilities.</p> <p>(4) ACES Academy:</p> <p>Constructing the "ACES Academy" digital learning platform, which provides diverse and rich learning content, including training categories such as management functions, sales, and marketing, research and development, production management, general education, language, etc., in a more flexible way to meet the needs of more employees with different learning styles.</p>	

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies																
	Yes	No	Description																	
			<div>(5) The following is the statistical report on employee education and training in our company for the year 2024:<table><tr><th>Item</th><th>Training Hours</th><th>Participants</th><th>Total Training Hours</th></tr><tr><td>New Employee Training</td><td>8</td><td>202</td><td>1,616</td></tr><tr><td>Professional Skills Training</td><td>3</td><td>3,479</td><td>9,849</td></tr><tr><td>Total</td><td>11</td><td>3,681</td><td>11,465</td></tr></table></div>	Item	Training Hours	Participants	Total Training Hours	New Employee Training	8	202	1,616	Professional Skills Training	3	3,479	9,849	Total	11	3,681	11,465	
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(E) Does the company comply with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, labeling, and other related issues concerning our products and services, and have we developed policies and procedures to protect the rights and interests of consumers or customers and handle complaints accordingly?	✓		(E) The Company has set up a business contact person and customer service hotline on our company website to handle customer complaints and is responsible for dealing with quality and customer service issues. We comply with regulatory requirements and international standards regarding customer health and safety, customer privacy, marketing, and labeling for our products and services. We have also developed policies and procedures to protect consumer rights and handle complaints accordingly.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																
(F) Does the company have a supplier management policy that requires suppliers to comply with relevant regulations and standards on issues such as environmental protection, occupational health and safety, and labor rights, and monitors their implementation?	✓		(F) The Company has established a "Supplier Evaluation and Control Procedure" which requires suppliers to complete a quality system evaluation form before transacting with us. We also conduct on-site evaluations of their compliance with environmental, safety, and health regulations. Their records and impacts on the environment and society are also important evaluation criteria. Besides, all primary suppliers must obtain ISO 9001 certification, with non-compliant vendors required to submit certification roadmaps or undergo tailored support programs to achieve compliance. Suppliers violating critical regulations (e.g., RoHS compliance, labor/ethical laws) or exhibiting performance failures face removal from the approved supplier list under major quality defects, two consecutive quarterly evaluations rated "D", or on-site audits scoring "D", and purchasing staffs of the Company shall require formal approval on removal from executive-level, and identify alternative suppliers. No suppliers were removed due to noncompliance in 2024.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																



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	Yes	No	Description	
E. Does the company refer to internationally recognized reporting standards or guidelines to prepare non-financial reports such as sustainability reports? Have these reports obtained confirmation or assurance opinions from third-party verification units?	✓		<p>The "2023 Sustainability Report" is the fourth annual sustainability report published by the Company. It was developed in accordance with the latest Global Reporting Initiative (GRI) Standard and Sustainability Accounting Standards Board (SASB) Standards. The disclosures also reference and align with leading frameworks, including UN Sustainable Development Goals (SDGs), UN Global Compact Principles, ISO 26000 Social Responsibility Guidance, and regulations for Corporate Social Responsibility Reporting (for publicly listed companies).</p> <p>The 2023 Sustainability Report has undergone independent assurance by TÜV Rheinland, and confirmed disclosures fully aligned with GRI Standards (2021 edition) and meets AA1000 AS Type 1 (Moderate Assurance Level) requirements, including GRI and SASB Indexes cross-references for transparency.</p>	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
F. If the company has its sustainability guidelines based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe how these guidelines differ from the company's operation and the established guidelines. The Company's Board of Directors passed a revision on November 10th, 2022, to rename the "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" and made amendments to some of its articles. This serves as our company's guiding principle for promoting CSR, and there are no major differences in its operation and the spirit and principles governed by the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."				
G. Other important information that helps to understand the implementation of sustainable development: (A) Recognizing the importance of environmental protection measures, our company has taken the following actions to promote environmental and occupational health and safety: a. Promotion of Restrictions of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulations. The RoHS came into effect on July 1st, 2006, and prohibits the sale of products containing six hazardous substances, including lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers, to the EU. On July 22nd, 2019, four phthalates (DEHP, BBP, DBP, DIBP) were added to the list. Our company actively promotes green production and procurement and has achieved compliance with hazardous substance-free products in our production process. We have also received recognition from our major customers for meeting their requirements. b. Resource recycling and waste reduction plan The Company actively promotes the full and effective utilization of resources to reduce waste and production costs. In addition to improving processes and operational management to reduce scrap material generation, we also develop and select non-polluting and low-polluting processes to minimize waste. Moreover, metal waste generated during production is calculated and recycled through an effective management program. The recycled waste metal is then sold to waste recycling businesses, reducing the wastage of resources.  (B) The Company upholds the philosophy of taking from society and giving back to society, continuously contributing to society through participation in public welfare activities and fulfilling our social responsibilities. Our achievements are as follows: a. Based on the desire to let children in remote areas of Taiwan experience the joy of reading, the Company has been donating mobile book trucks to local governments with remote areas under their jurisdiction in the name of outstanding employees since 2018. This effort aims to reduce the disparity in reading resources between urban and rural areas in Taiwan. In fiscal year 2024, another 5 mobile book trucks were donated to Shuili Township, Nantou County, & Wufeng Township, Hsinchu County & Governments of Yilan County, Nantou County, and Taoyuan City with a total amount NT\$4.1 million, hoping to inspire further public interest in philanthropy and enhance the reading capabilities of children in remote areas. b. Under the theme "Strolling for Blessings, Caring for ACES", the Company organized a neighborhood cleanup event on November 16, 2023, inviting employees and their families to collect				

Item	Execution status			Differences and reasons for the implementation of sustainable development practices compared to the best practice principles for TWSE/TPEX listed companies
	Yes	No	Description	
litter both inside and around the Company’ s facility. There were 66 kg of waste removed (53 kg general trash, 1.2 kg metal cans, 5.7 kg plastic, 5.9 kg glass).				
c. In collaboration with the Zhen Shan Mei Social Welfare Foundation, the Company launched "Coins for Kindness" fundraising, and employees donated spare change and secondhand items for a "Winter Warmth, Love at ACES" charity sale, and raised NT\$100,000 fully donation to support adults with intellectual disabilities ("Xihanyers") for healthcare and life enrichment programs.				
d. To foster youth development, the Company sponsored NT\$500,000 to Chien Hsin University of Science and Technology’ s basketball team, aiding their journey in the UBA (University Basketball Association) League. Inspire athletes to excel domestically and internationally, while encouraging the school to nurture future basketball stars.				

## 2. Climate-related information.

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

Item	Implementation status
1. Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	1.To strengthen the sustainability competence of the highest governance level, the board members have been participating in continuous education training on corporate sustainability and climate risk. In 2024, five directors completed a total of 24 hours in courses related to sustainable finance and climate change issues. Additionally, the sustainability development committee regularly (quarterly) reports the progress and promotion of climate-related issues to the board, with a total of four sustainability progress reports presented in 2024.
2. Detail how identified climate risks and opportunities impact the business, strategy, and finances (short-term, medium-term, long-term).	<p>2. The Company conducted climate-related risk and opportunity identification under the TCFD framework, identifying 8 climate risks (3 high-priority risks, 5 medium-priority risks) and 5 opportunities (4 high-impact, 1 medium-impact).</p> <p>【Risk Impacts】 Short-term: Policy risks (e.g., electricity tariff hikes, energy consumption thresholds for major users) and physical risks (e.g., power outages, frequent natural disasters) may increase operational costs. Medium-term: Client carbon reduction requirements and supply chain disruption risks could affect collaborative orders, leading to declining operational performance. Long-term: Rising temperatures and reputational risks may exert pressure on operational costs and market competitiveness.</p> <p>【Opportunity Impacts】 Short-term: Green finance and government subsidy programs can reduce sustainable transition costs. Medium-term: Low-carbon products and energy transition initiatives may boost order volumes. Long-term: Green buildings and production resource efficiency improvements are expected to reduce carbon emissions and energy/resource costs.</p> <p>【Strategy】 The Company plans to enhance energy management, implement smart manufacturing, and adopt a phased energy transition with carbon reduction pathways to ensure financial stability and market competitiveness.</p>
3. Describe the financial impacts of extreme weather events and transition actions.	<p>3. 【Financial Impacts of Extreme Climate Events】 Short-term: Typhoons (e.g., hypothetical Typhoon Capricorn 2024) may lead to increased operational costs due to work stoppages and overtime compensation. Medium-term: Frequent natural disasters elevate risks of production capacity reduction and order losses. Long-term: Rising temperatures will increase air-conditioning electricity costs.</p> <p>【Financial Impacts of Transition Actions】 Short-term: Operational costs will rise due to the implementation of an ISO 50001-certified energy management system (consultation fees:</p>

<p>4. Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and primary financial impacts used.</p>	<p>~NT\$450,000) and the purchase of Renewable Energy Certificates (RECs). Medium-term: Plans include installing renewable energy equipment and backup power facilities. Long-term: Energy storage systems will enhance energy efficiency.</p> <p>4. The Company integrates climate risk identification, assessment, and management into its overall risk management system. First, climate risks (e.g., extreme weather events, policy/regulatory changes) and opportunities (e.g., low-carbon demand, green finance) are identified through the TCFD framework. Their impacts on business, strategy, and finances are assessed across short-term (1 – 2 years), medium-term (3 – 5 years), and Long-term (5+ years). Potential financial impacts (e.g., power outage/rationing losses) are quantified. Next, mitigation measures are prioritized (high/moderate risk levels) and assigned to responsible departments (Sustainability Office, Group Procurement, General Affairs &amp; Engineering Department, etc.). Metrics and targets are set (e.g., ISO 50001 Energy Management System implementation). The management process is embedded in enterprise risk management, with regular audits, stakeholder communication (e.g., CDP disclosure), and this ensures synchronized management of climate and operational risks, enhancing decision-making quality and sustainable competitiveness.</p> <p>5. <b>【Physical Risks】</b> Under the latest IPCC AR6 framework, Ace Electronics conducts scenario analysis by integrating Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs), covering factors such as economic growth, globalization, technological development, and land use. This assesses the physical impacts of climate change, generating five scenarios: SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP2-7.0, and SSP5-8.5. The Company selects two scenarios for physical risk analysis: SSP1-1.9 (very low emissions, targeting net-zero by 2050), and SSP5-8.5 (very high emissions, no climate policy controls). This enables the Company to evaluate climate impacts from best- to worst-case scenarios and optimize adaptation measures.</p> <p><b>【Transition Risks】</b> Based on the three scenarios proposed in IEA WEO 2021: Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE). The Company focuses on STEPS and NZE for transition risk analysis. STEPS reflects development trajectories under current policies and associated challenges. NZE aligns with Taiwan’ s government goal of "2050 Net-Zero Emissions." Additionally, the Company also have after-mentioned items as references: FSC’ s "Sustainable Development Roadmap for Listed Companies", "Sustainable Development Action Plan for Listed Companies", and Environmental Protection Administration’ s "Climate Change Response Act". The Company simulates potential impacts of climate policy transitions and local regulations on operations, informing strategy development.</p>
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<p>6. If there is a transformation plan to manage climate-related risks, describe the plan's content, and the indicators and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, explain the basis for price setting.</p> <p>8. If climate-related goals are set, explain the activities covered, scope of greenhouse gas emissions, planning period, and annual progress achieved; if carbon offsets or Renewable Energy Certificates (RECs) are used to meet these goals, detail the sources and quantities of carbon reduction or the number of RECs.</p> <p>9. Greenhouse gas inventory and assurance situations, reduction targets, strategies, and specific action plans (to be filled in 1-1 and 1-2). °</p>	<p>6. Policy regulations related to energy transition and operational costs represent one of the major climate risks for the company. In the short to medium-long term, the company adheres to environmental compliance, aiming to save 1% on annual electricity usage as a short-term goal. In the future, the ISO 50001 energy management system will be introduced as a management tool to reduce energy consumption, identify energy and carbon hotspots for measures and equipment replacement, and set feasible electricity saving and emission reduction targets. Additionally, according to the transition process, the use of renewable energy will gradually increase, with related quantitative targets to be set and discussed after system implementation and review.</p> <p>7. The Company has not yet introduced an internal carbon pricing system, which will be developed and implemented in accordance with company policy by the sustainability development committee in the future.</p> <p>8. The Company has completed the carbon inventory for Taiwan Headquarter. All other locations of the Company, are expected to successively conduct carbon inventory by 2025; the Company's carbon baseline year is 2021, with targets to reduce carbon emissions per unit revenue by 5% by 2030 compared to the baseline year, and targeting net-zero by 2050. Currently, the Company has not utilized carbon offsets or renewable energy certificates.</p> <p>9. Please refer to 1-1 &amp; 1-2.</p>
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1-1 Recent two fiscal years' greenhouse gas inventory and verification status

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions for the past two years (tons of CO2e), intensity (tons of CO2e per million NTD), and the scope of the data covered.
<p>The company's organizational boundary-setting method is the "Operational control approach". the data coverage includes no. 13, Dongyuan Road, Zhongli District, Taoyuan (headquarters and factory), and no. 530-6, section 2, Guoling Road, Zhongli District, Taoyuan (factory). all emission sources disclosed by the Company's internal floor use are fully owned by the Company, and this method is used to summarize the facility-level greenhouse gas emissions and removals, covering the annual greenhouse gas emissions.</p> <p>In 2023, direct emissions were 238.4736 metric tons CO2e, energy indirect emissions were 4216.9170 metric tons CO2e, energy indirect emissions caused by transportation were 442.0590 metric tons CO2e, energy indirect greenhouse gas emissions generated by the organization's use of products were 839.1676 metric tons CO2e, energy indirect greenhouse gas emissions caused by the use of products from the organization were 248.7211 metric tons CO2e, totaling 5985.338 metric tons CO2e. the intensity was 1.44 metric tons CO2e.</p> <p>In 2024, direct emissions were 186.3621 metric tons CO2e, energy indirect emissions were 5,210.0757 metric tons CO2e, energy indirect emissions caused by transportation were 462.1025 metric tons CO2e, energy indirect greenhouse gas emissions generated by the organization's use of products were 1,098.3055 metric tons CO2e, energy indirect greenhouse gas emissions caused by the use of products from the organization were 242.9934 metric tons CO2e, totaling 7,199.8392 metric tons CO2e. the intensity was 1.45 metric tons of CO2e.</p>

Note 1: Direct emissions (Scope 1, directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, from purchased electricity, heat, or steam resulting in indirect greenhouse gas emissions), and other indirect emissions (Scope 3, emissions generated by company activities that are not energy indirect emissions, but from sources owned or controlled by other companies).

Note 2: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or the International Organization for Standardization (ISO) issued ISO 14064-1.

Note 3: The intensity calculation of greenhouse gas emissions is based on the sum of scope 1 and scope 2 emissions divided by the annual revenue of ACES Taiwan(in NT\$ millions).

### 1-1-2 Greenhouse gas assurance information

Describe the assurance situation for the two most recent years up to the date of the annual report publication, including the assurance scope, assurance institution, assurance standards, and assurance opinions.

The data verification institution for 2024 is Alphano International Co., Ltd., based on the ISO 14064-1: 2018 standard. The verification scope covers No. 13, Dongyuan Road, Zhongli District, Taoyuan (headquarters and factory), and No. 530-6, Section 2, Guoling Road, Zhongli District, Taoyuan (factory). Under the condition of no reservations, the verification conclusion states that the assurance level of the audited data is reasonable for Category 1 and Category 2.

The data verification institution for 2023 is DQS TAIWAN INC., based on the ISO 14064-1: 2018 standard. The verification scope covers No. 13, Dongyuan Road, Zhongli District, Taoyuan City (headquarters + factory), and No. 530-6, Section 2, Guoling Road, Zhongli District, Taoyuan City (factory). Under the condition of no reservations, the verification conclusion states that the assurance level of the audited data is reasonable for Category 1 and Category 2.

## 1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the baseline year and its data for greenhouse gas reduction, reduction targets, strategies, and specific action plans, as well as the achievement of the reduction targets.

The Company has set the year 2021 as the emission baseline year, aiming to reduce carbon emissions per unit of revenue by 5% by 2030 and net-zero by 2050 compared to the baseline year. Taking the emission baseline year 2021 as an example: direct emissions were 129.7515 metric tons CO<sub>2</sub>e, energy indirect emissions were 4214.9518 metric tons CO<sub>2</sub>e, energy indirect emissions caused by transportation were 204.6149 metric tons CO<sub>2</sub>e, energy indirect greenhouse gas emissions generated by the organization's use of products were 784.4948 metric tons CO<sub>2</sub>e, and energy indirect greenhouse gas emissions caused by the use of products from the organization were 277.5466 metric tons CO<sub>2</sub>e, totaling 5611.360 metric tons CO<sub>2</sub>e.

To achieve these targets, specific energy-saving and carbon-reduction measures are implemented in the following areas:

A. Air conditioning and lighting:

- a. Set the temperature of work and office spaces to 26-28°C, with a designated person responsible for managing the operation of air conditioning.
- b. Lighting switches are controlled by specific areas, with time-controlled switches for public areas, and all factory lighting has been replaced with LED lights to reduce electricity waste.

B. Energy use in air compressors:

- a. Regularly check for and repair leaks in company air ducts to avoid increasing the load on air compressors, thereby saving energy used by air compressors.
- b. The Company has completely replaced all air compressors with variable frequency models.

C. Optimize fuel usage in company vehicles by arranging carpool solutions in advance.

D. Implement waste sorting within the factory, with all waste processed by qualified vendors and recorded flow.

E. Energy management - promote digital energy saving, waste reduction, resource recycling, and other environmental measures. Conduct training and promotions related to energy saving and emission reduction.

F. To further quantify and optimize energy management, the Company is planning to implement the ISO 50001 Energy Management System and is projected to participate in the "2025 Manufacturing Industry Energy Management Demonstration and Guidance Program" initiated by the Government to enhance energy management capabilities.

In 2024, direct emissions amounted to 186.3621 metric tons CO<sub>2</sub>e, energy indirect emissions were 5,210.0757 metric tons CO<sub>2</sub>e, energy indirect emissions caused by transportation were 462.1025 metric tons CO<sub>2</sub>e, energy indirect greenhouse gas emissions generated by the organization's use of products were 1,098.3055 metric tons CO<sub>2</sub>e, and energy indirect greenhouse gas emissions caused by the use of products from the organization were 242.9934 metric tons CO<sub>2</sub>e, totaling 7,199.8392 metric tons CO<sub>2</sub>e.

The total greenhouse gas emissions in 2024 increased by 1,588.4792 metric tons CO<sub>2</sub>e compared to 2021. The main reasons for the increase include a rise in production capacity and the expansion of scope 3 upstream transportation emissions this year.



F. The state of the company's performance in the area of ethical corporate management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Item	Operation status			Differences and Reasons for Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
	Yes	No	Description	
<p>1. Establishing a policy and plan for ethical business operations.</p> <p>(1) Does the company have a board-approved ethical corporate management policy and is it clearly stated in its rules and external documents, as well as actively implemented by the board and senior management?</p> <p>(2) Has the company established a risk assessment mechanism for unethical behavior, regularly analyzing and evaluating business activities with a higher risk of unethical behavior within its business scope, and formulating measures to prevent unethical behavior, covering at least the preventive measures for each item listed in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(3) Does the company establish operational procedures, behavioral guidelines, disciplinary measures for violations, and complaint mechanisms in the anti-fraud plan, and effectively implement and periodically review and revise the aforementioned plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established a code of ethical conduct that has been approved by the board of directors. When entering into important contracts or agreements with others, relevant departments or external professional organizations must be consulted to ensure ethical business practices. In terms of conflict of interest, directors, supervisors, and managers must abstain from decision-making or voting if there is a conflict of interest in any transaction or decision.</p> <p>(2) The Company strictly requires its managers and employees not to provide, promise, request, or accept any improper benefits, or engage in other dishonest behaviors that violate integrity, law, or entrusted obligations, during their business activities directly or indirectly.</p> <p>(3) The company has established an "Employee reward and punishment management procedure" and "Employee work rules", which include a system for rewards and punishments and have been posted on the company's internal website. Every new employee is required to sign a "Confidentiality agreement" upon entry.</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
<p>2. Implementing ethical business practices</p> <p>(1) Does the company evaluate the integrity records of its counterparts, and include integrity clauses in contracts signed with them?</p> <p>(2) Does the company establish a dedicated unit responsible for promoting ethical corporate management under the Board of Directors, and report at least once a year to the Board of Directors on its ethical corporate management policy, anti-fraud measures, and monitoring and enforcement status?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company requires all suppliers to fill out a clean pledge before conducting any transactions, which includes terms and conditions on ethical behavior for suppliers.</p> <p>(2) The unit responsible for promoting corporate integrity management within our company is the General Administration Office, which is tasked with formulating the integrity management policy. The policy is then implemented by various units, with the Audit Office responsible for oversight. The General Administration Office reports the implementation status at the last board meeting of each year. The execution status of integrity management for the year 2024 was reported to the board of directors on November 8, 2024. The General Administration Office has proposed to the Board of Directors the establishment of an "Ethical Corporate</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Operation status			Differences and Reasons for Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Description	
(3) Has the company established policies to prevent conflicts of interest, provided appropriate channels for disclosures, and implemented them?	✓		<p>Management Best Practice Principles" and formulated the "Procedures for Handling Illegal, Unethical, or Dishonest Acts Reported" in accordance with the principles. The company encourages internal and external personnel to report any illegal, unethical, or non-compliant behavior with the Ethical Corporate Management Best Practice Principles, and this procedure has been announced on the company's website.</p> <p>(3) The company has established regulations to prevent conflicts of interest or require recusal in the following governance documents: Code of Business Ethics and Data Confidentiality Management Procedures Integrity Management Guidelines Rules of Procedure for Board Meetings Corporate Governance Best Practice Code Internal Material Information Handling Procedures Insider Trading Prevention Management Procedure Employees may report concerns or submit disclosures through regular departmental meetings, email, the corporate intranet platform, or the Company website.</p>	
(4) Has the company established an effective accounting system and internal control system to implement ethical corporate management, and has the internal audit unit developed relevant audit plans based on the assessment of the risk of non-compliant behavior and audited the implementation of the anti-non-compliant behavior plan accordingly, or commissioned an accountant to perform an audit?	✓		<p>(4) The Company's accounting and internal control systems are established in accordance with the laws and regulations required by the competent authority. The internal audit personnel will regularly audit the implementation of the above-mentioned systems.</p>	
(5) Does the company hold regular internal and external education and training on ethical business practices?	✓		<p>(5) To promote and advocate for integrity, the Company includes lectures on employee professional ethics and integrity principles, covering both internal and external legal regulations, in the pre-job training courses for all new employees, whether office staff or field personnel. This initiative is aimed at strengthening education and training related to "integrity management." Each business unit also conducts outreach to business partners, ensuring they fully understand the company's policies on integrity management, preventive measures, and the consequences of non-compliant behaviors. In 2024, a total of 725 people participated in the company's education and training on ethical corporate management,</p>	

Item	Operation status			Differences and Reasons for Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
	Yes	No	Description	
			including the code of ethics, internal control, and intellectual property, totaling 725 hours of training.	
<p>3. The operation of the company's whistleblowing system.</p> <p>(1) Does the company have a specific whistleblowing and reward system in place, establish convenient reporting channels, and assign appropriate dedicated personnel to handle reported cases?</p> <p>(2) Does the company have established standard operating procedures for investigating reported cases, including the follow-up actions to be taken after the investigation is completed, and related confidentiality mechanisms?</p> <p>(3) Does the company take measures to protect whistleblowers from any improper treatment as a result of their reporting?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The company has established the "Procedures for Handling Illegal, Unethical, or Dishonest Acts Reported", which includes the specific arrangements for reporting channels, the responsible unit for receiving reports, the investigation procedure, and the reward system.</p> <p>(2) The Company has established the "Procedures for Handling Illegal, Unethical, or Dishonest Acts Reported," which includes the investigation standard operating procedures and relevant confidentiality mechanisms for the reported cases.</p> <p>(3) In addition to establishing the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," the Company has also set up "Identity Protection and Anti-Retaliation Management Procedures." These procedures specify that reports should be handled confidentially and verified through independent channels to fully protect the whistleblowers. The identity of whistleblowers will be kept strictly confidential; if the whistleblower is an employee of the company, we guarantee that the employee will not suffer any improper treatment as a result of their report.</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
<p>4. Enhancing information disclosure</p> <p>Does the company disclose the content and effectiveness of its established Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?</p>	✓		The content of the Company's established Ethical Corporate Management Best Practice Principles has been disclosed on the Company's website and the Market Observation Post System.	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
<p>5. If the company has its ethical corporate management principles in accordance with the " Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies ", please describe the differences in their operation and content:</p> <p>The Company has established a sound management system for ethical corporate management, with the Management Center responsible for formulating policies, the Audit Department responsible for supervision, and regular reporting to the Board of Directors. All directors, supervisors, managers, employees, and appointees of the company comply with legal requirements and follow internal control procedures to promote ethical corporate management.</p>				
<p>6. Other important information that helps understand the operation of the company's ethical management (such as the company's review and revision of its established ethical management principles, etc.):</p> <p>The "Ethical Corporate Management Best Practice Principles" of the Company are disclosed on our website and the Market Observation Post System.</p>				

(G) Other important information that can enhance understanding of the company's corporate governance operations may also be disclosed:

Please refer to the "Corporate Governance" section on our company website for information on our corporate governance practices and disclosures. Website: [http://www.acesconn.com/tw/investors2\\_1](http://www.acesconn.com/tw/investors2_1)

(H) The following items should be disclosed regarding the implementation status of the internal control system:

- a. Internal Control Statement: Please refer to page 57 of this year's annual report.
- b. If the company has entrusted an accountant to conduct a special review of its internal control system, the accountant's review report should be disclosed: Not applicable.

ACES ELECTRONICS CO., LTD.  
Internal Control System Statement

Date: March 14th, 2025

Based on our self-assessment, we hereby declare the following regarding the Internal Control System Statements of the Company for the fiscal year 2024:

1. The Company acknowledges that it is the responsibility of the Board of Directors and management to establish, implement, and maintain an internal control system. The Company has established such a system intending to achieve effective and efficient operations (including profitability, performance, and safeguarding of assets), reliable and timely reporting, transparency, and compliance with relevant regulations and laws. This is to provide reasonable assurance.
2. The internal control system has inherent limitations, and no matter how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the three objectives mentioned above. Furthermore, due to changes in the environment or circumstances, the effectiveness of the internal control system may change. However, the Company's internal control system includes a mechanism for self-monitoring, and if any deficiencies are identified, corrective action will be taken.
3. The Company evaluates the effectiveness of the internal control system based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The internal control system evaluation criteria used in the "Regulations" are based on the process of management control, which divides the internal control system into five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring. Each component includes several items. Please refer to the "Regulations" for details on these items.
4. The Company has already adopted the aforementioned internal control system evaluation criteria to assess the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results mentioned above, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31st, 2024, is effective in terms of understanding the achievement of operational objectives in terms of efficiency and effectiveness, reliable and timely reporting, transparency, and compliance with relevant regulations and laws. Therefore, it can provide reasonable assurance in achieving the above-mentioned objectives.
6. This statement will become a major part of the Company's annual report and public disclosure document and will be made available to the public. If any of the above publicly disclosed content is found to be false, concealed, or involve illegal activities, it may incur legal liabilities under Securities and Exchange Act Articles 20, 32, 171, and 174.
7. This statement was approved by the Board of Directors of the Company on March 14th, 2025. Among the seven attending directors, there were no dissenting opinions, and all agreed to the contents of this statement. This statement is hereby declared.

ACES ELECTRONICS CO., LTD.

Chairman: Yuan Wan-Ting

General Manager: Huang Tien-Fu

(I) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or the current fiscal year up to the date of publication of the annual report:

a. The important resolutions adopted by the shareholders' meeting and their implementation status should be disclosed.

Date	Important resolutions	Implementation status
2024/6/25 (2024 Annual General Meeting of Shareholders)	1. Approved the financial and operating reports for the fiscal year 2023. 2. Approved the profit distribution for the fiscal year 2023. 3. The proposal of issuances of new restricted employee shares in 2024.	(1) Adopted by resolution.  (2) Adopted by resolution.  (3) Adopted by resolution. Has already finished 1st issuance on August 30, 2024.

b. Important resolutions of the Board of Directors

Term of the Board of Directors	Date	Important resolutions
The first time in 2024	2024/1/19	1. Approval of the 2024 operating plan and budget.
The second time in 2024	2024/3/12	1. Approval of the 2023 annual business report and financial statements. 2. Approval of the 2023 profit distribution proposal. 3. Approval of the convening of the 2024 annual general shareholders' meeting and related matters concerning proposals from shareholders holding more than 1% of the shares. 4. Approval of the Company's 2023 internal control system statement.
The third time in 2024	2024/5/10	1. Approval of the consolidated financial statements for the first quarter of 2024. 2. Approval of evaluation of auditor independence and qualifications. 3. Approval of the issuance of the third unsecured convertible corporate bonds domestically 4. Approval of the 1st issuance of restricted employee rights new shares for 2024. 5. Approval of the amendments to the agenda of 2024 annual general shareholders' meeting.
The fourth time in 2024	2024/7/23	1. Approval of the revision of issuance of restricted employee rights new shares regulations. 2. Approval of the formulation of related issues for the 1st issuance of restricted employee rights new shares for 2024.
The fifth time in 2024	2024/8/09	1. Approval of the consolidated financial statements for the second quarter of 2024. 2. Approval of the amendment to the rules of procedure for the Board of Directors' meetings. 3. Approval of 2023 Sustainability Report.
The sixth time in 2024	2024/11/8	1. Approval of the consolidated financial statements for the third quarter of 2024. 2. Approval of formulation of Standard Operation Procedures of Sustainable Information Management. 3. Approval of the amendment of the Charter of Audit Committees. 4. Approval of the audit plan for the year 2024.
The first time in 2025	2025/01/17	1. Approval of the 2025 operating plan and budget. 2. Approval of the designation of the record date for cancellation and capital reduction of the Company's

Term of the Board of Directors	Date	Important resolutions
		repurchased restricted employee rights new shares.
The second time in 2025	2025/03/14	<ol style="list-style-type: none"> <li>1. Approval of the 2024 annual business report and financial statements.</li> <li>2. Approval of the 2024 employee and director compensation distribution plan.</li> <li>3. Approval of the 2024 profit distribution proposal.</li> <li>4. Approval of the change of the Company' s location.</li> <li>5. Approval of the convening of the 2025 annual general shareholders' meeting and related matters concerning proposals from shareholders holding more than 1% of the shares.</li> <li>6. Approval of the removal of non-compete restrictions for managers.</li> <li>7. Approval of the Company's 2024 internal control system statement.</li> </ol>
The third time in 2025	2025/5/09	<ol style="list-style-type: none"> <li>1. Approval of the replacement of certified public accountants due to the adjustment inside the accounting firm.</li> <li>2. Approval of the appointment of the KPMG accounting firm to handle the audit and certification of financial and tax reports for 2025 and the public expense case.</li> <li>3. Approval of the consolidated financial statements for the first quarter of 2025.</li> <li>4. Approval of the designation of the record date for cancellation and capital reduction of the Company' s repurchased restricted employee rights new shares.</li> <li>5. Approval of the List of Directors (including independent directors) Candidates Nominated for the Company's 2025 Annual Shareholders' Meeting.</li> <li>6. Approval of the amendments to the agenda of 2025 annual general shareholders' meeting.</li> </ol>

- (J) 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 concerning 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: Nil.

(4) Information on the remuneration of the CPAs

Information on the remuneration of the CPAs

Unit: NTD in thousands.

Accounting firm	Accountant	Auditor's engagement period	Audit fee	Non-audit fee	Total	Remark
KPMG	Lin Heng-Sheng	2024	5,566	1,365	6,931	The non-audit fee - other includes transfer pricing and group master file reporting, project-related fees, and direct offset of business tax fees for joint business operators.
	Chen Zheng-Xue					

(A) 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: Nil.

(B) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Nil.

(5) Information on changing CPAs: None.

(6) The Chairman of the Board, General Manager, and managers are responsible for finance or accounting affairs of the company who have worked at the accounting firm or its affiliated companies of the signing accountant within the past year shall disclose their names, titles, and periods of employment at the accounting firm or its affiliated companies: Nil.

(7) Changes in equity transfer and pledge of directors, managers, and shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report.

(A) Changes in shareholding

Unit: Shares

Title	Name	2024		As of May 09th, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Yuan Wan-Ting	0	0	0	0
Director	Weiji Investment Co., Ltd.	0	0	0	0
Director	Hsieh Han-Chang	0	0	0	0
Director	Hsu Chang-Fei	0	0	0	0
Independent director	Lee An-Chen	0	0	0	0
Independent director	Liaw Dar-Lii	0	0	0	0
Independent director	Sheen Gwo-Ji	0	0	0	0
General Manager	Huang Tien-Fu	(11,000)	0	3,000	0
Chief Operating Officer	Lin Wan-Fu	0	0	0	0
Chief Operating Officer	Yang Tsung-Lin	(56,000)	0	(22,000)	0
Financial Supervisor	Lee Shu-Yun	0	0	0	0

(B) Relative parties involved in equity transfer: None.

(C) Relative parties involved in equity pledge: None.



(8) Information on the relationships between the top ten shareholders in terms of shareholding percentage, who are related parties or have family relationships within the second degree of kinship, including spouses

April 27, 2025

Name	Shareholding		Shareholding of spouse and minor children		Shareholding of spouse and minor children		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 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Yuan Wan-Ting	8,863,487	5.78%	6,128,631	4.00%	0	0	Hsu Chang-Fei Yuan Hsiang-Feng	Spouse Second-degree relatives	
Keyan Investment Co., Ltd. Representative: Sun Li-Zhen	6,291,832	4.33%	N/A	N/A	N/A	N/A	Yuan Hsiang-Feng	Keyan Investment Director	
Hsu Chang-Fei	6,128,631	4.00%	8,863,487	5.78%	0	0	Yuan Wan-Ting Yuan Hsiang-Feng	Spouse Affinity of second degree	
Deutsche Bank Hosting Albula Investment Fund Limited Investment Account	5,950,000	3.88%	N/A	N/A	N/A	N/A	None	None	
Weiji Investment Co., Ltd. Representative: Yuan Wan-Ting	5,583,185	3.64%	N/A	N/A	N/A	N/A	Yuan Wan-Ting	Weiji Investment Representative Spouse	
Yuan Hsiang-Feng	4,314,907	2.81%	–	–	–	–	Keyan Investment Yuan Wan-Ting Hsu Chang-Fei	Keyan Investment Director Second-degree relatives Affinity of the second degree	
Citibank Hosting First Securities (HK) Nominee Investment Account	3,734,929	2.44%	N/A	N/A	N/A	N/A	None	None	
Citi Custody UBS Europe SE Investment Account	2,677,942	1.75%	N/A	N/A	N/A	N/A	None	None	
JPMorgan Chase Custody J.P. Morgan Securities Limited Investment Account	2,325,731	1.52%	N/A	N/A	N/A	N/A	None	None	
Liao Ming-Shan	2,043,000	1.33%	–	–	–	–	None	None	

(9)The number of shares held by the company, its directors, managers, and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and the consolidated shareholding ratio

December 31, 2024  
Unit: thousand shares; %

Invested Businesses (Note)	Investment of the Company		Investment by directors, supervisors, managers, and businesses directly or indirectly controlled by the Company		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Aceconn Electronic Co., Ltd.	25,000	100%	—	—	25,000	100%
ACES PRECISION INDUSTRY PTE LTD.	8,162	100%	—	—	8,162	100%
ACESCONN HOLDINGS CO., LTD.	12,000	100%	—	—	12,000	100%
ASIA CENTURY INVESTMENT LTD.	—	—	9,150	100%	9,150	100%
ACES INTERCONNECT (USA), INC.	300	100%	—	—	300	100%
ACES JAPAN CO., LTD.	4.5	100%	—	—	4.5	100%
DONGGUAN ACES ELECTRONIC CO., LTD.	—	—	—	100%	—	100%
KUNSHAN ACES ELECTRONIC CO., LTD.	—	—	—	100%	—	100%
KUNSHAN ACES TRADING CO., LTD.	—	—	—	100%	—	100%
CHONGQING HONG GAO ELECTRONIC CO., LTD.	—	—	—	100%	—	100%
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	—	—	—	100%	—	100%
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	—	—	—	100%	—	100%
ACES ZHUHAI TECHNOLOGY LTD.	—	—	—	100%	—	100%
Zhuhai Hongtai Trading Co., Ltd.	—	—	—	100%	—	100%
Nantong Dadi Electric Co., Ltd.	—	—	—	19.31%	—	19.31%
Kunshan Jingzhi Co., Ltd.	—	—	—	30%	—	30%
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	2,500	100%	—	—	2,500	100%
ACES Precision Machinery Co., Ltd.	13,000	100%	—	—	13,000	100%
ACES Surface Treatment Co., Ltd.	—	—	700	100%	700	100%
JASON TECHNOLOGY LIMITED	5,000	100%	—	—	5,000	100%
ACES ELECTRICS (HONG KONG) CO. LIMITED	10	100%	—	—	10	100%
MEC IMEX INC.	47,582	99.86%	—	—	47,582	99.86%
MEC INTERNATIONAL COMPANY LTD.	—	—	33	100%	33	100%
MEC ELECTRONICS (HK) COMPANY LIMITED	—	—	510	100%	510	100%
MEC ULTRAMAX (H.K.) COMPANY LIMITED	—	—	30,000	100%	30,000	100%
MEC BEST KNOWN COMPANY LIMITED	—	—	118,250	100%	118,250	100%
HOMEPRIDE TECHNOLOGY LIMITED	—	—	56,750	100%	56,750	100%
MEC ELECTRONICS PHILIPPINES CORPORATION	—	—	8,000	100%	8,000	100%
MEC IMEX (USA), INC.	—	—	4	100%	4	100%

Invested Businesses (Note)	Investment of the Company		Investment by directors, supervisors, managers, and businesses directly or indirectly controlled by the Company		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	—	—	—	100%	—	100%
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED	—	—	—	100%	—	100%
MEC SUZHOU ELECTRONICS CO., LTD.	—	—	—	100%	—	100%
COMPUPACK TECHNOLOGY CO., LTD.	21,500	100%	—	—	21,500	100%
ACES PRECISION CORPORATION	—	—	—	100%	—	100%
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD.	—	—	—	100%	—	100%
KUANG YING COMPUTER EQUIPMENT CO., LTD.	25,995	100%	—	—	25,995	100%
INFOMIGHT INVESTMENTS LIMITED	—	—	7,980	100%	7,980	100%
BELTA INTERNATIONAL LIMITED	—	—	4	100%	4	100%
CERTILINK INTERNATIONAL LIMITED	—	—	50	100%	50	100%
ACCURATE GROUP LIMITED	—	—	4,100	100%	4,100	100%
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	—	—	—	100%	—	100%
SUZHOU KUANG YING ELECTRIC CO., LTD.	—	—	—	100%	—	100%
GENESIS TECHNOLOGY USA, INC.	1.5	100%	—	—	1.5	100%
GENESIS HOLDING COMPANY	27,778	100%	—	—	27,778	100%
GENESIS ELECTRO-MECHANICAL LIMITED	—	—	9,400	100%	9,400	100%
GENESIS INNOVATION GROUP LIMITED	—	—	8,000	100%	8,000	100%
GENESIS TECHNOLOGY(NINGBO) INC.	—	—	—	100%	—	100%
DONGGUAN POLIXIN ELECTRIC CO., LTD.	—	—	—	100%	—	100%

Note: This represents a long-term investment accounted for using the equity method by the Company.

### III. Information on capital raising activities

#### 1. Capital and shares

##### (1) Capital source

##### A. Capital source

Unit: shares, NTD

Month /Year	Issue Price	Authorized Capital Stock		Paid-in Capital Stock		Note		
		Shares Quantities	Amount	Share Quantities	Amount	Sources of Capital	Non-cash Capital Contribution	Other
09/2024	10	200,000,000	2,000,000,000	136,165,709	1,361,657,090	The issuance of restricted employee rights new shares NT\$17,480,000.	None	Note 1
12/2024	10	200,000,000	2,000,000,000	141,875,719	1,418,757,190	The convertible bonds converted into common stock NT\$57,100,100.	None	Note 2
02/2025	10	200,000,000	2,000,000,000	148,711,751	1,487,117,510	1.The convertible bonds converted into common shares NT\$68,570,320. 2.Cancellation of repurchased restricted employee rights new shares NT\$210,000.	None	Note 3

Note 1: Granted Commerce Letter No. 11330170130 approved by Ministry of Economic Affairs on September 19, 2024.

Note 2: Granted Commerce Letter No. 11330210980 approved by Ministry of Economic Affairs on December 05, 2024.

Note 3: Granted Commerce Letter No. 11430021760 approved by Ministry of Economic Affairs on February 26, 2025.

Unit: share

Type of share	Approved capital			Remark
	Outstanding shares (listed)	Unissued shares	Total	
Registered common shares	148,711,751	51,288,249	200,000,000	

B. Related information to offer and issue securities by shelf registration: Nil.

(2) List of major shareholders

April 27, 2025; shares		
Names of major shareholders	Shares	Shareholding (shares) Percentage (%)
Yuan Wan-Ting	8,863,487	5.78
Keyan Investment Co., Ltd.	6,641,832	4.33
Hsu Chang-Fei	6,128,631	4.00
Deutsche Bank Hosting Albula Investment Fund Limited Investment Account	5,950,000	3.88
Weiji Investment Co., Ltd.	5,583,185	3.64
Yuan Hsiang-Feng	4,314,907	2.81
Citibank Hosting First Securities (HK) Nominee Investment Account	3,734,929	2.44
Citi Custody UBS Europe SE Investment Account	2,677,942	1.75
JPMorgan Chase Custody J.P. Morgan Securities Limited Investment Account	2,325,731	1.52
Liao Ming-Shan	2,043,000	1.33

(3) Company's dividend policy and implementation thereof

A. Dividend policy as stipulated in the Company's articles of incorporation

If the Company has profits in the annual financial statements, it shall first pay the taxes and make up for previous losses. 10% of the profits shall be appropriated as a legal reserve, except when the legal reserve has reached the amount of the paid-in capital. In addition, the company may set up special reserves according to its operating needs and legal regulations. If there are still profits remaining after setting aside reserves, the board of directors shall propose a profit distribution plan to the shareholders' meeting for approval, together with any undistributed profits from the previous year.

The above profit distribution plan authorizes the board of directors, with the attendance of two-thirds or more of the directors and the resolution of a majority of the attending directors, to distribute all or part of the dividends, statutory reserves, and capital reserves in the form of cash payments, in accordance with Article 241 of the Company Act, and report to the shareholders' meeting.

The distribution of dividends by the company is based on the principle of stable dividends in accordance with the profit situation of the current year. Based on the company's future funding needs and long-term financial planning, the cash dividends distributed from the above shareholder dividends shall not be less than 20% of the total dividends, but the shareholders' meeting may adjust it based on the actual profit situation and future financial planning of the current year.

B. Proposed dividend distribution for this shareholders' meeting

In accordance with Article 25 of the Articles of Incorporation of the Company, the Board of Directors is authorized to resolve to distribute all or part of the distributable dividends and bonuses in cash, and to report to the shareholders' meeting.

The Company's Board of Directors resolved on March 14, 2025 to approve the profit distribution for 2024, distributing a cash dividend of NT\$111,533,813, with NT\$0.75 per share, rounded down to the nearest dollar. Any fractional amounts less than NT\$1 shall be recorded as other income of the Company. If the number of outstanding shares changes thereafter, resulting in a change to the dividend ratio, the Chairman is authorized to make adjustments accordingly. The Chairman is also authorized to determine the ex-dividend date, payment date, and other related matters for the cash dividend.

C. Explanation of expected significant changes to the dividend policy: Not applicable.

- (4) The effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:  
This shareholders' meeting did not distribute any stock dividends, therefore it does not apply.

- (5) Profit-sharing compensation of employees, directors, and supervisors

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

If the Company generates profits in any fiscal year (meaning pre-tax profits before deducting employee compensation and director remuneration), it shall allocate no less than 1% for employee compensation and no more than 3% for director remuneration. However, if the Company has accumulated losses, it shall reserve the amount needed to make up for the losses in advance.

Employee compensation as mentioned above may be paid in stock or cash. If the Board of Directors decides to issue stock as employee compensation, it may also decide to issue new shares or repurchase shares at the same time. Director remuneration may only be paid in cash.

The above two items shall be decided by the Board of Directors and reported to the shareholders' meeting.

B. Basis for estimating employee and director compensation amounts in the current period, calculation basis for employee compensation distributed in shares, and accounting treatment for differences between actual distributed amounts and estimated amounts:

- (1)Basis for Estimating Employee and Director Compensation Amounts in the Current Period:

If the Company has profits in the fiscal year (profits refer to pre-tax profits before deducting employee and director compensation), it shall allocate not less than 1% as employee compensation and not more than 3% as director compensation. However, if the Company has accumulated losses, the amount required to offset such losses shall be reserved in advance.

- (2)Calculation Basis for Employee Compensation Distributed in Shares:

No employee compensation was distributed in shares during the current period; therefore, this section is not applicable.

- (3)Accounting treatment for differences between actual distributed amounts and estimated amounts: differences shall be recorded as profit or loss in the following fiscal year.

C. Information on any approval by the board of directors of the distribution of compensation:

(A) The actual distribution of employee, director, and supervisor compensation for

the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The company's board of directors resolved on March 14, 2025, approving the calculation of employee compensation for the 2024 fiscal year in the amount of NT\$12,091,769, and director and supervisor compensation for NT\$8,992,016. All compensation was paid in cash, and the estimated and actual amounts distributed were the same.

(B) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation:

No compensation distributed in stock, so not applicable.

- D. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

In the fiscal year 2023, the Company incurred a pre-tax loss. According to Article 24 of the Company's articles of association, no employee remuneration or director and supervisor remuneration will be distributed for the fiscal year 2023.

(6) Status of Share Repurchased by the Company:

Repurchase No.	1st 2025
Purpose of repurchase	Maintain company credit and shareholders' equity
Types of shares bought back	Common shares
Total amount limit of buyback shares	NTD4,475,475,998
Estimated repurchase period	2025/4/16~2025/6/15
Estimated repurchase numbers	5,000,000
Price range of buyback shares	NTD32.8 ~ 70.0
Types and numbers of shares bought back (Note)	Common shares 1,702,000 shares
Amount of shares bought back (NT\$) (Note)	NTD82,073,350
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%) (Note)	34.04%

Note: The above repurchase information is as of the date of publication of the annual report, May 9, 2025, and the final actual repurchase implementation will be reported at the 2025 Shareholders' Meeting.

## 2. Issuance of corporate bonds:

### Issuance of corporate bonds

Type of corporate bonds	Domestic unsecured convertible corporate bond, 3rd Issue (Bond code: 36053)
Issue (transaction) date	August 06, 2024
Face value	NTD 100,000
Place of issue and trading	Taipei Exchange (TPEX)
Issue price	Issued by face value
Issue amount	NTD 1,000,000,000
Coupon rate	The coupon rate is 0%
Issue (transaction) date	3-year term; Maturity date: August 06, 2027.
Guarantor	N/A
Trustee	Yuanta Commercial Bank Co., Ltd.
Underwriter	KGI Securities Co., Ltd.
Attesting lawyer	Chuang Cheng-Kun Law Office, Lawyer Chuang Cheng-Kun.
Attesting CPA	Accounting firm: KPMG, CPAs, Lin Heng-Sheng, Chen Zheng-Xue, Certified Public Accountants.
Redemption method	Except for conversion into common shares of the Company according to the conversion method, the exercise of the put option, or early redemption, the principal of the bond shall be repaid in cash upon maturity according to the face value of the bond.
Unredeemed balance	NTD 765,400,000
Conditions for redemption or early redemption	<p>(1) Beginning from the day after the third month from the issuance date and until forty days prior to the maturity date, if the closing price of the common shares of the Company on the centralized exchange market has exceeded 30% of the then current conversion price for thirty consecutive business days, the Company may, within thirty business days thereafter, send registered mail to the bondholders (based on the bondholder registry as of the fifth business day before the date of issuance of the "Notice of Bond Redemption"; provided, however, that for holders who acquire the bonds thereafter through purchase or for any other reason, the Company shall use public notice instead) to notify them of the redemption of bonds due to maturity within thirty days. The Company shall also request TPEX to make an announcement and shall redeem the convertible bonds held by the bondholders in cash at their face value within five business days after the bond redemption reference date.</p> <p>(2) If the outstanding balance of this convertible bond is less than 10% of the original issuance amount at any time between the day after the third month from the date of issuance and forty days before the expiration of the issuance period, the Company may, at any time thereafter, send a "Debt Repurchase Notice" to the bondholders by registered mail (based on the list of bondholders five business days prior to the mailing date of the "Debt Repurchase Notice," and for those who subsequently acquire this convertible bond due to purchase or other reasons, the Company shall announce it) with a thirty-day deadline (the aforementioned period shall be calculated from the day of issuance of the Company's mail, and the expiration date shall be the basis for debt repurchase, and the aforementioned period shall not be the period during which this convertible bond is suspended from conversion). The Company shall also request TPEX to make an announcement and shall repurchase the convertible bond in cash at face value within five business days after the debt repurchase deadline.</p> <p>(3) If a bondholder fails to respond in writing to the company's stock transfer agent by the bond redemption base date specified in the "Bond Redemption Notice," the company shall, within five business days after the bond redemption base date, redeem the conversion bonds held by the bondholder in cash at the face value of the bonds.</p> <p>(4) If the company executes the recall request, the deadline for bondholders to request conversion is the second business day after the termination of trading of this convertible corporate bond on TPEX.</p>
Restriction clause	Please find the details of the domestic third unsecured convertible bonds issued by the Company and the conversion methods.
Name of the rating agency, date, and the result of the rating	N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report
	Converted into NT\$234,600,000.



	publication date	
	The issuance and conversion, exchange, or subscription rules	Please refer to the details of the issuance and conversion method of the Company's third unsecured convertible corporate bonds.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		<p>1. Possible dilution of equity</p> <p>As of April 30, 2025, the outstanding balance of the Company's issued and outstanding convertible bonds, which are the domestic third unsecured convertible bonds, was NT\$765,400 thousand at a conversion price of NT\$51. Assuming that all bondholders convert their bonds at the current conversion price, a total of 15,007,843 common shares of the Company (NTD 765,400,000/NTD 51) will be issued, resulting in a dilution of 8.92% based on the currently outstanding shares of 153,311,721.</p> <p>2. Impact on shareholder benefits.</p> <p>To understand the potential dilution effect on shareholders' equity, the company's basic earnings per share (EPS) and diluted EPS for 2024 were NT\$2.51 and NT\$2.34, respectively, with a dilution ratio of 6.77%. Therefore, the unconverted portion of the currently issued unsecured convertible corporate bonds has a dilutive effect on earnings per share (EPS), the dilution impact is not material and is unlikely to significantly affect shareholders' equity.</p>
Name of the custodian institution of the exchangeable underlying		N/A

### Information on convertible corporate bonds

Corporate bond type		Domestic unsecured convertible corporate bond, 3rd Issue (Bond code: 36053)	
Item	Year	2024	Until May 09, 2025
Convertible corporate bond	Highest	127	135
	Lowest	101.8	97
	Average	110.14	122.65
Conversion price		51	51
Issuance (Execution) Date and Conversion Price at the time of Issuance		August 06, 2024 NTD 51.0	
Mode of fulfilling conversion obligation		Issuance of new shares	

3. Status of preferred shares: Nil.
4. Status of oversea depositary receipts: Nil.
5. Status of employee stock warrant: Nil.

6. Status of new restricted employee shares:  
A. Status of new restricted employee shares

May 09, 2025

Type of new restricted employee shares	2024 The 1st issuance of new restricted employee shares
Effective registration date and total number of shares	July 18, 2024 4,000,000
Issue date	July 23, 2024
Number of new restricted employee shares issued	1,748,000
Number of new restricted employee shares still available for issuance	2,252,000
Issue price	NT\$10
Ratio of the number of new restricted employee shares issued to the total number	1.14%
Vesting conditions of the new restricted employee shares	<p>1. Employees who remain employed for one full year from the issuance date of the restricted employee rights shares, have not violated the issuance rules or workplace regulations during that year, and where the Company's annual consolidated operating revenue or consolidated net profit after tax grows by at least 6% compared to the prior year, will vest in 40% of the shares.</p> <p>2. Employees who remain employed for two full years from the issuance date of the restricted employee rights shares, have not violated the issuance rules or company policies during that period, and meet the condition that the Company's annual consolidated revenue or consolidated net profit after tax grows by at least 10% year-over-year, will be eligible to vest in 30% of the allocated shares.</p> <p>3. Employees who remain continuously employed for three full years from the issuance date of the restricted employee rights shares, maintain compliance with both the issuance rules and company policies throughout the vesting period, and meet the financial performance condition (where the Company's annual consolidated operating revenue or consolidated net profit after tax grows by at least 10% year-over-year), shall vest in 30% of the granted shares.</p>
Restrictions on rights in the new restricted employee shares	<p>1. During the vesting period, employees may not sell, pledge, transfer, gift to others, encumber, or otherwise dispose of the restricted employee rights shares, except through inheritance.</p> <p>2. During the vesting period, the restricted employee rights shares shall retain the right to participate in stock dividends, cash dividends, and rights offerings (capital increases through cash subscriptions).</p> <p>3. Following the issuance of restricted employee rights</p>

	<p>shares, the shares must immediately be placed into and held in trust. Employees are strictly prohibited from reclaiming the restricted employee rights shares from the trustee under any circumstances or through any means prior to the fulfillment of the vesting conditions.</p> <p>4. Prior to meeting the vesting conditions, all shareholder rights associated with the restricted employee rights shares, including attendance, proposals, speaking, voting rights, and other shareholder entitlements at the Company's shareholders' meetings, shall be delegated to and exercised by the custodian institution. °</p>
Custody of the new restricted employee shares	<p>1. The restricted employee rights shares issued by the Company shall be held in custodial trust through a share escrow arrangement.</p> <p>2. During the period restricted employee rights shares are delivered to the trust, the Company shall have the exclusive authority to act on behalf of the employees in conducting the following matters with the custodian institution (including but not limited to): negotiation, signing, amendment, extension, rescission, and termination of the trust contract, as well as delivery, utilization, and disposition instructions of the trust property.</p>
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	<p>1. If an employee voluntarily resigns, is laid off, or is terminated within three years from the issuance date, the Company shall repurchase all unvested shares allocated (for that fiscal year) from the employee at the issuance price plus accrued interest.</p> <p>2. For shares that fail to meet the vesting conditions by the specified deadline, the Company shall repurchase all unvested shares allocated to the employee at the issuance price plus accrued interest.</p> <p>3. Stock dividends and cash dividends allocated during the vesting period: The Company grants such dividends to employees without consideration.</p> <p>4. If an employee terminates or revokes the Company's agency authorization in violation of Sections 7 and 8 of Article 5 of the "Rules Governing the Issuance of Restricted Employee Shares" before the vesting conditions are satisfied, the Company shall repurchase the unvested shares from the employee at the original issuance price plus accrued interest.</p>
Number of new restricted employee shares that have been retired or bought back	53,000
Number of new restricted shares that have vested	0
Number of unvested new restricted shares	1,695,000
The ratio of the number of unvested new restricted shares to	1.11%

the total number of issued shares (%)	
The effect on shareholders' equity	The expensed amounts for Fiscal Year 2023 and Q1 2024 totaled NT\$0 thousand and NT\$10,018 thousand, respectively. Based on the Company's outstanding shares of 153,311,721 shares (excluding shares repurchased by the Company), the corresponding impacts on earnings per share (EPS) were NT\$0.0 and NT\$0.07, respectively. The dilution effect on EPS remains immaterial and is not expected to materially adversely affect shareholder equity.

**B. Names and Acquisition and Subscription Status of Managerial Officers Who Have Acquired new restricted employee shares and the Top Ten Employees (Ranked by the Number of Subscribable Shares) Who Have Acquired Share Subscription**

	Title	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the number of shares subscribable from the exercise of warrants granted to the total number of issued shares	Exercised (Note 2)				Unexercised (Note 2)			
					Number of shares	Exercise price	Total exercise amount	Ratio of the number of exercised shares to the total number of issued shares	Number of shares	Exercise price	Total exercise amount	Ratio of the number of unexercised shares to the total number of issued shares
Managerial Officers	General Manager	Huang Tien-Fu	170,000	0.11%	0	10	1,700,000	0%	170,000	10	1,700,000	0.11%
	Chief Operating Officer	Lin Wan-Fu										
	Chief Operating Officer	Yang Tsung-Lin										
	Financial Supervisor	Lee Shu-Yun										
Top Ten Employees (Note)			233,000	0.15%	0	10	2,330,000	0%	233,000	10	2,330,000	0.15%

Note: The top ten employees means employees other than managerial officers.

7. Issue of new shares in connection with any acquisition of shares of another company: Nil.

8. Execution status of capital utilization plan

For the period as of the quarter preceding the date of publication of the annual report, 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:

(1) The utilization plan and execution status of the securities issuance fund in this issue

A. The contents of the securities issuance plan for the issuance

- (A) Approval date and reference numbers from the Financial Supervisory Commission, Executive Yuan: October 5, 2021, Ref. No. 1100357489 and Ref. No. 11003574891.
- (B) Approval date and document number by the Taiwan OTC Exchange: November 16, 2021, Certificate of OTC Bond No. 11000128212.
- (C) The required funding for this project: NTD 1,206,000,000.
- (D) Source of funds and issuance conditions:
- Issuance of 120 million common shares through a cash capital increase, with a par value of NT\$10 per share and an issue price of NT\$40 per share, for a total fund raised of NT\$4.8 billion.
  - The company will issue a total of 6,000 unsecured convertible corporate bonds in Taiwan's domestic market, with each bond having a face value of NTD 100,000. The total issuance amount is NTD 600,000,000, and the bond will have a maturity of 3 years with a 0% coupon rate. The bonds will be issued through a public underwriting process using a price inquiry system, with an issuance price of 101% of the face value. The total fundraising amount is NTD 606,000,000.
  - The remaining NTD 120,000 thousand will be supported by self-owned funds or other means.
- (E) Funding utilization plan, expected progress, and anticipated benefits:

Unit: NTD thousand

Item	scheduled completion date	Total funding required	Predetermined fund utilization plan						
			2021	2022				2023	
			Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
Construction of factory	Second quarter, 2023	1,206,000	100,000	210,000	220,000	200,000	220,000	150,000	106,000
Expected potential benefits	<p>The entire amount of this fund utilization plan will be used to construct a factory building, with a land area of about 2,891 pings and a floor area ratio of 68.50%, allowing for the use of approximately 1,980 pings of land for the factory and related facilities. The plan is primarily to meet the future business expansion and operational needs of the company and was approved by the board of directors on August 12, 2021, to construct a factory building on the land for office, research, development, and production use. The rent for adjacent factory buildings is about NT\$500-600 per ping. If the monthly rent for each ping of the 7,500-ping area is NT\$550, the company can save NT\$49,500 thousand in rent expenses annually. In addition, the fund utilization plan for the construction of new factory buildings not only saves rental expenses, but also prepares for long-term development investment in production, research and development, and manpower, and improves overall management efficiency and the company's future operating performance.</p>								

## B. Status of implementation

Unit: NTD thousand

Item	Execution status		As of the first quarter of 2024	Reasons for being ahead of or behind schedule and improvement plans
Expansion of factory	Amount of disbursement	Scheduled	1,206,000	The main reason is that the schedule for obtaining the building permit was later than expected, leading to a delay in the related tendering process. Additionally, due to the increase in raw material prices, the negotiation period with contractors was extended, along with various factors such as changes in factory design, resulting in a delayed start of construction. However, construction will continue according to plan in the future.
		Actual	1,163,473	
	Execution progress	Scheduled	100%	
		Actual	96.47%	

## V. An Overview of Operations

### (1) A description of the business

#### A. Business scope

##### (A) Principal activities of the company

The company is primarily engaged in the research, development, production, and sales of products such as connectors for laptops, computer peripherals, consumer electronics, automotive electronics, cloud servers, network communications, industrial equipment, medical devices, ultra-fine coaxial cable assemblies, high-speed transmission cable assemblies, wireless communication RF connector assemblies, metal stamping, and various components.

##### (B) Operating ratio

Unit: NTD Thousand; %

Major products	2023		2024	
	Net revenue	Operating ratio	Net revenue	Operating ratio
Connectors	4,634,491	54.61	5,733,304	58.68
Cable assemblies	1,579,243	18.61	1,801,855	18.44
Metal stamping parts	1,622,787	19.12	1,591,535	16.29
Other operating revenue	649,707	7.66	644,203	6.59
Total	8,486,228	100.00	9,770,897	100.00

##### (C) Current product/service offerings of the company

The Company currently independently researches, manufactures, and sells main products including connectors, ultra-fine coaxial cable assemblies, high-speed transmission cable assemblies, wireless communication RF connector assemblies, metal stamping, and various components. Connectors and cable assemblies are used to connect independent subsystems or operational units at both ends, serving as devices for signal transmission to ensure the connected systems function properly. These are applied in various electronic products, with main applications including laptops and computer peripherals, consumer electronics, automotive electronics, cloud servers, network communications equipment, and industrial equipment.

##### (D) Planned development of new products (services)

The Company primarily engages in the research, development, manufacture, and sales of connectors and precision electronic components, which are used in various electronic products to connect electronic subsystems for power and signal transmission. In response to the demand for lighter, thinner, shorter, and smaller notebook computers and consumer electronic devices, the company is dedicated to developing products that withstand high temperatures, have fine pitches, and have low profiles. Additionally, it actively develops high-frequency, high-speed connectors and high-speed transmission cables required for cloud servers, power supplies, and connector cable assemblies needed for automotive electronics.

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cables required for cloud servers, power supplies, and connector cable assemblies needed for automotive electronics.

The Company continues to provide the most comprehensive solution services to more international clients, offering integrated product services ranging from connectors, cables, high-speed transmission cable assemblies, high-frequency microwave connector cable assemblies, and metal stamping components, to chassis assembly, all aimed at enhancing the company's development competitiveness.

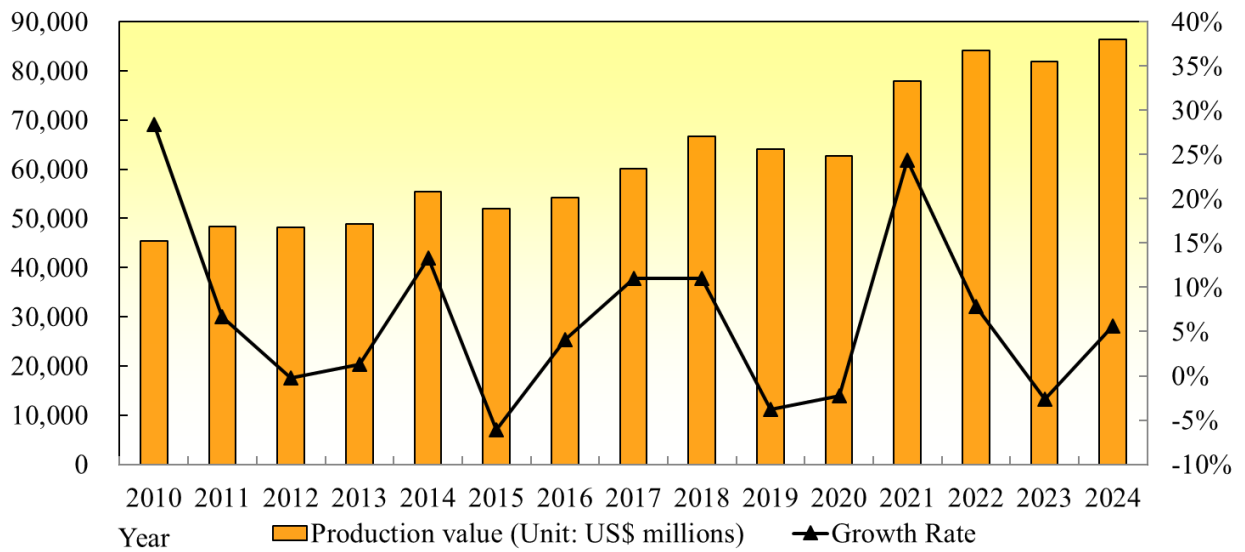
B. An analysis of the market as well as the production and marketing situation

(A) The current situation and development of the industry

According to reports from Bishop & Associates (March 2025), the world connector market is mainly led by international giants who set the global trend for connector technology. By comparing and analyzing the application scope layout of connector manufacturers in the US, Taiwan, Japan, and China, it can be observed that the US giants still occupy a leading position in the high-end connector product market, with the top four US companies (Tyco, Amphenol, Aptiv, and Molex) accounting for more than 39% of the global market share. These companies have a wide distribution of applications in all areas, including consumer electronics, cloud communications, industrial control and medical equipment, automotive equipment, defense and aerospace, and communication networks. In recent years, the Taiwan connector industry has had a clear direction toward transformation and upgrading, accelerating the demand for high-frequency, high-power, high-speed transmission, and durable/miniaturized connector products. In addition, due to generational transitions, global fragmentation driving the effects of single sourcing, cost shifting, and mergers and acquisitions, connector industry leaders are more actively deploying in the fields of automobiles, green energy, medical care, national defense, and industrial control, with accelerated revenue and profit growth. In conjunction with product portfolio optimization, deep cultivation of these related applications will be the main growth momentum for the industry in the future. Given this situation, Taiwan connector manufacturers need to flexibly use business models and operating strategies, establish highly flexible supply chains (multi-chain, short-chain, external chain, and intelligent chain), strengthen their ability to resist risks, and enhance their intelligent manufacturing level to enhance their core competitiveness. Additionally, through domestic/foreign industry alliances or mergers, they can leverage complementary benefits, deeply penetrate potential application markets, conduct resource horizontal integration, and combine industry vertical connections to expand the market scale, enhance product market niches, and create the highest market efficiency alongside domestic industrial digital transformation.



## 【World Connector】

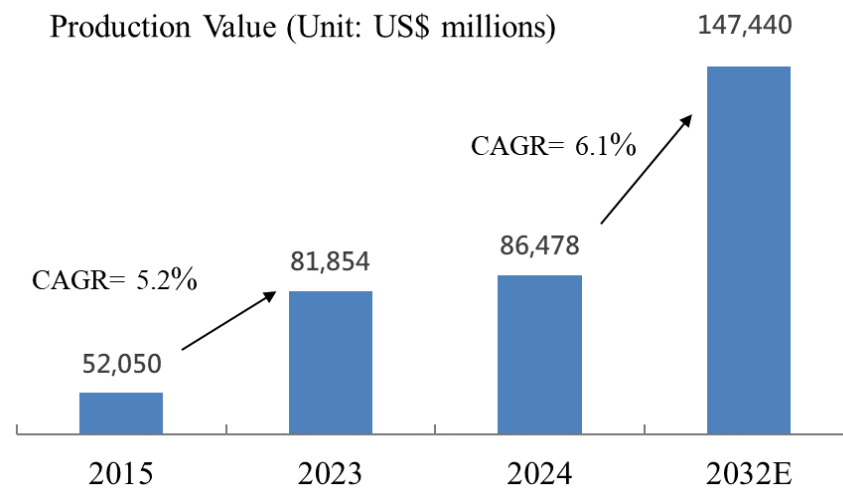


Data source: Bishop & Associates, Inc.(March 2025)& Compiled by ACES.

According to research data from Bishop & Associates in March 2025, the world connector production value in 2024 grew by 5.6% compared to the previous year (2023), reaching USD86.5 billion. It is estimated that in 2025, due to the continuously developing consumer electronics, automotive, and telecommunications industries, the demand for connectors that save space without affecting signal integrity or power efficiency will become more urgent than before. The connector production value is projected to increase by 7.9%, with an estimated production value over USD93.3 billion . The data shows that the global connector industry continues to maintain stable growth momentum.

Furthermore, a report by Allied Market Research in March 2025 indicates that the electronic connector market is in a mature phase. With the global commercialization of 5G, the demand for high-performance electronic connectors from advanced electronic devices is continually increasing, driving the development of the electronic connector market. Additionally, the electronic connector market is also boosted by the manufacturing industry's implementation of Industry 4.0, with growing application demands in automotive, transportation, computer and peripheral equipment, and telecommunications. It is projected that by 2032, the global connector market will reach a scale of USD147.4 billion, with a compound annual growth rate (CAGR) of 6.1%.

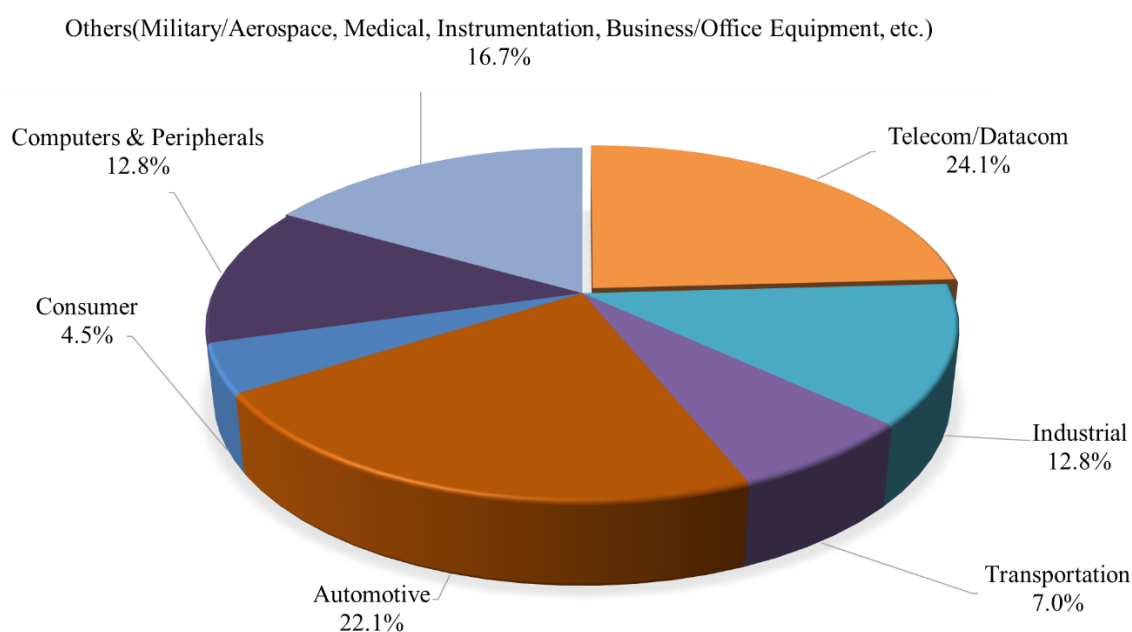
### 【Comparison of CAGR of World Connector Production Value】



Data source: Allied Market Research (March 2025) & Compiled by ACES.

With the advent of the 5G era, the Industrial Internet of Things (IIoT) is accelerating its deployment, and the wave of digital transformation is accelerating investments in infrastructure to support IoT technologies and Industry 4.0 automation transformations. A report by Bishop & Associates in March 2025 noted that looking back over the past decade, automotive equipment, industrial equipment, and military/aerospace equipment have experienced the fastest growth among global connector application sectors. In 2024, the two fastest-growing connector application markets were computing & peripheral equipment, with a production value of USD11.05 billion and the largest share increase (4.8%); telecom/data communication equipment, with a production value of USD20.861 billion and the second-highest share increase (4.0%), driven by AI adoption, next-generation 6G mobile networks, and robotics, all requiring high-speed, ultra-low latency, and reliable computing power, which has spurred massive investments in data centers and telecommunications. 2024 Global Connector Application Rankings (Top 5) are: Telecom/Data Communication Equipment: USD20.861 billion (24.1% market share), remaining the largest application sector, with a 9.8% year-over-year production value increase and a 4.0% share growth. This market is still in a growth phase, ranking second in value growth and one of only two sectors with share expansion. Automotive Equipment: USD19.149 billion (22.1% share), with a 3.5% production value increase from 2023 but a 2.0% share decline. Strong demand persists due to widespread use in smart driving and smart mobility technologies. Industrial Equipment (including industrial automation/processing systems, robotics, machinery, energy production/distribution, and construction/civil engineering): USD11.063 billion (12.8% share), with a 3% production value increase from 2023 but a 2.5% share decline. Despite minor share reductions in automotive and industrial sectors, automation-driven applications continue to fuel market growth. Computing & Peripheral Equipment: USD11.05 billion (12.8% share), achieving the highest production value growth (10.7%) and largest share increase (4.8%) across all sectors. Transportation Equipment: USD6.025 billion (7.0% share), with a 2.9% production value increase but a 2.6% share decline. According to Bishop & Associates' March 2025 forecast, telecom/data communication will remain the largest global connector application sector in 2025, followed by automotive equipment, driven by evolving geopolitical-economic conditions and the 5G/AIoT era.

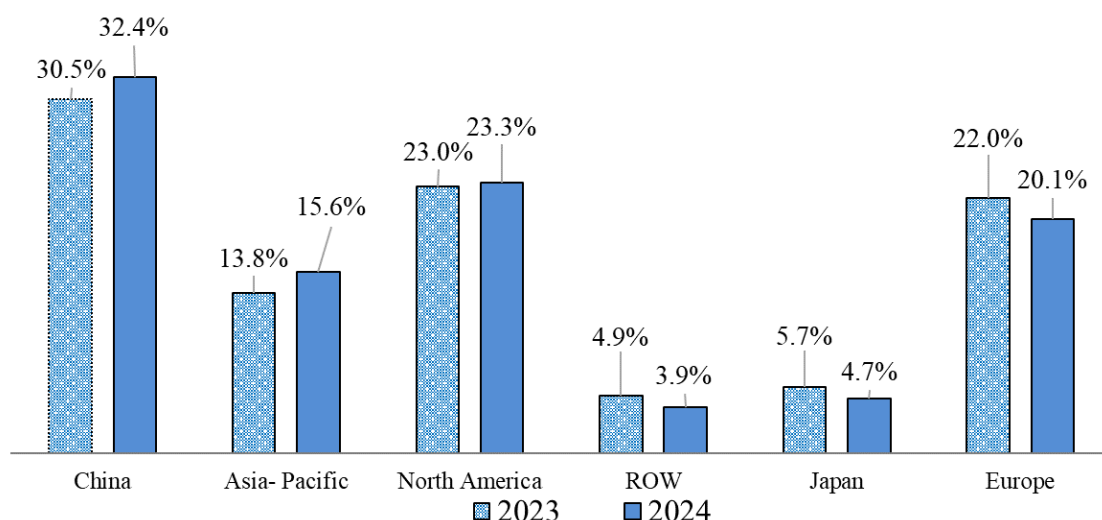
### 【2024 connector sales proportion (by application equipment)】



Data source: Bishop & Associates, Inc. (March 2025)& Compiled by ACES.

According to the research analysis by Bishop & Associates in March 2025, China, the Asia-Pacific region, and North America accounted for 32.4%, 15.6%, and 23.3% of the global production value in 2024, respectively, all showing year-over-year growth. Among these, China remained the largest connector production region, with a production value of USD20.804 billion (an increase from 2023), representing approximately one-third of the global connector market. Its share also demonstrated a year-over-year increase about 6.1%, the second-largest growth rate. The Asia-Pacific region (including Taiwan, South Korea, India, and Singapore) ranked as the fourth-largest production region, with a production value of USD13.484 billion (up from 2023) and the highest year-over-year share increase about 12.8%. North America retained its position as the second-largest production region, with a production value of USD20.125 billion (up from 2023), but its year-over-year share growth slowed significantly (the year-on-year growth rate of the proportion was approximately 1.1% in 2024, about 2.5% in 2023, and around 6.3% in 2022). ROW (Rest of the World), Japan, and Europe accounted for 3.9%, 4.7%, and 20.1% of the global connector market production value, respectively, with both production value and market share declining compared to 2023. ROW (Central/South America, Brazil, and South Africa), a non-core production region, reported a production value of USD3.413 billion, underperforming historical trends and recording the largest year-over-year share decline of 20.2%. Japan has seen a continuous annual decline in production share since 2019. Due to the weakening Japan yen against the US dollar, its 2024 production value fell to USD4.036 billion, with the second-largest share decline of 18.4%. Europe, while remaining the third-largest production region, saw its 2024 production value drop to USD17.417 billion (about one-fifth of the global market), with a year-over-year share decline of 8.4%.

### 【Comparison of World Connector Production Value by Region (YOY)】



Data source: Bishop & Associates, Inc. (March 2025) & Compiled by ACES.

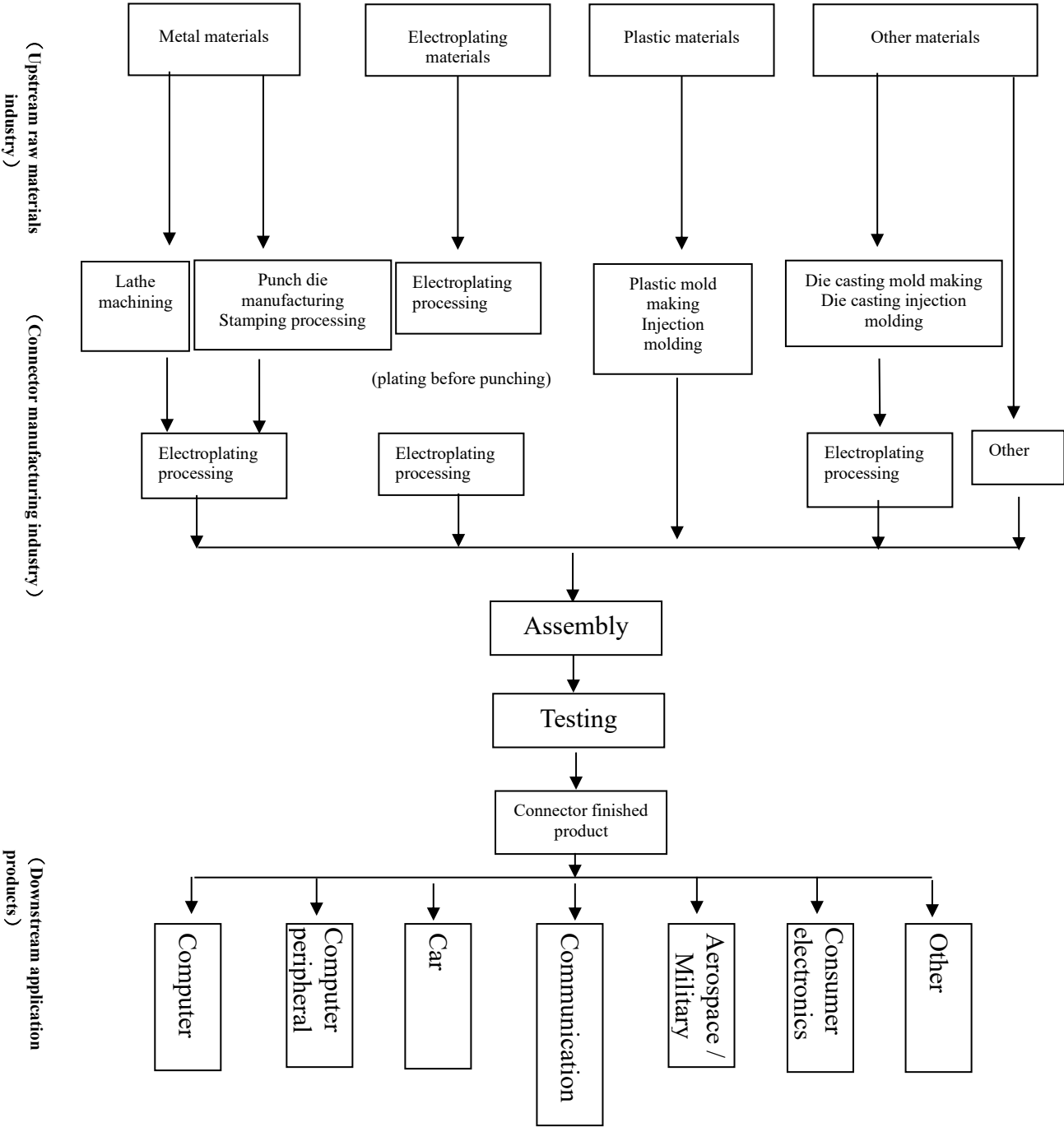
Research and Markets forecasted in March 2025 that the connector market would experience robust growth in the coming years, driven by 5G communications, electric vehicles (EVs) and charging infrastructure, IoT expansion, edge computing, and the integration of AI and machine learning (ML). Global Market Insights analyzed in December 2024 that rising demand for high-speed, efficient, and space-saving connectors — fueled by advancements in consumer electronics, automotive, and telecommunications sectors—is accelerating market growth. The global deployment of 5G networks has spurred the adoption of high-frequency connectors in base stations, antennas, and fiber optic systems. Additionally, data center expansions and the widespread adoption of cloud services are driving demand for connectors with high-speed transmission and advanced power management capabilities. Meanwhile, the growth of smart factories and industrial IoT is amplifying connectors’ critical role in automation and sensor communications. These trends collectively indicate a future trajectory of accelerated market growth and expanded market share for the global connector industry.

According to statistics from the Department of Economic Affairs in February 2025, Taiwan's manufacturing industry generated a total output value of NTD19.305 trillion in 2024, with the electronic components industry accounting for NTD6.341 trillion, a increase of 18.95% compared to 2023. Considering the domestic and international political and economic situations, the Industrial Technology Research Institute in December 2024 predicted that Taiwan's manufacturing industry would reach a total output value of NTD25.90 trillion in 2025, with a growth rate of 6.48%. Amid gradual easing of global inflationary pressures, the sequential entry of major U.S. and European economies into rate-cut cycles is driving a sustained expansion in international consumer spending, which will catalyze a steady recovery in economic activity. The Taiwan component industry is benefiting from the continuous expansion of emerging applications such as 5G, AIoT (Artificial Intelligence of Things), automotive sectors, and low-earth orbit satellites, there is a drive for high-specification, high-value electronic products. The new growth momentum brought by end-user applications also indicates that the future of the connector industry, part of the manufacturing sector, is showing similar robust growth momentum.

(B) The correlation between upstream, midstream, and downstream industries

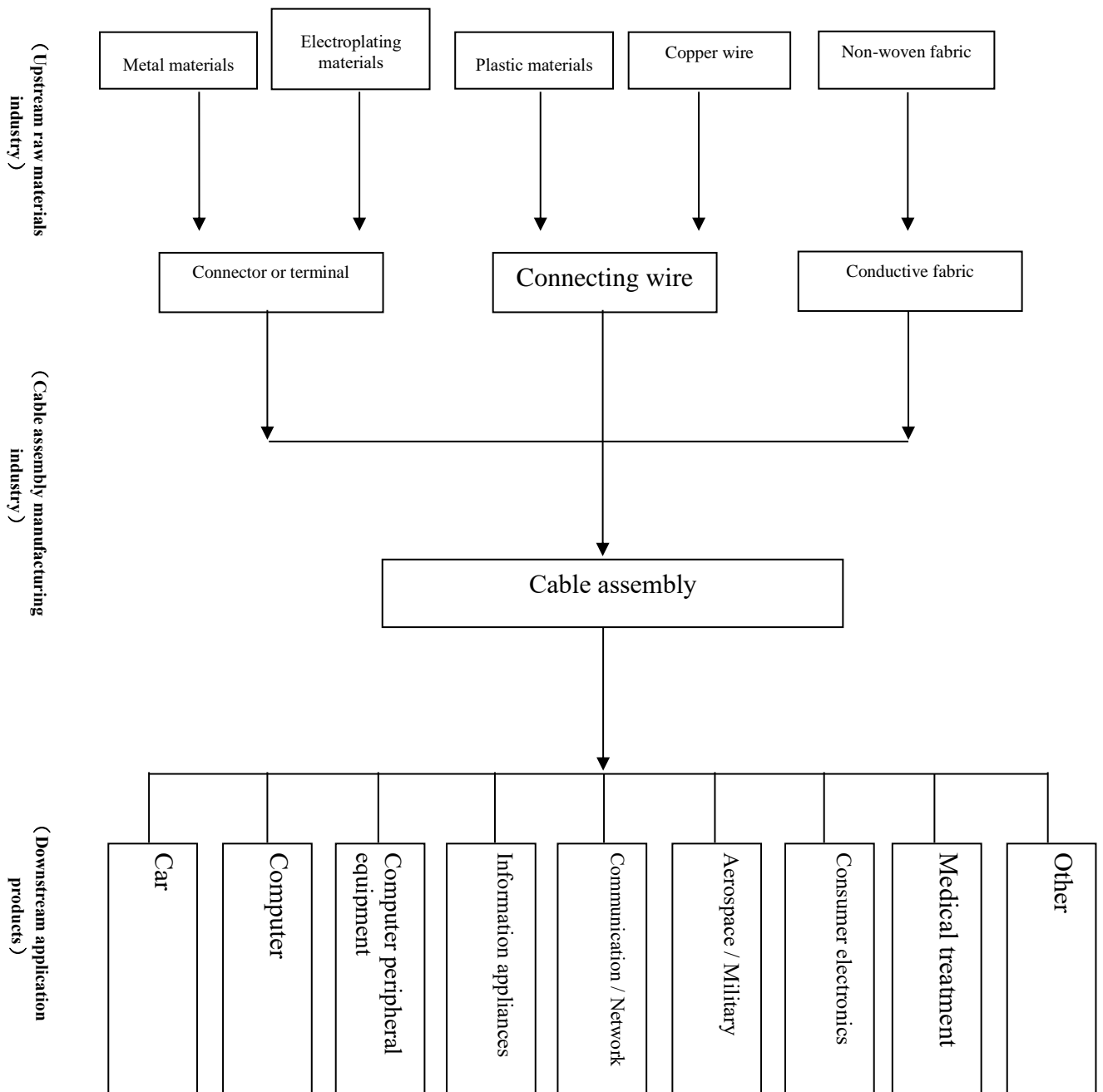
The company is mainly engaged in the production of connectors and cable assemblies. The upstream, midstream, and downstream structure diagram of the industry is as follows:

a. Structure diagram of the electronic connector industry



Data source: ITIS Program of the Material and Chemical Research Laboratories, Industrial Technology Research Institute

b. Industry structure diagram of electronic cable assembly



Data source: Industrial Technology Research Institute (ITRI) Material Research Institute (MIRI) ITIS Project.

### (C) Various development trends of the product

#### a. Product miniaturization

In recent years, with the trend of "lightweight, thin, short, and small" in application products, connectors generally require fine pitch and low profile. Therefore, both metal stamping and plastic injection molding technologies have precision requirements. Specifically, the specifications of connectors are reflected in finer pin pitch and lower connector height. To meet the requirements of product miniaturization, in addition to increasing the precision of the original molds and fixtures, connectors must also have outstanding product design, analysis, and functional simulation capabilities, such as stress analysis, mold flow analysis, and precision testing equipment, to achieve the quality required by customers. According to data from IEK, in the future, connectors for Consumer electronics products will move towards two major technological directions: small size and low height.

#### b. High-frequency high-speed connectors and cables

The latest version of the PCIe standard is PCIe Gen5.0, with a bandwidth and transfer rate of 128GB/s and 32GT/s per channel (lane), which can meet the needs of 400 GbE networks in new data centers, provide higher efficiency for data transmission applications of different peripheral devices, and achieve the best balance between cost and bandwidth. Therefore, achieving high-speed requirements can no longer be achieved by pursuing precision in molds and fixtures as in the past. High-speed and high-frequency signal analysis and simulation, as well as the number of actual testing items, will determine the key factors of signal quality. Therefore, high-frequency measuring equipment is necessary to perform precise high-frequency analysis.

The development of high-frequency connectors combines stamping, injection molding, assembly, mechanical structure design, mechanical analysis, high-frequency electrical characteristic analysis, and measurement as a comprehensive technology. According to the Industrial Technology Research Institute (ITRI), as the system moves towards high frequency, the impact of connectors on the electrical characteristics and functions of the system increases. The high-frequency design of connectors must consider the coordination between mechanical and electrical aspects, and the correct direction must also be grasped in the coordination. In testing methods, the effects generated by high frequency must also be considered. Therefore, the technology will cover structural electrical parameter analysis, component equivalent circuit design, component characteristic testing, and test board design. For the connector industry, these technologies not only have the significance of improvement but also indicate the vertical integration of technology.

The specifications of high-frequency connectors usually include impedance, crosstalk, or propagation delay, and their indicator sizes vary according to different specifications. Therefore, in the design consideration, it is necessary to consider the time-domain and frequency-domain conversion, the basic characteristics and high-frequency response of electronic components, the basic theory of transmission lines and impedance matching design, the generation and prevention of crosstalk and loss, and parameter and Smith chart analysis. Taking electromagnetic interference as an example, as the signal frequency carried by connectors becomes higher, the impact on signal integrity also becomes greater. Therefore, comprehensive improvement in electromagnetic interference prevention technology is required for the connector industry (such as cable ends). It is also important to understand the causes and solutions of common electromagnetic interference in system ends such as PCBs, such as the causes and prevention of electromagnetic interference between wires and grounding, shielding principles, shielding efficiency evaluation and shielding element design, causes and

prevention of ESD, causes and prevention of radiation in digital circuits, and common techniques used in electromagnetic interference measurement.

High-frequency connectors can be used for high-end products such as RAMBUS high-speed input/output (IEEE 1394/USB), high-speed network applications (CAT-8), and more. CAT-8 is the latest IEEE copper Ethernet cable standard that encloses each pair of twisted pairs in aluminum foil, almost eliminating crosstalk interference and achieving higher data transmission speeds. CAT-8 Ethernet cables are the ideal choice for inter-switch communication in data centers and server rooms, providing maximum transmission speed and stability.

In recent years, various peripheral devices have experienced rapid development, and many cloud services (SaaS, IaaS, PaaS) have also seen significant growth. This has led to an increase in demand for high-frequency, high-speed, high-power, and high-current connectors. In order to achieve high-frequency and high-speed transmission goals, there is a need for greater precision and accuracy in the requirements for the control chips, electrical connectors, cable wires, and circuit boards used in high-speed transmission paths. High-quality structures that can process signals will increase the product pricing advantage and promote the overall technological advancement of the electronics industry, becoming an inevitable trend.

c. 3C application products are still in the mainstream market

According to research data from Bishop & Associates in March 2024, 3C application products such as computers, consumer electronics, and telecommunications still maintain a certain market share in the world connector market, accounting for about 40% of the overall market value, which translates to a market size of approximately USD 32.7 billion. This indicates that this market is still the main market for development for various manufacturers.

d. Business opportunities in automotive applications

In a March 2025 report by Bishop & Associates, the 2024 global connector market value for automotive equipment was approximately USD19.149 billion, accounting for 22.1% of the overall connector applications, making it the second-largest connector application sector. As EU has set a target of working towards net-zero carbon emissions by 2050, the traditional fuel-powered automobile has become the main industry targeted by various countries to reduce carbon emissions. Some advanced countries have already proposed a ban on the sale of fuel-powered cars, such as the European Union's decision to ban the sale of all fuel-powered cars from 2035 onwards. Therefore, the energy transformation is driving the rise in demand for electric vehicles. Mordor Intelligence projected in March 2025 that the automotive connector market would achieve a production value of USD7.33 billion in 2025, reaching USD9.14 billion by 2030, with a compound annual growth rate (CAGR) of 4.53%. The Asia-Pacific region is both the largest market and the fastest-growing market, primarily due to the rising demand for automotive safety systems, which directly drives the expansion of the automotive connector market.

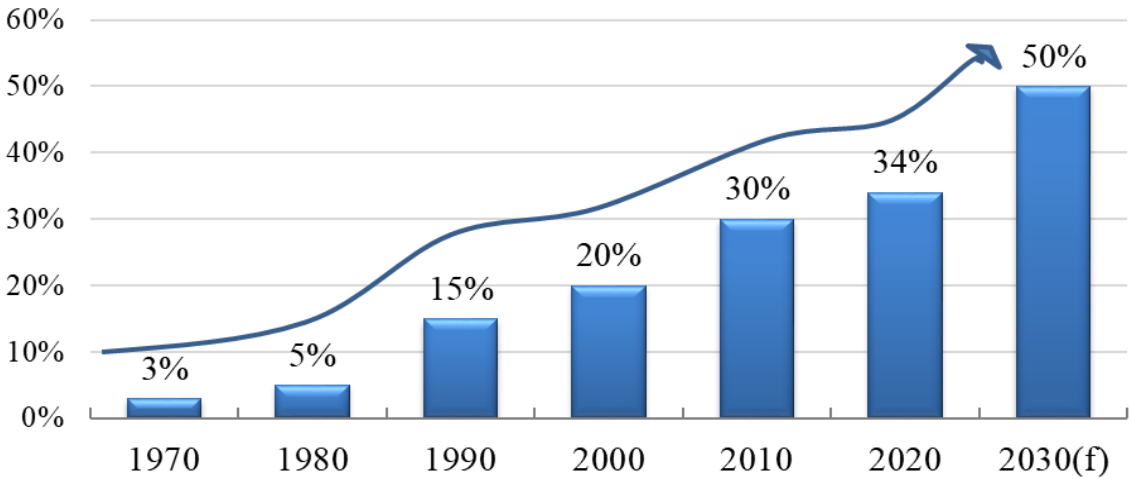
According to a February 2025 research analysis by Digitimes, global electric vehicle (EV) sales reached 17.23 million units in 2024, showing a growth rate of approximately 25.5% from 2023 (growth is not as strong as in 2023), with an overall EV market penetration rate of 19.2%. It is estimated that the global EV market will continue to grow in 2025, with sales projected to reach 20.47 million units, an increase of about 18.8% which is rather softer than in 2024, and a market penetration rate of 20.6%. From 2020 to 2025, the EV market's average annual compound growth rate (CAGR) will reach 32.83%, significantly outperforming the overall automobile market's CAGR of 4.23%. The top three EV sales markets are China, Europe, and the United States, accounting for



over 93% of the global share, with China holding approximately 70% market share, making it the largest EV production and sales country globally. According to Deloitte Insight's analysis in December 2023, the U.S. government aims for half of all new car sales to be electric vehicles (EVs) by 2030, while the market growth rate of advanced driver-assistance systems (ADAS) is projected to far outpace automotive sales volumes. Therefore, it is estimated that the automotive electronics and related components for electric vehicles will show a simultaneous growth trend in the future.

According to a study by Future Intelligence in October 2021, the average value of connectors per vehicle worldwide has increased from USD97 in 2000 to USD181 in 2020, and each car will use 600 to 1,000 electronic connectors. With the continuous rise of trends such as vehicle electrification, digital technology, and environmental sustainability, the level of vehicle electrification has continued to increase. This means that vehicles increasingly rely on electronic components, and many operations must go through an electronic component processing process before they can be transmitted. As a result, the proportion of electronic products in the production cost of a vehicle has increased from 3% in 1970 to 20% in 2000 and 34% in 2020. In a study by IEK in December 2024, the intelligent autonomous driving trend is driving emerging applications—such as advanced driver-assistance systems (ADAS) and smart cockpits—to become industry-standard features in vehicles. It is estimated that the proportion of automotive electronics in the average vehicle cost will exceed 50% in 2030, indicating that the value of automotive electronic systems will continue to rise.

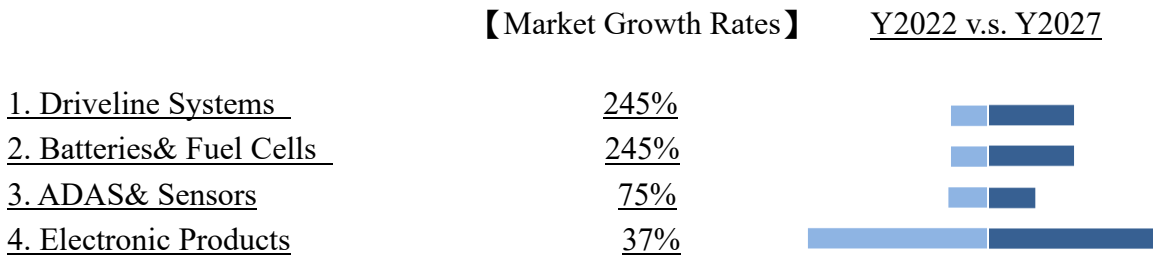
【Trend of the Global Automotive Electronics Cost Ratio】



Data source: Future Intelligence (October 2021) & IEK (December 2024) & Compiled by ACES.

According to Deloitte Insight's analysis in December 2023, the automotive industry supply chain will experience the highest growth in driveline systems, batteries, fuel cells, advanced driver assistance systems (ADAS) and sensors, and electronic products by 2025, with growth rates of 245%, 245%, 75%, and 37%, respectively. The integration of 5G and AI technologies into the automotive industry has accelerated the maturation of vehicle-to-everything ecosystems. Coupled with the growing demand for ultra-high-speed communication, this convergence has spurred commercial opportunities for high-frequency and high-speed transmission connectors. Future strategic investments in high-frequency signal integrity, advanced material science, and precision manufacturing

processes for mid-to-high-tier connector solutions will position stakeholders to capture substantial market growth in the next phase of industry evolution.

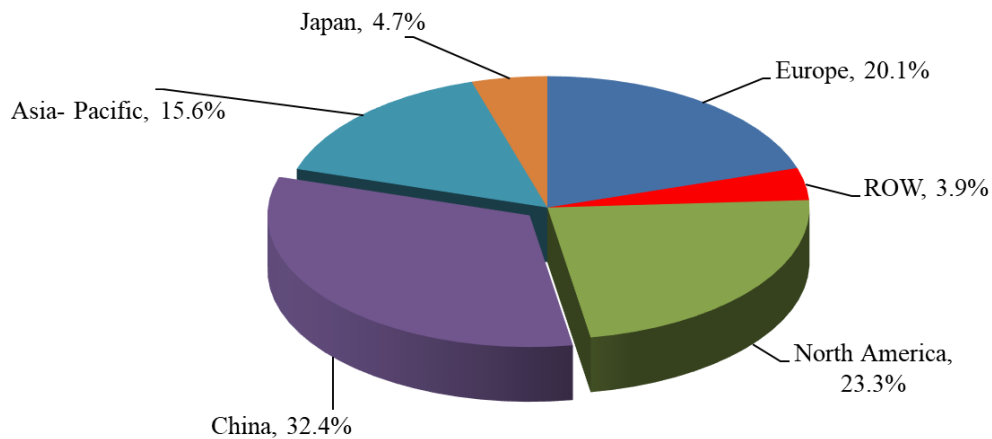


Data source: Deloitte Insight (December 2023) & Compiled by ACES.

e. China is the world's largest market in terms of connector

China has become the world's largest production base and consumer market for connectors. According to a March 2025 report by Bishop & Associates, the global connector market overall is showing a steady and level trend, with a high industry concentration. China, North America, and Europe are the top three global connector supply markets. Due to domestic manufacturers actively expanding their global business in recent years, there has been rapid growth in international orders from Europe and America. Although the Asia-Pacific region (including Taiwan, Korea, India, and Singapore) ranks as the fourth largest in global connector output, it leads in growth rate , with a 19.2% year-on-year increase in 2023 and the highest proportional growth uplift (approximately 12.8%). This surge is primarily driven by domestic manufacturers' aggressive global business expansion, which has fueled rapid growth in European and North American international orders. Concurrently, India ’ s accelerated industrialization is amplifying demand for electronic equipment and infrastructure, while its status as a manufacturing hub for critical industries — automotive, telecommunications, and consumer electronics—has intensified reliance on connector solutions, further consolidating the region’ s market dominance. In recent years, the global supply chain continues to fragment, and international end-brand supply chains are shifting. China’ s connector market retains a 32.4% share of the global output value, significantly surpassing North America’ s 23.3% share. The market continues to exhibit sustained growth momentum, with its year-on-year proportional growth rate ranking second globally (approximately 6.1%). Furthermore, the market’ s output value has risen by 12.1% compared to 2023, driven by advancements in industrial automation, supply chain localization, and demand from high-growth sectors like automotive electrification and consumer electronics. According to a January 2025 report by the International Wire and Cable Association, China’ s connector industry is undergoing a pivotal transformation toward high-precision and cutting-edge manufacturing, marked by accelerating industrial chain consolidation and enterprises’ strategic focus on technological innovation and product upgrading to achieve high-quality, high-value-added outputs. Despite challenges posed by geopolitical tensions, supply chain volatility , and market dynamics, the industry continues to drive structural reforms across multiple fronts: enhancing R&D capabilities, adapting to global market demands, advancing industrial automation, and expanding applications in emerging sectors. These efforts are systematically reshaping the competitive landscape, elevating both the technical sophistication and international competitiveness of China’ s connector ecosystem. Currently, China has become the world's largest consumer market for connectors.

### 【World Connector Market by Region in 2024】



Data source: Bishop & Associates, Inc. (March 2025) & Compiled by ACES.

#### (D) Product competition

The Company mainly engages in the development, manufacture, and sales of connectors and assemblies related to laptops and computer peripherals, consumer electronics, automotive electronics, cloud servers, network communications, industrial equipment, medical devices, ultra-fine coaxial cable assemblies, high-speed transmission cable assemblies, wireless communication RF connector assemblies, metal stamping, and various components. It possesses a complete range of products and specifications. Due to the rapid changes in demand for applied products, in response to the rapid changes and increasing precision required by downstream customer products, the competitive situation of the Company's products is explained as follows::

- a. To keep up with market trends in real-time and enhance production technology capabilities.

Due to the wide variety of application products for connectors and cables, as long as electronic products involve signal transmission, there will be a continuous need for connector cables. Therefore, the application market for connector cables spans various industries and products. How connector cable manufacturers can promptly grasp the dynamics of downstream product application markets and quickly launch products that meet market demands becomes a key factor in whether connector cable manufacturers can earn profits. The Company has the capability for rapid development in product research and design, which shortens the product development time and allows for the customization of connector cable products according to individual customer needs.

- b. Product quality and stability

As the quality of connectors can affect the reliability of signal transmission between electronic devices, they are a critical component in various electronic applications. Therefore, the company has had strict management processes for product quality since its establishment. This can be seen from the fact that the company obtained the UL ISO 9001 international quality system certification a few years after its establishment, which is highly regarded. In addition, the company has obtained the QC080000 quality certification and the IATF16949 automotive product certification. The company's efforts have been recognized by many well-known domestic and international customers, and the company has had long-term relationships with them, demonstrating the company's stability in terms of product quality.

c. Competitiveness of product prices

Due to the downward trend in the prices of connector cable application products and price competition among peers, the profit margins of various connector manufacturers have been compressed. In light of this, our company focuses on rapid product development and depth and strength of customer service (including production capacity and delivery times). Additionally, to increase profits and reduce production costs, our company not only strengthens control over raw material costs but also engages in product design and development domestically. We have established a production base for connector cables in mainland China to reduce production costs, giving the Company a cost advantage to face competition from peers and future price competition pressures.

C. Overview of technology and R&D

(A) The amount of R&D expenses invested in the latest fiscal year and up to the date of printing of the annual report

Unit: NTD thousand

Item \ Year	2024	Q1 of 2025
R&D expenses (A)	592,518	145,032
Net operating revenue (B)	9,770,897	2,577,280
(A)/(B) %	6.06%	5.63%

Data source: Audited or reviewed consolidated financial reports for the fiscal year 2024 and Q1 of the fiscal year 2025 by certified public accountants.

(B) Recently developed successful technologies or products up to the date of printing of the annual report.

Year	Research achievements
2024	<ol style="list-style-type: none"> <li>1. PCIe CEM Gen6 Connector Development</li> <li>2. OCP Next-Gen Internal High-Speed Interconnect Solution: Multitrak PCIe6 Connector</li> <li>3. OCP High-Current POWER CARDEDGE Connector Development</li> <li>4. Mega Power 2 Miniaturized High-Current Connector</li> <li>5. MiniSAS-HD Gen4 Active Cable</li> <li>6. SFP112 and SFPDD112 Connectors</li> <li>7. J1772 Type 1 (15A/32A/50A) Charging Gun</li> <li>8. QSFP-DD 112G PAM4 Active Copper Cable</li> <li>9. SFP-DD 56G Passive Cable</li> <li>10. Multiple MCIO Gen6 (Staggered Design) High-Speed Cables</li> <li>11. Multiple PCIe-to-MCIO (Staggered Design) High-Speed Cables.</li> <li>12. Waterproof Automotive Type-C Receptacle and Cable Assembly</li> <li>13. Quick-Detach Automotive Type-C Connector</li> </ol>
Up to May 9th of 2025	<ol style="list-style-type: none"> <li>1. PCIe 6/7 Direct-Solder MCIO Connector &amp; Cable Assembly</li> <li>2. EDSFF E.1/E.3 Connector &amp; Cable System</li> <li>3. Next-Gen M.2 Gen6 Connector</li> <li>4. High-Power Type-C 16-Pin Connector Development</li> </ol>

D. Long and short-term business development plans

(A) Short-term plans

- a. To strengthen product breadth in existing sales channels of notebook computers and consumer electronics products market, in addition to the existing product series, we will utilize existing mold technology and advantages to shorten the sample development cycle, collaborate with customers' product development plans, and develop more types

of connectors for notebook computers, increase the breadth of our product line, and further expand market share and increase revenue.

- b. Proactively developing the server and network markets: Recognizing the high potential for development in the communication and network markets in the future, our company will utilize our existing technology and develop human resources to actively engage in the research and manufacturing of related product connectors and cables in the mobile device and network industries to respond to future business development.
- c. Expanding international business: In order to effectively utilize production capacity and achieve optimal economic scale, we actively seek foreign business opportunities, which will help control costs and increase sales channels. On the one hand, this can strengthen the control of production systems, and on the other hand, it can allow us to access more advanced technology and market information from overseas, and collaborate with brand customers on product design to shorten development time and capture market trends.
- d. Establishing a comprehensive corporate image is crucial for enhancing brand awareness and gaining a competitive edge in the market. This can be achieved through various means such as maintaining a product catalog, optimizing the company website, and creating an effective company profile. By doing so, the company can improve its visibility and reputation, which can lead to better marketing opportunities and increased sales.
- e. Accelerating the development of production automation, modularizing production equipment to effectively improve production capacity and quality, reduce reliance on direct labor and increase the barrier to entry for production technology. This will improve production efficiency, shorten lead times, further reduce production costs, and maximize benefits.
- f. Accelerate the development of process vertical integration to reduce the outsourcing ratio of electroplating, to control product quality and production costs.
- g. Establishing an Automotive Electronics Engineering and Technology Research Center (Vehicle Electronics Zone) to expand the production capacity and research and development capabilities of automotive electronic connectors, in order to provide customers with more diversified product services.

(B) Long-term plans

- a. Double Eagle Project: Given that new technology products are often developed or regulated based on the U.S. market, it is important to obtain real-time information to provide product development directions and information needed for investment decisions. Our company has established a U.S. company to expand our U.S. business and gain access to market trends and new product information. Additionally, with the rise of China as a major manufacturing and consumer market, we have adjusted our business organization to establish stronger customer relationships to facilitate product sales. Our company spreads its wings across the U.S. and China markets with the Double Eagle Project, to respond to the rapid changes in market demand with timely and flexible services and to develop a forward-looking and comprehensive plan for future business development.
- b. Expanding international presence with a focus on research and development and leading products: We continue to invest in research and development and technology resources, and we are deepening our technical research and development in Taiwan Precision Center to expand our operations and focus on the design, development, and manufacturing of precision molds. We are continuously cultivating excellent product development, precision mold design, and manufacturing personnel, and building a complete technical team to meet the needs of domestic and international customers, with the long-term goal of becoming a leading brand in World Class Connectivity.

## (2) Market and Sales Overview

### A. Market analysis

#### (A) Main sales regions of products

Unit: NTD Thousand; %

Region		2024	
		Operating revenue amount	Percentage of total operating revenue
Export	China	4,881,669	49.96
	Other	3,307,510	33.85
	Subtotal	8,189,179	83.81
Domestic sales		1,581,718	16.19
Total		9,770,897	100.00

#### (B) Market share

According to data from ITIS in February 2022, Taiwan's connector industry (interconnect components) had a total annual production value of NTD200.8 billion in 2021. With our company's consolidated revenue of NTD9.771 billion for the year 2024, it is estimated that our company's market share is about 4% or more.

#### (C) Future supply and demand situation and growth potential of the market

##### a. Supply side

According to data from the American research institution Bishop & Associates in August 2024, the top 100 connector manufacturers worldwide had sales totaling USD67.465 billion in 2023, accounting for 82.4% of the global connector market. The top ten connector manufacturers shipped a total of USD43.061 billion worth of connectors in 2023, which represented 52.6% of the global market, up from 51.9% of the global connector market in 2022 (USD43.655 billion). The top ten manufacturers in order are TE Connectivity (Tyco) from the USA, Amphenol from the USA, Aptiv (formerly Delphi Connection Systems) from the USA, Molex Incorporated from the USA, Foxconn (FIT) from Taiwan, Luxshare Precision from Mainland China, Yazaki Corporation from Japan, Rosenberger from Germany, JAE (Japan Aviation Electronics Industry) from Japan, and Hirose Electric Co., Ltd. from Japan.

The table demonstrates that from 1980 to 2023, TE Connectivity has consistently been the largest connector company, while Molex and Amphenol have maintained positions in the top ten. Notably, no Asian companies appeared in the top ten before 1980, but by 2020, six Asian companies had entered the top ten, and five remained in 2023. This change correlates closely with the rise in electronic manufacturing capabilities in Asia and the expanding market demand for connectors in the region, particularly as many connector companies, especially in China and other developing nations, are broadening the scope of their current product applications and establishing more collaborations with non-connector firms. Over the past decade, the global connector industry has experienced a slowdown in market growth, with a market structure heavily influenced by large-scale mergers and acquisitions, which have driven increased market concentration. According to statistics, about 49% of the top 100 connector companies ranked in 2000 were acquired by other companies by 2023. For instance, in 2021, TE Connectivity acquired ERNI Electronics GmbH, Amphenol acquired Positronic Industries, the top 100 Carlisle Interconnect (Carlyle) (ranked 24<sup>th</sup> in 2023) and

CommScope (Compo) (ranked 26th) were also acquired; this year in December 2024, Molex completed the acquisition of AirBorn, which ranked 43rd in 2023, and our company acquired Genesis Technology. The top ten global connector manufacturers have acquired many companies in the past few years, increasing their market share from 38% in 1980 to 52.6% in 2023. As their market share has grown year by year, these major international players are rapidly scaling up their industrial economies to enhance entry barriers and competitiveness in the market.

【Top 10 connector manufacturers by global shipment volume from 1980 to 2023 (by region)】

Year Region	1980	1990	2000	2010	2020	2023
North America	10	6	6	4	4	4
Europe	0	1	1	1	0	1
Japan	0	3	3	4	4	3
China	0	0	0	0	1	1
Asia-Pacific	0	0	0	1	1	1

Data source: Bishop & Associates, Inc. (August 2023) & Compiled by ACES.

#### b. Demand Side

Demand for connectors and cables is mainly influenced by the product demand in downstream end-use applications. Our company produces connectors and cables mainly used in four major application areas: notebook computers (NB)/consumer electronics, network communications/servers, automotive electronics, and industrial industries. The development trends of individual application markets are explained as follows:

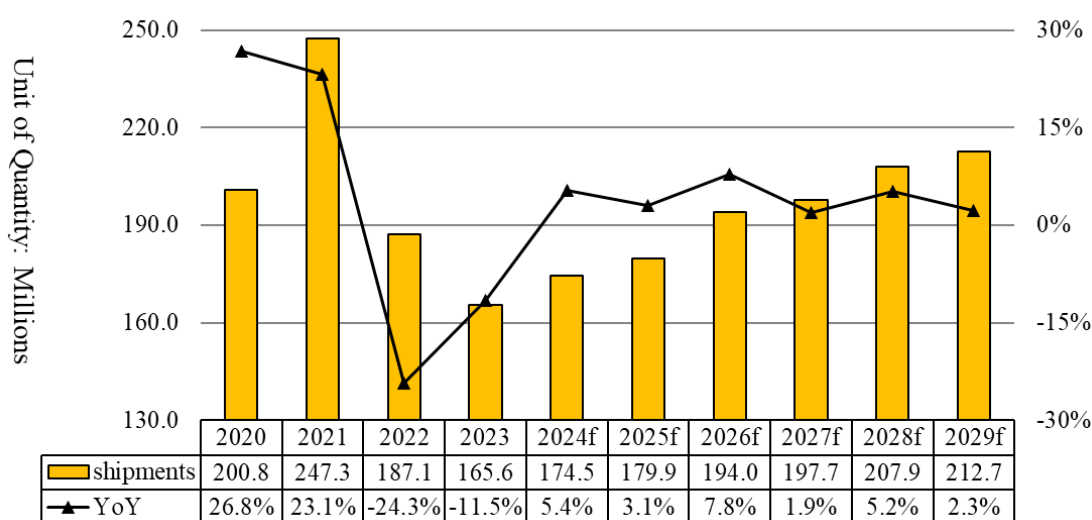
##### (a) The notebook computer (NB) market

According to an November 2024 report by TrendForce Research, the global notebook (NB) market in 2024 has experienced moderated demand growth due to high interest rates and geopolitical tensions. However, it is expected that 2025 will see accelerated market expansion, driven by improved capital liquidity following the conclusion of the U.S. presidential election and the Federal Reserve's initiation of interest rate cuts. Additionally, the termination of Windows 10 support and renewed enterprise device refresh cycles are expected to stimulate further growth in the NB sector.. An April 2025 study by 360i Research projected the global laptop market to be valued at USD221.87 billion in 2024, growing to USD241.37 billion in 2025, and reaching USD370.16 billion by 2030, with a Compound Annual Growth Rate (CAGR) of 8.90%.

A report from Digitimes in November 2024 indicated that the global notebook shipment CAGR from 2024 to 2029 is expected to be 4.04%. The global notebook (NB) market grew by 5.4% year-on-year (YoY) in 2024, driven by strong performance in the education sector (19% YoY growth) and consumer market (5.2% YoY growth). In 2025, NB shipments are projected to continue expanding, though at a moderated pace due to headwinds from U.S. tariff policies, inflationary risks, and weakening consumer market momentum (0.5% YoY growth). Commercial (4.8% YoY) and education sectors (8.5% YoY) are expected to outperform other segments. 2026 is forecasted to achieve the highest growth rate (7.8% YoY) in the 2025 – 2029 period, with shipments surpassing 190 million units, fueled by macroeconomic recovery, finalized U.S. tariff adjustments, and robust demand for mid-to-high-tier consumer devices driven by Windows 12 and AI-optimized notebooks. Both commercial and education markets will sustain modest growth. Growth is anticipated to decelerate sharply in 2027 (1.9% YoY), primarily due to slowing premium consumer demand, weaker enterprise procurement, and a strategic

shift in corporate investments toward next-generation cloud infrastructure and server-level AI deployments, which will divert resources from NB procurement. The market is poised to rebound in 2028 (5.2% YoY growth), supported by full-scale upgrades to AI-powered notebooks, innovations in generative AI models, and a commercial replacement cycle triggered by the termination of Windows 11 support . By 2029, growth momentum is likely to weaken again as processor platform updates slow and mature alternative devices (e.g., augmented reality (AR) interfaces , robotics) gain traction, potentially reducing enterprise reliance on traditional notebooks. With the active operation of the management team, our company is estimated to continue to grow in the consumer electronics market, due to the addition of new products. In the future, we will adopt a diversified product sales combination strategy to improve our company's sales performance.

【Global notebook (NB) shipment volume】



Data Source: Digitimes (November & January 2024) & Compiled by ACES.

#### (b) Network communication market/servers

The communications industry is primarily divided into three major categories: network communications equipment, personal mobile devices, and communication services. Network communications equipment primarily involves hardware and components related to connecting network signals, including various broadband technologies such as Wireless Local Area Networks (WLAN), Ethernet Switches, Digital Subscriber Line Customer Premises Equipment (DSL CPE), Cable Modem Equipment (Cable CPE), Internet Protocol Set-Top Boxes (IP STB), Bluetooth technology, and mobile broadband access products. The network communications industry has rapidly developed and holds a significant position in the global economy.

The growing demand for digitalization and wireless connectivity has amplified the strategic importance of enterprise network infrastructure. According to a Mordor Intelligence study published in January 2025, the global enterprise network communication equipment market is expected to reach USD80.66 billion in 2025 and expand to USD138.08 billion by 2030, achieving a compound annual growth rate (CAGR) of 11.35%. Key components such as switches, routers, wireless access points, and security solutions are now critical for building secure, reliable, and scalable networks. Market growth is driven by the proliferation of mobile devices,



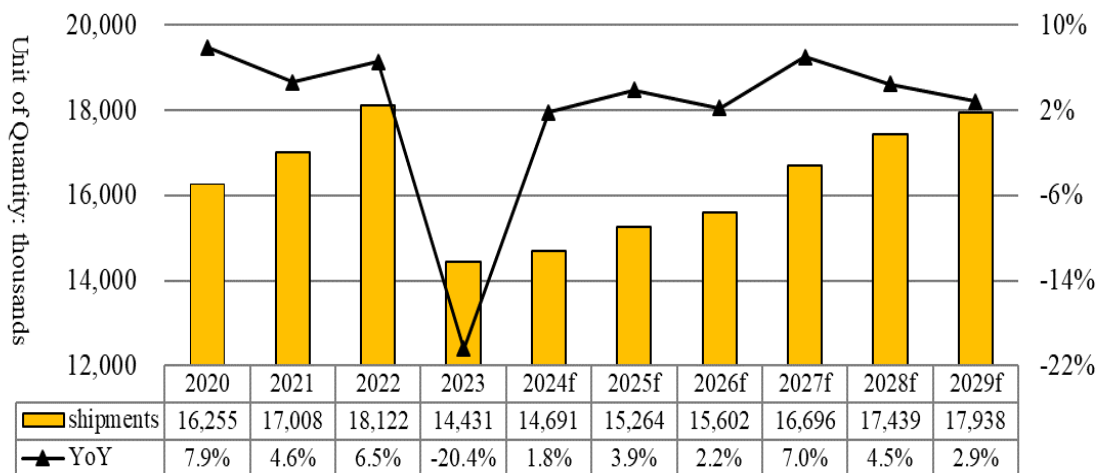
escalating bandwidth requirements, the Bring Your Own Device (BYOD) trend, and smart city initiatives. Enterprises are prioritizing investments in high-performance equipment to support IoT (Internet of Things) and next-generation machine-to-machine (M2M) applications.

As 5G technology matures and the 6G era begins to emerge, the deep integration of pivotal technologies—such as low-earth orbit (LEO) satellites, cloud computing, artificial intelligence (AI), and IoT—is propelling the global communications industry toward a hyper-connected, ubiquitous "All-Connected" paradigm. Per IEK Research (December 2024), the global communications industry's output is estimated to reach USD2.58 trillion in 2024, reflecting 6.9% YoY growth, and is forecasted to grow further by 6.8% in 2025 to USD2.76 trillion, fueled by national 6G development roadmaps. IEK's November 2024 industry analysis highlights Taiwan's communications sector performance: 2024 output is projected at NTD1.28 trillion, representing 2.2% decline compared to 2022, with a modest recovery to NTD1.29 trillion (1.2% growth) anticipated in 2025.

The core mission of the network communications industry is to achieve global connectivity, rapidly transmitting data, information, and communications, necessitating advancements in wireless communication, the Internet of Things (IoT), cloud computing, and cybersecurity technologies and equipment. Research by ITIS in February 2025 indicated that Taiwan's communication equipment output value in 2024 was NTD537.6 billion, 1.12% decline from 2023. IEK's research in February 2024 highlighted that in network communications equipment, Wi-Fi penetration continues to increase with the adoption of Wi-Fi 6E in the new iPhone 15, while the demand for GPS navigation products and automotive products also grew.

According to a December 2024 research analysis by Digitimes, the global server market shipped approximately 14.69 million units in 2024, which represented an 1.8% growth from 2023, primarily driven by the sustained momentum of the generative AI boom entering its second year. Large-scale cloud service providers aggressively procured high-end AI servers while initiating partial refresh cycles for general-purpose servers. Looking ahead over the next five years, global server shipments are projected to grow by 3.9% in 2025, outperforming 2024 levels. However, this signals a gradual slowdown in market momentum, indicating a transition into a low-growth "new normal" phase for the industry. By 2026, growth is forecasted to decelerate further to 2.2%, as market investment intensity weakens. The year 2026 is positioned as a critical implementation validation phase for AI infrastructure investments, with enterprises shifting focus to performance evaluation and deployment optimization. 2027 is anticipated to be the peak growth year of the 2025 – 2029 period, with a projected 7% YoY increase in shipments, surpassing 16 million units. This surge underscores the industry's potential for short-term high-growth revival fueled by emerging technologies. In 2028 and 2029, global server shipment growth is expected to taper sequentially, reflecting a post-expansion adjustment phase as demand stabilizes following earlier AI and cloud infrastructure buildouts. The market will transition toward maturity, characterized by steadier shipment dynamics. Over the 2024 – 2029 period, the global server market is projected to achieve a compound annual growth rate (CAGR) of 4.07%.

### 【Global Server Shipments】



Data source: Digitimes (December 2024) & Compiled by ACES.

With the development and proliferation of artificial intelligence (AI) technology, the server market has undergone significant changes, especially with the introduction of generative AI services like ChatGPT (Chat Generative Pre-trained Transformer) developed by OpenAI, which relies on powerful AI servers for computation. Unlike general servers primarily used for data storage with slower computing speeds, AI servers boast much greater computational power and faster data processing capabilities to meet the demands of emerging technologies such as VR/AR, ultra-high definition, and autonomous driving technologies.

According to a January 2025 report by TrendForce, the global server industry's total output value in 2024 is estimated at USD306 billion, with AI servers demonstrating exceptional performance by contributing USD205 billion in revenue—significantly outpacing growth in traditional server segments. Driven by robust market momentum, AI servers are projected to account for 72% of the total server output value in 2025, up from 67% in 2024, further consolidating their dominance in the industry.

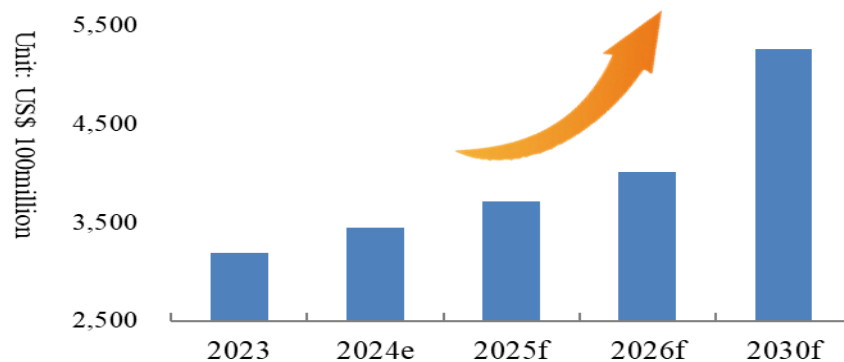
MIC's research indicates that generative AI will continue to drive growth in AI server shipments. In 2023, AI servers accounted for over 50% of the global server market's total output value. Taiwan plays a pivotal role in the global server supply chain, contributing over 80% of total shipments and 90% of AI server OEM (original equipment manufacturing) production, solidifying its position as the world's manufacturing hub. According to a Digitimes analysis (March 2025), the combined revenue of major Taiwan-based server manufacturers reached approximately NTD3.55 trillion in 2024, surging 63% YoY from 2023, underscoring the sustained momentum fueled by AI and cloud applications. As generative AI transitions from proof-of-concept (PoC) to real-world deployment, 2025 is poised to witness a new wave of infrastructure expansion. Hyperscale cloud providers are doubling down on large-scale AI cluster deployments, while mid-to-large enterprises are accelerating investments in on-premises AI server systems, further amplifying demand<sup>34</sup>. Driven by these trends, Taiwan's server manufacturers are projected to achieve NTD5 trillion in revenue in 2025, marking a 50% YoY increase, and maintaining robust growth momentum. Looking ahead, the development of the 5G and cloud communication industries remains very promising. Our company is optimistic about the future growth potential in the

development of high-speed connectors, high-speed transmission cables, server racks, and supports.

(c) Automotive electronics market

In recent years, major global automobile manufacturers have been committed to improving the environmental and power performance of automobiles. With the changes in technology and the environment, the global automotive industry is continuing to develop toward new energy vehicles, and this trend has also increased investment in the automotive electronic components industry. Safety, comfort, energy saving, convenience, and environmental protection have become the main driving forces behind the development of automotive electronics. Future automotive electronics will increasingly focus on enhancing vehicle safety, operational efficiency, and user experience electrification. According to a 360iResearch analysis (October 2024), the automotive electronics market encompasses components and systems such as advanced driver-assistance systems (ADAS), infotainment, powertrain systems, and body electronics. IEK's October 2024 study reveals that the global automotive electronics market reached USD318.5 billion in 2023 and is projected to grow to USD344 billion in 2024, achieving a compound annual growth rate (CAGR) of 7.33%. Key growth drivers include electrification trends accelerating demand, and heightened industry emphasis on vehicle safety standards, and government initiatives promoting intelligent transportation systems. By 2030, the market is forecasted to surpass USD526 billion.

**【The Global Automotive Electronics Market Scale】**

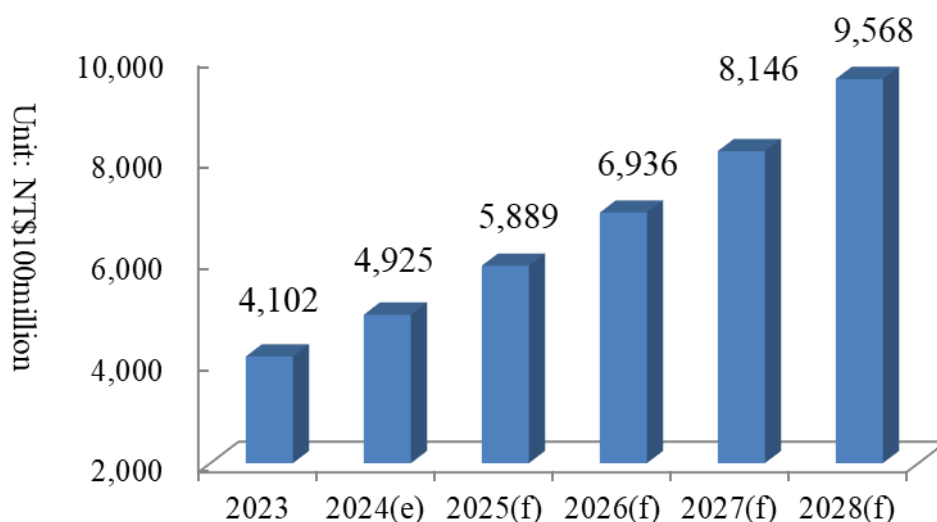


Data source: IEK (October 2024) & Compiled by ACES.

According to TrendForce's February 2025 statistics, global sales of new energy vehicles (NEVs) reached 16.29 million units in 2024, achieving a 25% year-on-year (YoY) growth rate. The global NEV market is expected to expand to 19.2 million units in 2025, with an 18% YoY growth rate. The International Energy Agency (IEA) forecasts that electric vehicle (EV) sales could equal those of internal combustion engine (ICE) vehicles by 2035, while Taiwan aims to achieve 100% electrification of new vehicle sales by 2040. According to Global Market Insights Inc.'s February 2025 report, it highlights that rising EV adoption is driving surging demand for automotive electronics. Modern vehicles now integrate sophisticated electronic systems, including anti-lock braking systems (ABS), electronic brakeforce distribution (EBD) for enhanced safety, and advanced cabin comfort solutions. These trends are compelling automotive electronics manufacturers to develop next-generation systems that prioritize driver experience optimization. According to IEK's October 2024 research analysis, Taiwan's automotive

electronics industry output exceeded NTD410.2 billion in 2023 and is expected to exceed NTD492.5 billion in 2024, reaching a historic high. By 2028, the industry's output is forecast to exceed NTD956.8 billion. Taiwanese automotive electronics manufacturers primarily supply products including In-Vehicle Infotainment Systems (IVI), Advanced Driver Assistance Systems (ADAS), and key electric vehicle (EV) components. This reflects the rapid growth of the EV market under the trends of autonomous driving and vehicle connectivity, which has also driven increased integration of automotive electronic systems. Taiwan's vertically integrated industrial capabilities include power electronics modules, advanced driver safety assistance systems, in-vehicle telematics systems, and smart cockpit solutions. These capabilities are accelerating the vehicle electrification trend, underscoring the promising prospects of the automotive electronics market. Coupled with rising smart vehicle specifications and technological demands, these factors will continue to drive opportunities in the automotive electronics sector.

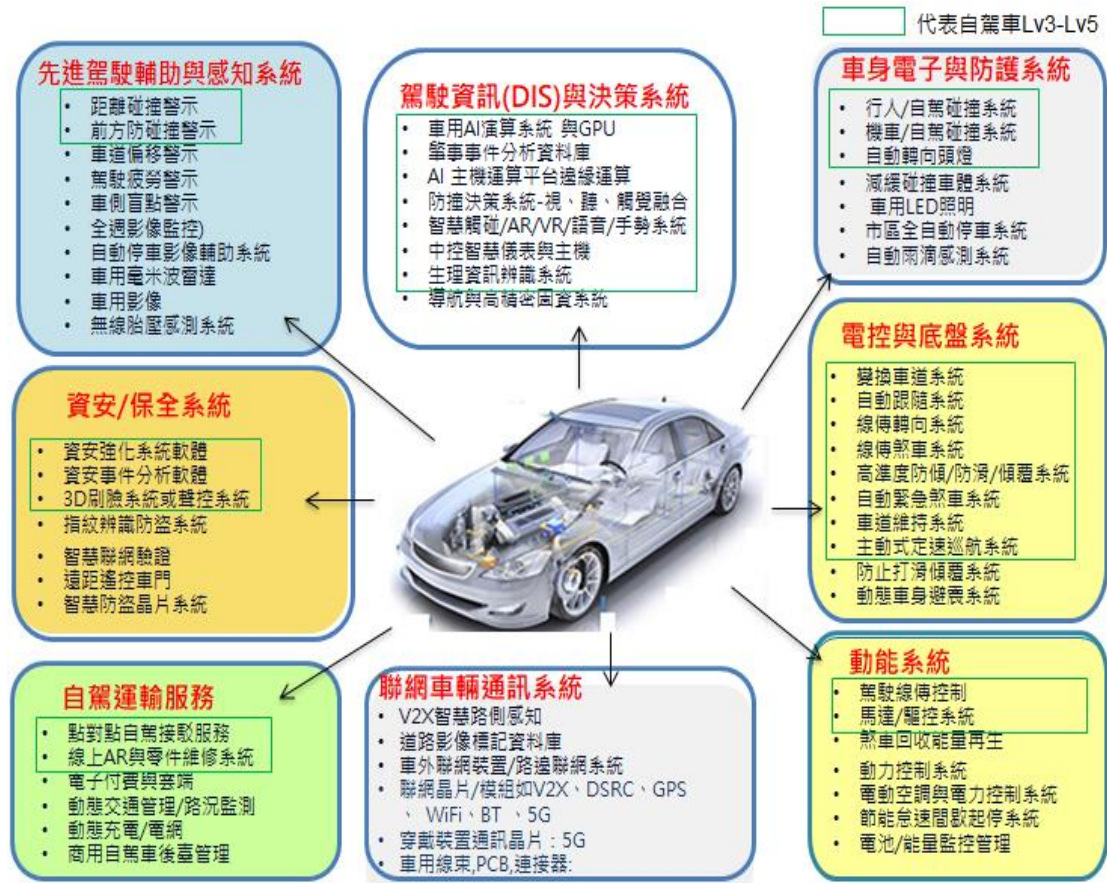
**【The Annual Output Value of the Automotive Electronics Industry in Taiwan】**



Data source: IEK (October 2024) & Compiled by ACES.

There are five main systems for the automotive electronics industry in Taiwan, including driver information system, engine transmission system, auto-body system, safety system, security system, and others. They are mostly concentrated on advanced driver assistance systems (ADAS), in-vehicle electronics technology, in-vehicle infotainment systems, and services. According to data from IEK in October 2020, the advantage of manufacturers in Taiwan lies in its integrated sensing system and a complete cluster of driver information systems. In addition, various countries' regulations that mandate the installation of ADAS-related systems. Consequently, as vehicle body electronics and security functionalities achieve gradual market penetration, the value of electronic systems installed in vehicles continues to rise. The growth in demand for these systems now outpaces the expansion of automotive production volumes, driving sustained development across the entire market.

## 【Relationship Between Automotive Electronics And Autonomous Vehicles】



Data source: Industrial Technology Research Institute's IEK IT IS Plan (October 2020)

According to the research analysis by the Market Intelligence & Consulting Institute (MIC) in September 2022, the main drivers of global growth in the automotive electronics market are autonomous driving, high-power electric vehicles, and upgrades to in-vehicle infotainment systems. The potential of this market has surpassed that of the information and communication technology industry. In 2022, traditional fuel vehicles still dominate the market, with a contribution ratio of 7:3 for the automotive electronics market size in comparison to electric vehicles. As the penetration rate of xEV (electric vehicles) increases, the application scope of automotive electronics becomes broader and more diverse. By 2030, the contribution ratio of the automotive electronics market size is expected to reverse to 3:7 in favor of electric vehicles over traditional fuel vehicles.

The Company is focusing on the automotive sector, targeting areas such as intelligent driver-assistance systems, vehicle electronic control panels, and new energy vehicles (EVs), and collaborating with partners in China and the USA to develop new energy vehicles. Our product range includes parking sensors, cameras, and electric switches. We have entered the automotive market, providing solutions for in-vehicle monitoring, wireless transmission, and collision avoidance radar systems to a U.S. smart transportation technology company's supply chain, moving from supplying individual parts to offering complete automotive solutions. We currently supply Europe, mainland China, and the USA with products like parking radar connectors, collision radars, automotive RF, and car entertainment systems. Having received orders from Tier1 European automakers, our company is focusing on the automotive connector and cable market, with a medium to long-term goal to accelerate the deployment of automotive products.



(d) Industrial market (represented by Uninterruptible Power Supply (UPS) systems)

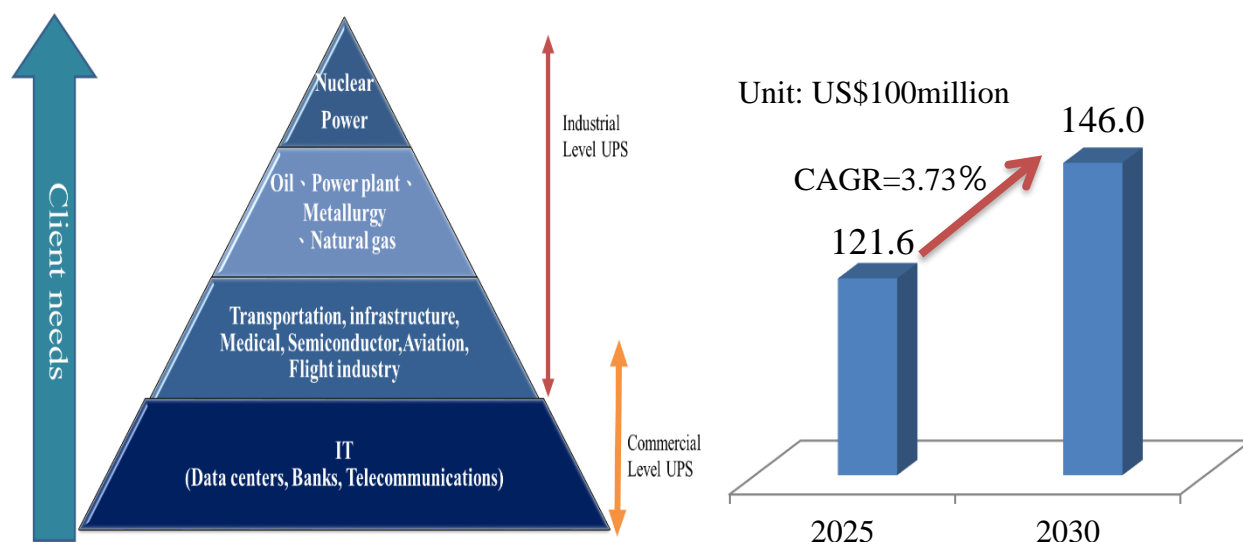
The Company provides industrial power cords mainly for the uninterruptible power system (UPS) market. An Uninterruptible Power Supply (UPS) is an electrical device that automatically switches to its built-in battery to provide emergency power to load devices when the main power supply experiences abnormalities (such as faults, power outages, or voltage instability). This ensures a short-term continuation of safe, clean, stable, and uninterrupted electricity to the equipment. Thus, a UPS serves as a reliable buffer, continuously supplying power to automation controllers, sensors, and actuators, maintaining normal device operation. In the event of power issues, a UPS provides a stable backup power source to prevent equipment failure, data loss, or system malfunction. According to a market research report by GII in January 2024, UPS systems have become essential across various industries including telecommunications, engineering, manufacturing, research and development, education, pharmaceuticals, information technology, aviation, and banking. The UPS market is segmented into residential, commercial, and industrial areas, with the commercial sector (including data centers, telecommunications, medical, and defense) holding the largest market share and is expected to show significant growth.

UPS (Uninterruptible Power Supply) systems are vital support mechanisms to maintain the continuous operation of industrial infrastructure, typically used to support critical infrastructure during major failures. In the era of Industry 4.0, integrating new technologies such as the Internet of Things (IoT), cloud computing, cloud analytics, AI, and machine learning into production equipment is crucial. UPS systems are relied upon to stabilize power during outages and simplify production and manufacturing processes to protect data and reduce production line downtime. The growth drivers for the global UPS market include the rapid expansion of global data centers and the increasing power demands of end-users in the manufacturing and commercial sectors. According to a February 2024 report by the Forward-Looking Industry Research Institute, the applications of UPS are divided into uninterrupted power supplies for information equipment and industrial power equipment. UPS for information equipment is primarily used for communication systems and data centers in telecommunications, information technology, transportation, finance, aviation, etc., focusing on security protection. UPS for industrial power equipment is mainly used in automated industrial systems, remote systems, power continuity protection, and automated transmission systems, also focusing on safety issues.

According to GII's market research reports from March 2025, the global UPS market was valued at approximately USD11.7 billion in 2024. Mordor Intelligence estimates that the UPS market will reach about USD12.16 billion in 2025, and from 2025 to 2030, it is expected to expand at a Compound Annual Growth Rate (CAGR) of 3.73%, with projections suggesting the market will grow to USD14.60 billion by 2030. The Asia-Pacific region is the largest and fastest growing market, The Asia-Pacific region, including China and India, is expected to lead the UPS market due to increasing power demands and the gradual phasing out of coal-fired power plants, making it the fastest-growing market for UPS. In January 2025, Insight Partners reported that the Asia-Pacific uninterruptible power supply (UPS) market continues to expand, with its market value reaching USD4.229 billion in 2023 and projected to increase to USD7.003 billion by 2031, reflecting a compound annual growth rate (CAGR) of 6.5%. This growth underscores the region's rising demand for power stability and backup systems. According to GII's September 2023 market research, China is expected to reach a market size of USD2.2 billion by 2030, with an

estimated CAGR of 6.7% from 2022 to 2030. Japan and Canada are projected to have CAGRs of approximately 3.4% and 4.9%, respectively, while Germany's CAGR is expected to be about 4.7

### 【Industrial and Commercial Level UPS Applications】 【Global UPS market size forecast】



Data source: Uninterruptible Power Supply (UPS) Industry Blue Ocean Market Strategy Formulation and Implementation Research Report in China, from 2020 to 2025( December 2020), GII(March 2025)& Compiled by ACES.

In the future, UPS (Uninterruptible Power Supply) systems are expected to evolve towards higher frequency, intelligence, and networking. The increasing demand for energy storage systems, growth trends in new technologies such as IoT (Internet of Things), virtual and cloud computing, AI (Artificial Intelligence), and machine learning, as well as the rising number of global data centers, all indicate a growing need for reliable power solutions. This is anticipated to drive the growth of the global UPS market. In developed countries, the UPS market is mature, while in developing countries like India and China, maintaining quality power remains a significant challenge and is expected to be a major driving force for the market. Looking at the global trends in the Information and Communication Technology (ICT) industry, as the world enters the information age, the application of UPS is becoming more widespread, and the demand for a full range of UPS products is robust. The future of UPS is expected to show strong growth momentum.

#### (D) Competitive niche

##### a. Product development speed and customization capability

The company has dual technology development capabilities in electronic and mechanical component development and verification to meet market and customer needs and respond quickly to changing market demands. The company also has the ability to self-produce molds and mechanical parts and can provide customers with customized Total Solutions services, providing customers with samples and solutions in a short period. To meet the diverse specifications and development needs of customers, the company has a strong R&D team dedicated to product development, mold design and development, and process technology research and development.

With a continuous focus on strengthening R&D capabilities, the company has obtained approximately 613 product patents both domestically and internationally.

b. Mastering the independent capability of mold and equipment development

Terminal crimping and plastic injection molding are the key technologies for connector manufacturers. The company has independent capabilities in the design, development, and manufacturing of plastic injection molds and terminal crimping molds. By mastering these key capabilities in mold development and manufacturing, we do not rely on external suppliers, allowing us to effectively shorten mold development time and cost, and enhance product competitiveness. In terms of automatic assembly machines, we also can develop them in-house. Therefore, for product lines with large sales volumes, we can develop production equipment that is optimized for the manufacturing process, effectively increasing production capacity and reducing manufacturing costs.

c. Complete product line and good customer relationship

The Company has a comprehensive product line, including connectors, ultra-fine coaxial cable assemblies, high-speed transmission cable assemblies, wireless communication RF connector assemblies, metal stamping, and various components. This diversity and completeness of specifications enable us to meet customers' needs in one go, allowing them to design and choose the most suitable and cost-effective connectors to solve their design challenges. Through close supply chain relationships, we will continue to strengthen our business cooperation through joint research and development efforts. This collaboration will be beneficial for the development of our new products and the expansion of our performance, allowing us to jointly explore new markets or industries.

(E) Beneficial and adverse factors of development prospects and corresponding strategies

a. Beneficial factors

- (a) As we expand our application scope towards diversification, our company's business scope encompasses laptops and computer peripherals, consumer electronics, automotive electronics, cloud servers, network communications, industrial equipment, and medical industries. With such a diversified range of application industries, the seasonal patterns vary among these sectors, which in the long term will effectively reduce the revenue fluctuations during peak and off-peak seasons for the group.
- (b) The R&D strength is strong, with advanced product development and mass production capabilities.
- (c) The customer base is solid, and the cooperative relationships are good.
- (d) The global logistics management capability covers production locations in Taiwan, mainland China, the Philippines, and Vietnam.
- (e) Continuously extending the industry development, committed to industry vertical integration or horizontal market expansion.

b. Adverse factors

- (a) Intense competition within the industry affecting profits: Facing the aggressive price-cutting and snatching of orders by competitors from mainland China, profits have been decreasing. Moreover, the large-scale of information and communication system manufacturers has indirectly reduced the number of customers, making it increasingly difficult to negotiate with them.

Corresponding strategies: the company is committed to reducing production costs while actively improving R&D design, continuously expanding niche and high-end



product markets, seizing high-margin products of foreign manufacturers, and avoiding price-cutting competition from domestic competitors.

(b)The labor costs in mainland China continue to rise.

Corresponding strategies: the company will respond to this by actively developing automated assembly processes and expanding towards regions with lower labor costs, such as the Philippines, Vietnam, and other countries.

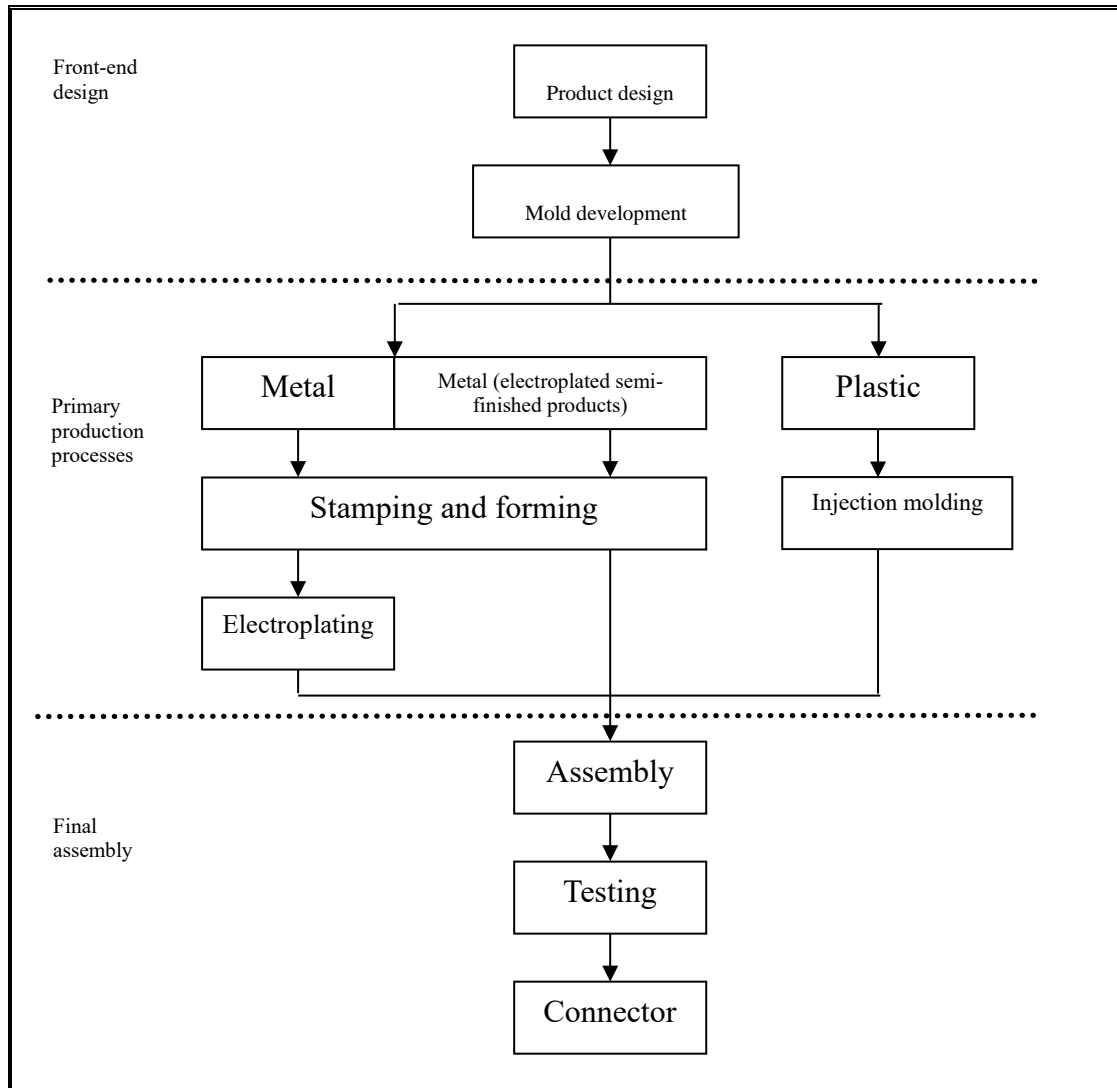
B. The important uses and production processes of the main products

(A) The important uses of the main products

The company's main products include connectors, ultra-fine coaxial cable assemblies, high-speed transmission cable assemblies, wireless communication RF connector assemblies, metal stamping, and various components. These products are used in applications such as laptops and computer peripherals, consumer electronics, automotive electronics, cloud servers, network communications, industrial equipment, and medical devices.

(B) The production processes of the main products

a. Connectors



b. Cable assembly

The production processes of cable assembly			
Stage 1	Stage 2	Stage 3	Stage 4
1. Cutting	1. Plastic body assembly	1. Electrical testing	1. Inspection
2. Wire stripping	2. Iron core insertion	2. Continuity testing	2. Packaging
3. Terminal crimping	3. Tinning, soldering	3. Visual inspection	3. Shipping
	4. Gluing	4. Other inspection	

C. The supply status of the main raw materials

Product	Name of main raw materials	Supply sources	Supply status
Connector	Plastic resin	P-BB 、P-AY 、P-T 、P-BE	Stable
	Copper material	P-V 、P-BC 、P-AV 、P-AZ	Stable
Cable	Terminal, Connector	P-AD 、P-BF 、P-AR 、P-BA	Stable
	Wire material	P-AT 、P-AO 、P-BG	Stable

Note: The Company is contractually obligated to not disclose customer names and they are not related parties. Therefore, customer names will be disclosed using code names.

D. In either of the past two fiscal years, provide the names of customers who accounted for more than 10% of the total sales (or purchases), along with the amount and proportion of their sales (or purchases). Please also explain the reasons for any changes in these figures.

(A) The names of suppliers who accounted for more than 10% of the total purchases in either of the past two fiscal years, along with the proportion and amount of their purchases, and the reasons for any changes in these figures, are as follows:

Unit: NTD thousands: %

Year	2023				2024				Q1, 2025			
Item	Name	Amount	Percentage of net purchases for the entire fiscal year	Relationship with the issuer	Name	Amount	Percentage of net purchases for the entire fiscal year	Relationship with the issuer	Name	Amount	Percentage of net purchases for Q1, 2024	Relationship with the issuer
1	-	Note 3	Note 3	-	-	Note 3	Note 3	-	-	Note 3	Note 3	-
2	Other	3,501,357	100%	-	Other	4,378,527	100%	-	Other	1,173,049	100%	-
Total	Net purchases	3,501,357	100%	-	Net purchases	4,378,527	100%	-	Net purchases	1,173,049	100%	-

Note 1: The names of the above suppliers are disclosed using code names as the Company is contractually obligated to not disclose their actual names and they are not related parties.

Note 2: The information is sourced from audited or reviewed consolidated financial statements.

Note 3: This supplier is not separately disclosed as their purchase amount did not exceed 10% of net purchases.

Suppliers whose purchases did not exceed 10% of net purchases for the past two fiscal years and the first quarter of 2025 are not separately disclosed by the Company.

(B) The names of customers who accounted for more than 10% of total sales in either of the past two fiscal years, along with the proportion and amount of their sales, and the reasons for any changes in these figures, are as follows:

Unit: NTD thousands: %

Year	2022				2024				Q1, 2025			
Item	Name	Amount	Percentage of net sales for the entire fiscal year	Relationship with the issuer	Name	Amount	Percentage of net sales for the entire fiscal year	Relationship with the issuer	Name	Amount	Percentage of net sales for Q1, 2024	Relationship with the issuer
1	-	Note 3	Note 3	-	-	Note 3	Note 3	-	-	Note 3	Note 3	-
2	Other	8,486,228	100%	-	Other	9,770,897	100%	-	Other	2,577,280	100%	-
Total	Net revenue	8,486,228	100%	-	Net revenue	9,770,897	100%	-	Net revenue	2,577,280	100%	-

Note 1: The names of the above suppliers are disclosed using code names as the Company is contractually obligated to not disclose their actual names and they are not related parties.

Note 2: The information is sourced from audited or reviewed consolidated financial statements.

Note 3: This supplier is not separately disclosed as their sales amount did not exceed 10% of net purchases.

Customers whose sales did not exceed 10% of net revenue for the past two fiscal years and the first quarter of 2025 are not separately disclosed by the Company.

(3) Information on 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

Unit: People; Year; %

Year		2023	2024	As of May 9, 2025
Number of Employees (people) (Note)	Direct employees	214	234	254
	Indirect employees	466	449	476
	Total	680	683	730
Average age (years)		41.39	38.26	39.19
The average length of service (years)		6.6	6.15	6
Education level distribution ratio (%)	Ph.D.	0.75%	0.59%	0.55%
	Master's degree	11.99%	10.1%	10%
	College	65.37%	66.62%	66.44%
	Senior high school	18.89%	19.18%	20.27%
	Below senior high school	3%	2.64%	2.74%

Note: This refers to the number of employees who are currently employed.

(4) Environmental expenditure information

For the recent fiscal year and up to the date of printing the annual report, any losses incurred due to environmental pollution (including compensation and penalties resulting from violations of environmental protection regulations) shall be disclosed. The date of the penalty, the penalty reference number, the violated regulations and content, and the details of the penalty should be listed. The estimated amount of such losses that may occur in the future should also be disclosed, along with the corresponding measures. If it is impossible to make a reasonable estimate, the reasons for the inability to do so should be explained:

The Company conducted development activities stipulated in Article 5, Paragraph 1 without obtaining approval under Article 7 of the Environmental Impact Assessment Act during the 2024 fiscal year. The Taoyuan City Environmental Protection Bureau imposed administrative penalties pursuant to Article 22 of the same Act, including a fine of NTD750,000 and 4 hours of mandatory environmental education sessions. As of the date of the annual report's printing, the case has progressed to the review stage, and its implementation status will continue to be tracked.

The Company's corporate governance unit will remain vigilant in monitoring any regulatory developments that may impact the Company. Accordingly, it will establish relevant policies and procedures, plan training programs, and enhance employees' awareness of current laws and regulations.

(5) Labor relations

- A. The following is a list of employee welfare measures, continuing education and training, retirement systems, and their implementation, as well as agreements between labor and management and the implementation of measures to protect employee rights.

The Company is committed to establishing a harmonious atmosphere of trust between labor and management in its business management. The Company adopts an actively open management model to create a challenging and comfortable working environment. Through the convening of labor-management coordination meetings, the Company values employee rights and expresses concern for its employees. The Company has set up an employee complaint mailbox, which is handled by dedicated personnel to handle employee feedback. Hold expert lectures and health seminars periodically to enable employees to broaden their horizons and acquire health knowledge. The Employee Welfare Committee organizes various beneficial physical and mental activities for employees and participates in donations to vulnerable groups. The Company places great importance on employee workplace safety and health issues and regularly holds social responsibility meetings and environmental safety review meetings, with continuous improvement as the goal. Outstanding employees are recognized and rewarded annually.

through the selection process. The Company also promotes various forms of public welfare activities under the name of outstanding employees. This motivational approach to employees enables them to have a sense of satisfaction and happiness, making them work smarter and live healthier lives.

(A) Employee welfare measures

In addition to complying with the Labor Standards Act and related laws, the Company provides group insurance, employee health checks, and other measures. The Company also established an Employee Welfare Committee to coordinate employee welfare. In addition to subsidies for marriage, funerals, hospitalization, and childbirth, the Company also provides employees with subsidies for further education and club activities, an employee stock ownership trust, etc. The Company also regularly organizes employee travel, birthday parties, family day activities, and other welfare activities.

(B) Employee continuing education and training situation

The Company provides an open and diverse learning environment for employees. Colleagues can continue to learn and grow through departmental in-house training, external training, internal open courses, or mentorship programs. Employees can also use the "ACES Academy" digital platform for self-learning, breaking through previous time and space limitations and continuously improving their knowledge and skills.

Through the new employee and professional job function training system, the Company helps new employees quickly learn and integrate into the new work environment. Through departmental in-house training, internal open courses, job rotation, project assignments, and overseas assignments, employees can continue to grow in their professional fields and personal development. To strengthen the management capabilities of supervisors, the Company arranges irregular training on management-related topics such as leadership, strategy, and execution to enhance the management and leadership abilities of managers.

Given the internationalization of the organization's development and to facilitate smoother communication and interaction within the group and with the outside world, in 2021, the Company launched a special project to subsidize the improvement of employees' English language abilities. The Company provides partial training fees to encourage employees to continue learning foreign languages and improve their professional skills during their free time.

The Company conducts the following related training courses in accordance with the annual education and training plan:

- a. New employee pre-employment training: It includes company culture and regulations, intellectual property overview, basic operating system operations, quality management awareness, non-hazardous substance policy promotion, personal job responsibilities and explanations, and professional job function training. The Company has established a "new employee mentorship system" where new employees follow a plan to receive complete pre-employment education and training, along with guidance from a dedicated mentor to assist new employees in quickly becoming familiar with and integrating into their work positions.
- b. Professional job function training:
  - (a) Internal training: Department managers or senior employees serve as trainers and arrange training courses according to the technical and professional training needs of each functional unit. The goal is to enhance employees' value and sense of responsibility, correct work attitudes and concepts, strengthen professional skills to improve productivity and efficiency, and

expand career development opportunities.

(b) External training: The Company allocates an education and training budget every year to send employees to professional training institutions for training to acquire external professional knowledge and skills. The Company also encourages employees to continue their education while on the job. This year, in collaboration with the Industry-Academia Center of National Central University, we have the honor of inviting professors from the College of Management to launch a course for middle and senior executives. This series of courses is designed to enhance the managerial skills of our colleagues. At the same time, we are working with professors from the Department of Mechanical Engineering to develop professional competency-related courses specifically for our research and development units.

c. Quality consciousness:

Through the "Knowledge Management Zone," the Company regularly updates internal and external audit recommendations and improvement plans, and shares and analyzes common customer complaint cases. Using this quality information exchange channel helps to continuously optimize internal business processes and quality management capabilities.

d. ACES Academy:

We have established the "ACES Academy" digital learning platform to provide diverse and rich learning content, including training categories such as management functions, business sales, research and development, production management, general education, and language, in a more flexible manner and learning style to meet the needs of more employees.

e. The statistics of employee education and training in our company for the year 2024 are as follows:

Item	Training hours	People	Total Training hours
New Employee Training	8	202	1,616
Professional Skills Training	3	3,479	9,849
Total	11	3,681	11,465

(C) Retirement system and its implementation status

The Company established an employee retirement policy in accordance with the Labor Standards Act (old system) welfare plan and the contribution plan implemented under newly enacted "Labor Pension Act" (new system) effective July 1, 2005. In addition to legally required retirement pension reserve funds, the Company annually conducts actuarial evaluations of labor pension reserve funds through professional actuarial consultants to safeguard employees' future rights to claim pensions and ensure full pension contributions. The implementation status of pension contributions at all locations of the Company in 2024 is as follows:

a. In accordance with the provisions of the "Labor Standards Act," the company has established an employee retirement plan, under which a retirement reserve fund is contributed monthly based on the total payroll amount and deposited into a designated account at Bank of Taiwan. As of December 31, 2024, the balance in the Bank of Taiwan pension designated account was NTD27,023,807.

b. In accordance with the Labor Pension Act, the Company contributes 6% of employees' declared contribution wages monthly to the individual pension

designated accounts established by the Bureau of Labor Insurance for employees covered under the new system. As of December 31, 2024, the total employer contributions under the new pension scheme amounted to NTD24,624,241.

c. The Company retains employees' years of service, and when employees meet retirement eligibility, their pensions are calculated based on combined years under both the old and new systems.

(D) Employee behavior or code of ethics.

The Company has established work rules as a basis for employees' daily work and behavior. The work rules include the following code of ethics that employees should abide by:

- a. Professional ethics: Both employers and employees of the Company should strive to establish corporate ethics and professional ethics, consider each other, and maintain a good labor-management relationship.
- b. Employees should cherish the honor of the Company, demonstrate team spirit, and be loyal and diligent in carrying out their tasks.
- c. Employees should be diligent in their duties and comply with all rules and regulations of the Company.
- d. Employees should obey the instructions and supervision of all levels of management and not engage in any deceptive or shirking behavior. Managers at all levels should guide and instruct employees kindly and pay attention to work safety.
- e. Employees should work diligently, cherish public property, reduce losses, improve work quality, and increase work efficiency.
- f. Absolutely confidential about the Company's business or job duties.
- g. Employees of the Company should handle their duties and public affairs in order and not report them to higher levels without authorization, except in emergencies or special situations.
- h. When a significant fault occurs in any unit responsible for the Company, the immediate supervisor should receive joint disciplinary action according to the circumstances, and significant achievements should receive joint rewards.
- i. No arrogant, lazy, or corrupt behavior, accepting invitations, gifts, kickbacks, or other unlawful benefits, or other behavior that could damage personal or Company reputation.
- j. Employees should not use the Company's name for any purposes outside of their responsibilities.
- k. Employees are not allowed, without the Company's written consent, to engage in the same or similar business as the Company for themselves or a third party, or to be an unlimited liability shareholder, business executor, director, or manager of a similar business company or an explicit or hidden partner of a business.
- l. Employees are not allowed to take public property out of the factory without approval.
- m. Labor-management meetings: The Company holds labor-management meetings in accordance with the "Implementation Measures for Labor-Management Meetings" to coordinate labor-management relations, promote mutual understanding, enhance labor-management cooperation, and improve work efficiency. Regular meetings are held to exchange opinions, and both employers and employees should adhere to the principles of harmony and integrity to negotiate and resolve problems.
- n. Social responsibility meetings: The Company attaches great importance to labor rights, strives to provide a quality working environment and respect for labor rights, and holds regular social responsibility meetings every quarter to announce

corporate labor and environmental health and safety policies and measures, which serve as a channel for communication between employers and employees.

- o. Employee complaint handling system: The Company has set up an employee suggestion box and an "employee complaint handling system" to provide employees with a channel to express complaints and suggestions, and to strengthen the labor-management relationship.

- (a) If an employee makes an oral complaint, the receiving staff in each department should record it and immediately report it for processing.

- (b) If an employee's rights are infringed upon, or if they have other opinions, they may submit a complaint form or other written documents directly to the Company in accordance with the Company's complaint handling procedures, and the supervisor of each unit should immediately investigate and handle the matter or report it for processing, and reply to the complainant with the results or handling the situation in writing.

(E) Working environment and employee personal safety protection measures

Given the importance of the work environment and employee personal safety protection measures, the Company has been certified with the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. The ISO 14001 and ISO 45001 management systems are used to address significant environmental considerations and occupational safety and health risks, using target and program management to prioritize improvements. Lower-risk factors are controlled through operation management methods, and through good operation and improvement, significant effects and control have been achieved.

The following are the measures that the Company has taken to promote environmental and occupational safety and health:

- a. Promotion of the Restriction of Hazardous Substances (ROHS) and REACH regulations.

The ROHS officially took effect on July 1, 2006, and products sold to the EU cannot contain six hazardous substances, including lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE). The Company actively promotes green production and procurement, implements it in the production process, and has already complied with the requirements of major customers for products that are free of hazardous substances, receiving recognition from them.

- b. Resource recycling and waste reduction plan

The Company actively utilizes resources effectively to reduce waste and lower production costs. It improves process and operational management to reduce the generation of scrap materials. On the other hand, it develops and selects pollution-free and low-pollution processes to reduce waste. The metal waste generated during production is quantified and recycled through an effective management system. The recovered waste metal is sold to waste recyclers, thereby reducing resource waste.

- c. Occupational hazard prevention plan

To achieve the goal of zero harm, the Company schedules an occupational hazard prevention program every year to promote knowledge of occupational hazard prevention among colleagues. Through an audit system, execution deficiencies are identified. Additionally, meetings are held annually to review and improve the environmental and safety deficiencies according to the plan. Through the PDCA approach, the Company reduces the risk of harm in business units year by year, ultimately achieving the goal of zero accidents.



d. Implementation of automated inspection

Employees may face physical injuries when dealing with different working environments, processes, operations, and tasks due to unsafe operations, equipment, or management factors. Therefore, the Company actively establishes standard procedures for production operations and reduces the probability of work-related injuries. Through the implementation of these measures, potential hazards can be identified, and improvements can be made to effectively control the risks.

(F) Agreements between labor and management and the situation of various measures to safeguard employee rights and interests

The labor-management relationship in the Company is harmonious. In addition to regularly holding labor-management meetings and social responsibility meetings, the Company also communicates with employees through employee meetings and other means to maintain a good relationship between labor and management.

The Company is committed to promoting workplace gender equality and raising awareness among employees about the concept and purpose of maternal protection in the workplace. The Company has established facilities and equipment for maternal protection, such as lactation rooms, throughout the factory. The Company also arranges for occupational health specialists to provide on-site health services and organize workplace health promotion and hazard prevention activities regularly.

B. Recent annual and year-to-date losses due to labor disputes (including violations of labor standards as determined by labor inspections, which should indicate the date of the penalty, penalty number, violated legal provisions, violation content, and penalty content), as well as estimated amounts and measures to address current and potential future losses, up to the date of publication of the annual report:

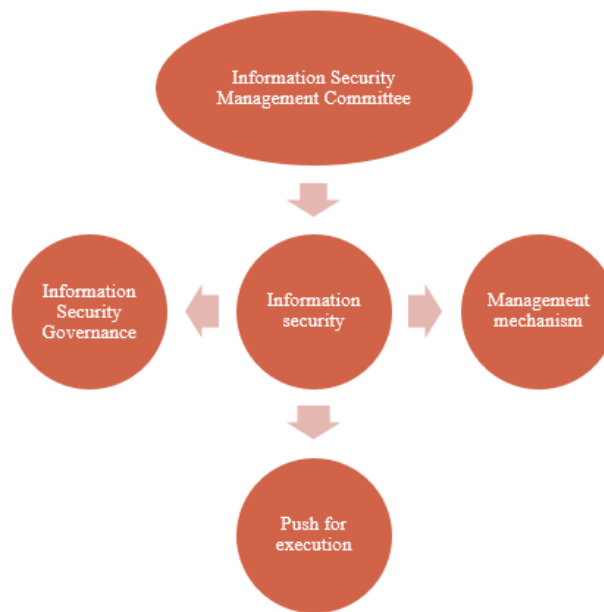
The Company and the labor union agree to follow the labor regulations promulgated by the government, and relevant management procedures have been established since the employee's date of hire. As of the date of publication of the annual report, the Company has not experienced any significant labor disputes or losses.

(6) Cyber security management:

A. Information and communication security and risk management framework

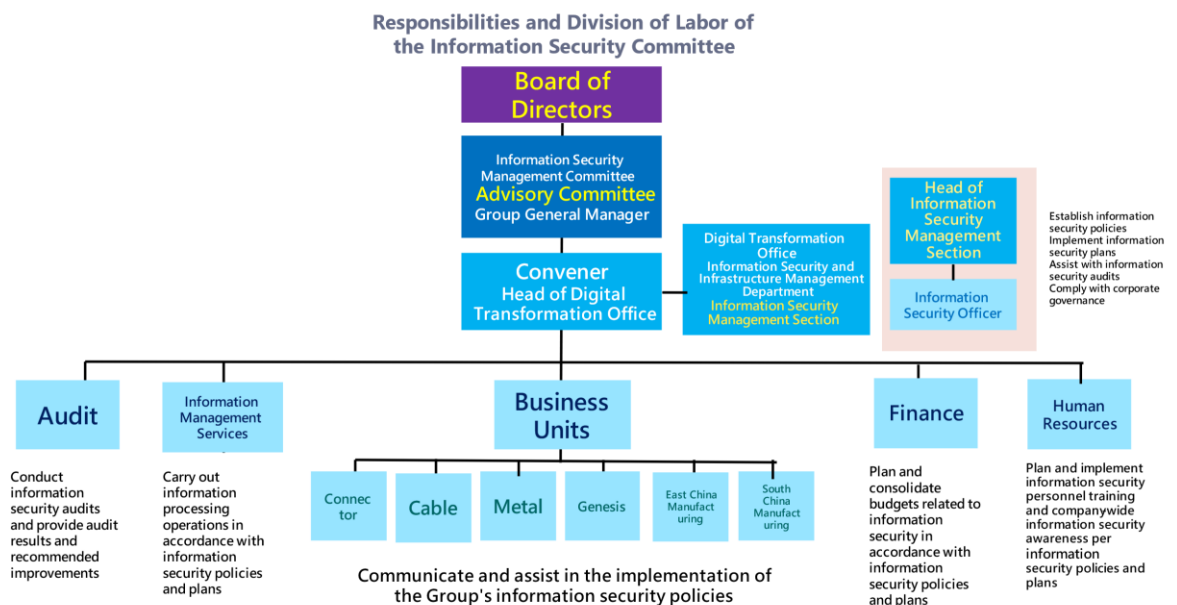
(A) ACES Information Security Management Committee.

In response to strengthening the company's information security management, the "ACES Information Security Management Committee" was established in October 2020. The group's general manager serves as the advisory member, the head of the Digital Transformation Department acts as the convener, and the highest leaders of each company unit are members of the committee. The head of the Information Security Management Section is responsible for reviewing the information security governance policies of each subsidiary, overseeing the operation of information security governance, and regularly reporting the status of information security governance to the board of directors.



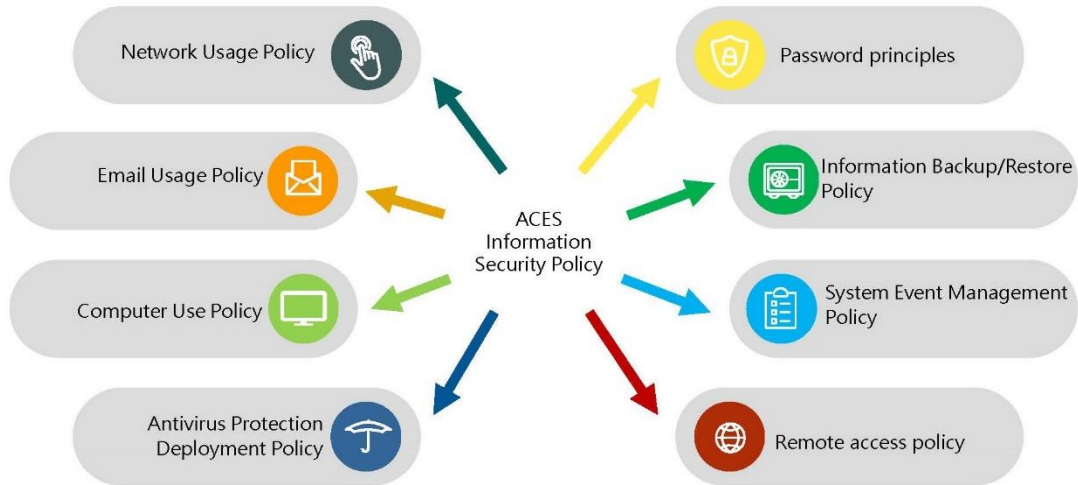
(B)The Organizational Structure of the ACES Information Security Management Committee

The Company has established an information security management section and allocated resources to hire a dedicated information security manager and staff. The Information Security Service Management Meeting is held at least once every quarter, and the Group Information Security Management Committee meeting is held at least twice a year. The Company also reports on the status of information security governance to the board of directors at least once a year.



(C) Information and communication security policy

- a. All global employees and contract workers of ACES Group must adhere to the following ACES Information and Communication Security Policy:



b. Specific management plan:

- (a) Network Usage Policy: Implement next-generation firewalls, control internet usage behavior, activate advanced network protection mechanisms, and control cross-site transmission to prevent virus spread.
- (b) Email Usage Policy: Strictly control spam emails, introduce APT protection mechanisms, enhance awareness and conduct social security drills, and update email systems to improve self-protection.
- (c) Computer Usage Policy: Control end-user computer permissions, disable non-compliant software, replace outdated and insecure operating systems, implement vulnerability patches, and control removable storage media.
- (d) Anti-virus Protection Deployment Policy: Introduce server anti-virus systems, deploy anti-virus software, and update virus codes and anti-virus versions in real-time.
- (e) Password Principles: Implement password complexity principles, force regular password changes, and activate abnormal usage lockout mechanisms.
- (f) Information Backup/Restore Policy: In addition to basic system backup mechanisms, we have introduced high-reliability backup systems to prevent data tampering and have planned remote and cloud-based encrypted backup solutions. We also implement regular disaster recovery drills for critical services.
- (g) System Event Management Policy: Establish automatic alarm mechanisms to reduce disaster diffusion and shorten service interruption time.
- (h) Remote Access Policy: Control internal remote access permissions, control internal and external information transmission, and disable P2P remote control software.
- (i) Privileged Account Management Policy: Privileged accounts are centrally managed, with passwords stored in a digital vault and automatically changed on a regular schedule. Usage of accounts requires an application and is monitored through the system, with full recording of the usage details.
- (j) Endpoint Security Protection Policy: Implementation of Endpoint Detection and Response (EDR) and comprehensive conditional application control to enhance visibility through policy audits and prevent lateral movement of attacks.
- (k) Zero Trust Network Policy: Blocks unauthorized devices from connecting to the company network. Use of the company network requires an application and subsequent approval.
- (l) The Company has implemented ISO 27001, raising its information security level and reinforcing customer trust.

c. Review and Continuous Improvement:

- (a) Strengthen employees' awareness of social engineering attacks, regularly conduct information security drills, and hold information security courses.
- (b) Enhance company data protection to prevent the leakage of important information.
- (c) Evaluate the adoption of more advanced backup mechanisms to prevent backup data from being destroyed.
- (d) Continuously strengthen anti-virus and anti-hacking capabilities.
- (e) Continuously virtualize physical hosts to shorten disaster recovery time and comply with sustainable management.
- (f) Engage a third-party company annually to conduct system vulnerability scans and promptly rectify significant vulnerabilities.
- (g) Engage a third-party company annually to carry out penetration testing exercises to enhance cybersecurity defense capabilities.
- (h) Assess the adoption of multi-factor authentication to mitigate cybersecurity risks and eliminate potential vulnerabilities for attackers.
- (i) Assess the implementation of SOC mechanisms for 24/7 monitoring, ensuring comprehensive cybersecurity protection.

d. Execute according to the information security control procedure (TN-QP-0002):

To maintain the continuous operation of the information system, prevent hacking, viruses, and other intrusions and damage, avoid human errors and accidents, prevent unauthorized and illegal use, and maintain physical environment safety.

(D) Information security objectives



(E) Allocation of resources for information security management

1. Dedicated Personnel: Establish a dedicated corporate unit, the "Information Security Management Division," responsible for company information security planning, technology implementation, and related audit matters to maintain and continuously enhance information security.
2. Education and Training: All new employees complete an information security education and training course before starting their positions; all employees complete a three-hour online information security education training and assessment; and at least twice a year, social engineering phishing email tests are conducted.
3. Security Advocacy: Issue at least four information security announcements annually to communicate important regulations and precautions regarding information security protection.
4. Financial Investment: Continuously invest millions of dollars annually in information security-related maintenance and construction to strengthen group information security..

B. Information security risks and corresponding measures

The Company has established comprehensive network and computer-related cybersecurity measures and introduced a highly reliable backup system. However, it cannot guarantee complete avoidance of cyber-attacks, malicious software, and other forms of harassment because these attacks continuously update and find illegal ways to infiltrate the Company's internal network system, with the main objective of disrupting the Company's operations and damaging its reputation. In the event of a serious cyber-attack, the Company's system may lose important data, and the production line may also come to a halt. Nevertheless, the Company continues to evaluate existing information security regulations and review procedures to ensure their adequacy and effectiveness, to reduce the impact of constantly evolving information security threats, new risks, and attacks.

C. Significant information and communication security incidents

On March 6, 2023, part of the Company's information systems was subjected to a hacker network attack. At the time of the incident, the Information Department had activated relevant defense mechanisms and recovery operations comprehensively, while collaborating with external cybersecurity company technical experts. This cybersecurity incident had no significant impact on the Company's operations. The Information Department will strengthen the inspection and reinforce the existing infrastructure. The Company had already implemented off-site backup mechanisms for major systems, and will now more actively and comprehensively enhance network security levels to protect data security and integrity. Additionally, the Company will evaluate advanced server defense mechanisms, plan zero-trust network security mechanisms, strengthen OT network security, and actively promote information security awareness to establish information security defenses.

(7) Important contracts

As of May 09th, 2025

Contract nature	Parties involved	Contract start and end date	Main content	Limitation clauses
Technology transfer agreement	KUNSHAN ACES ELECTRONIC CO., LTD.	2023.01.01~2025.12.31	ACES KS has obtained the rights to manufacture and sell products based on ACES's technology and will pay ACES a technology fee based on a certain percentage of the net sales of the "Contract Products" for three years, as stipulated in the contract.	None
Technical service agreement	DONGGUAN ACES ELECTRONIC CO., LTD.	2023.01.01~2025.12.31	ACES DG will pay ACES a technology license fee based on a certain percentage of the net sales of the "Contract Products" for three years, as stipulated in the contract.	None
Joint credit agreement	E.SUN Commercial Bank, Ltd.	2023.07.03~2028.07.03	Credit agreement.	The financial ratios must meet the standards outlined in the contract.
Purchase and sale agreement	ACES ELECTRONIC CO., LTD.	2023.09.13	ACES will pay the landowner a fee based on a certain percentage, as stipulated in the "Sale Contract", according to the contract.	None

## V. A review and analysis of the Company's financial position and financial performance, and a listing of risks

- (1) Financial position: The main causes and effects of significant changes in assets, liabilities, and equity in the past two years should be stated if the impact is significant.

Unit: NTD thousand;%

Item \ Year	2023	2024	Difference	
			Amount	Ratio
Current assets	6,175,416	6,968,595	793,179	12.84
Non-current assets	6,075,473	6,627,772	552,299	9.09
Total assets	12,250,889	13,596,367	1,345,478	10.98
Current liabilities	4,663,735	3,570,428	(1,093,307)	(23.44)
Non-current liabilities	2,330,650	3,563,969	1,233,319	52.92
Total liabilities	6,994,385	7,134,397	140,012	2.00
Common stock	1,344,177	1,487,117	142,940	10.63
Capital surplus	993,270	1,586,415	593,145	59.72
Retained earnings	3,024,883	3,372,150	347,267	11.48
Other equity	(107,571)	15,478	123,049	114.39
Treasury stock	-	-	-	-
Non-controlling interests	1,745	810	(935)	(53.58)
Total equity	5,256,504	6,461,970	1,205,466	22.93
Explanation of significant changes (changes between periods exceeding 20% and with a change amount of at least NTD10 million):				
1. Decrease in Current Liabilities: Primarily attributable to reductions in short-term borrowings and corporate bonds due within one year.				
2. Increase in Non-Current Liabilities: Mainly resulting from the issuance of the third domestic unsecured corporate bonds.				
3. Increase in Capital Surplus: Driven by the issuance of restricted employee stock rights				
4. Increase in Other Equities: Primarily due to heightened foreign currency translation differences from financial statements of overseas operations.				
5. Rise in Total Equity: Largely caused by the issuance of new shares through conversion rights exercised by convertible bondholders.				

(2) Financial performance

A. Analysis of the main reasons for significant changes in operating revenue, operating net profit, and pre-tax net profit in the past two years:

Unit: NTD Thousand; %

Item	2023	2024	Increased(Decreased) Amount	% change
Net revenue from operations	8,486,228	9,770,897	1,284,669	15.14
Operating costs	6,734,424	7,449,095	714,671	10.61
Gross profit	1,751,804	2,321,802	569,998	32.54
Operating expenses	2,082,533	2,043,322	(39,211)	(1.88)
Operating profit	(330,729)	278,480	609,209	184.20
Non-operating income and expenses	61,037	108,733	47,696	78.14
Profit before income tax	(269,692)	387,213	656,905	243.58
Less: Income tax expenses	(1,504)	42,858	44,362	2,949.60
Profit for the year	(268,188)	344,355	612,543	228.40

Explanation of significant changes (when the changes between the current and previous period exceed 20% and the amount of change is at least NTD10 million):

1. Increase in Gross Profit: Primarily driven by reduced fixed cost allocation per unit due to higher order volume.
2. Increase in income from operations: Mainly attributable to the growth in gross profit.
3. Increase in Non-Operating Income/Expenses: Predominantly due to higher foreign exchange gains realized by the Company.
4. Increase in Pre-Tax Profit: Resulting from combined effects of expanded gross profit and increased non-operating income/expenses.
5. Increase in Income Tax Expense: Caused by the rise in pre-tax profit.
6. Increase in Net Profit for the Period: Primarily stemming from improved operating profit performance.

B. The expected sale amount and its basis, the Company's future financial performance, and the plan for any possible impact

The Company's estimated sales volume is based on the overall industry supply and demand, capacity planning, and past operational performance. With the overall industry still showing a growth trend, we anticipate an increase in our sales volume. In addition to enhancing product range and customer diversification in the existing laptop market, considering the high developmental potential of consumer electronics, automotive electronics, cloud servers, network communications, and industrial settings, our company will continue to develop and manufacture related product connectors and cable assemblies. To support operational growth, our company has also formulated appropriate financial strategies. For an analysis of cash flow liquidity for the upcoming year, please refer to the following detailed explanation.

(3) Cash flow

A. Explanation of changes in cash flows for the recent year

Item \ Year	2023	2024	% change
Cash flow ratio (%)	14.22	28.55	101%
Cash flow adequacy ratio (%)	76.14	76.10	(0.05%)
Cash reinvestment ratio(%)	5.77	7.73	34%

Explanation of Changes in Proportions:

1. Cash flow ratio: Mainly attributable to the increase in net cash flow from operating activities, resulting in an increase in the cash flow ratio compared to the previous period.
2. Cash reinvestment ratio: Mainly due to the increase in net cash flows from operating activities and the increase in capital expenditures.

B. Insufficient Capital liquidity improvement plan: Not applicable.

C. Future year cash flow analysis

Unit: NTD thousand

Beginning cash balance (1)	Cash flow from operating activities (2)	Projected cash inflows and outflows (3)	Net cash flow balance (1)+(2)+(3)	Cash shortage contingency plan	
				Investment plan	Financing plan
2,000,889	1,288,211	(968,828)	2,320,272	—	—
<p>(1) Analysis of changes in cash flow over the next year:</p> <p>I. Operating Activities: It is expected that there will still be profit generated in the fiscal year 2025, leading to net cash inflows from operating activities.</p> <p>II. Investing Activities: Considering the need for long-term strategic development, the company is integrating its overall resources and expanding its business scale to enhance global competitiveness. Additionally, to sustain long-term competitive development and deepen technological advancement, the company continuously expand production lines, then increased investments , machinery, molds, and other equipment. This includes expanding production capacity in parts of mainland China, which has resulted in net cash outflows from investment activities.</p> <p>III. Financing Activities: The Company will flexibly utilize operating funds and bank borrowing facilities.</p> <p>(2) Remedial measures for expected cash shortages and liquidity analysis: Not applicable.</p>					

(4) The effect upon financial operations of any major capital expenditures in the most recent fiscal year: None.

(5) The Company's 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

A. Recent year's reinvestment policy

The Company's management policy regarding its reinvestment activities is based on the internal control system's "investment cycle" and "acquisition or disposal of assets processing procedures" as guidelines for managing the operations of its investee companies. The investee companies regularly provide their financial information to the Company to ensure that it is informed of its financial and operational status. In addition, the Company's internal auditing team periodically conducts on-site audits of the operations and internal control execution of the investee companies to facilitate effective management of these investments and achieve effective control over their operations.

B. The main reasons for reinvestment profit in the recent fiscal year

The Company's investment income recognized under the equity method for the fiscal year 2024 amounted to NTD187,014 thousand. The profit primarily attributed to both the strong operational performance of equity-method investees and the effective realization of strategic collaboration.

C. Investment plan for the next year

The Company has always adhered to the principles of "knowledge, vision, value, attitude, commitment, and execution," operating with integrity and striving to enhance the operational efficiency of the group. To meet the needs of long-term strategic development and to maximize the output and efficiency of various business groups, the company focuses on expansion in overseas and mainland China markets. Our overseas sales bases cover the United States, Japan, Germany, the Philippines, Vietnam, and Singapore, dedicated to deepening regional industrial development and enhancing penetration rates among target customers. As demand in AI, high-performance computing, cloud services, and new energy vehicle markets continues to expand, the Company will bolster product competitiveness and market share through technological innovation and intensified market cultivation. The Company provides products and services such as connectors, cables, electromagnetic shields, internal mechanisms, and external casings for electronic products, and complete machine assembly and testing. These offerings aim to provide higher value-added products and services to increase growth momentum.

For long-term development, the R&D headquarters building of the Company was completed in the first quarter of 2025, which will expand the production capacity of Taiwan's product line and enhance the competitiveness of the group. The company has



also established substantial production capabilities in Asia, with manufacturing locations in Taiwan, mainland China (Kunshan, Dongguan, Zhuhai), the Philippines, and Vietnam. We will continue to implement lean manufacturing programs and increase the proportion of automated production to optimize cost structures, aiming to become the preferred supplier for international clients.

(6) Risk analysis

A. Impact of interest rates, exchange rates, and inflation on the company's profit and loss, and future response measures

Unit: NTD thousand

Item	2023	2024	Q1, 2025
Net gain (loss) on foreign exchange (A)	31,627	108,491	24,811
Net revenue from operations (B)	8,486,228	9,770,897	2,577,280
Profit before income tax (C)	(330,729)	387,213	264,735
Ratio of net gain (loss) on foreign exchange to net revenue from operations (A)/(B)	0.37%	1.11%	0.96%
Ratio of net gain (loss) on foreign exchange to profit before income tax (A)/(C)	(9.56%)	28.02%	9.37%
Net interest income (expense). (D)	(58,995)	(61,642)	(13,931)
Ratio of net interest income (expense) to net revenue from operations (D)/(B)	(0.70%)	(0.63%)	(0.54%)
The ratio of the net interest income (expense) to profit before income tax(D)/(C)	17.84%	(15.92%)	(5.26%)

Source of information: Parent company only financial statements are audited by accountants.

(A) Impact of interest rate changes on the Company's profit and loss, and future response measures.

The Company's interest expenses for the years 2024 and 2023 were NTD103,543 thousand and NTD108,725 thousand, respectively, which accounted for a very small ratio of net operating revenue for each period. As such, there was no significant adverse impact on the Company's profit and loss. In line with the Company's strategy of continuing business growth and development towards the capital market, except for significant capital expenditures and long-term investments financed by medium- to long-term funds, short-term operating cash flow remains the main financial adjustment used. Therefore, interest rate fluctuations are not expected to have a significant impact on the Company's profit and loss.

(B) Impact of exchange rate fluctuations on the Company's profit and loss, and future response measures

The Company's business is primarily export-oriented, and the pricing of its sales transactions is mostly based on the US dollar. However, as some of the Company's purchases are also priced in US dollars, there is a partial offsetting effect between purchases and sales. Nevertheless, exchange rate fluctuations still have a certain impact on the Company's overall operations.

The Company's exchange gains and losses for 2024 and 2023 were NTD108,491 thousand and NTD31,627 thousand, respectively, which accounted for 1.11% and 0.37% of the net operating revenue for each period. As such, they had a certain impact on the Company's profit and loss. Additionally, the Company has established foreign currency deposit accounts with major banks to handle incoming funds from customers. The Company will decide whether to convert the funds into local currency or deposit them into foreign currency accounts based on its actual fund requirements and exchange rate fluctuations. Furthermore, through its export and raw material import transactions, natural hedging effects can be generated from foreign currency receivables and payables, which can help mitigate the impact of exchange rate fluctuations on the Company's operations.

To strengthen the management of foreign exchange positions and exchange losses and gains, the Company utilizes the characteristics of natural hedging by using foreign currency accounts receivable to pay off foreign currency accounts payable generated from purchases. At the same time, when the business unit quotes prices to customers, they should consider the future trend of exchange rates and the factors that affect exchange rates, and provide a more conservative quote to minimize the impact of exchange rate fluctuations. In addition, our company has signed foreign exchange hedging contracts with banks, which can take hedging measures at any time to reduce the impact of exchange rate fluctuations on our Company's operations.

(C) Impact of inflation on the Company's profit and loss and future response measures

In recent years, there has been a gradual upward trend in inflation. However, the Company has not yet experienced any significant immediate impact from inflation. The Company is also closely monitoring fluctuations in raw material market prices and maintaining good interaction with suppliers and customers to avoid any significant impact from inflation in the future.

B. The main reasons for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading in derivative products, as well as the policies, profits or losses, and future response measures

The Company has established the "Acquisition or Disposal of Asset Processing Procedures," "Endorsement and Guarantee Operations Procedures," and "Funds Lending Operations Procedures," which were approved by the shareholders' meeting as the basis for the Company to carry out relevant transactions. The following is an explanation of the above items:

(A) The main reasons for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading in derivative products, as well as the policies, profits or losses, and future response measures

The Company primarily focuses on the development of its core business and has not ventured into investments in other high-risk industries. The Company has always maintained a stable and financially sound operation and has not engaged in high-risk and high-leverage investments.

(B) Policy, main reasons for profit or loss in lending funds to others, and future strategies:

As of the printing date of the annual report for the most recent fiscal year, the Company has not engaged in any fund lending activities, which have no significant adverse effects on the Company's financial condition.

As for our subsidiary, as of the printing date of our annual report for the most recent fiscal year, all of the recipients of the fund lending activities of the subsidiary are companies that directly or indirectly hold 99.86% or more of voting rights in the Company. These fund lending activities mainly support the subsidiary's expansion of its operational business. All of the aforementioned transactions were approved by the subsidiary's board of directors in accordance with regulations and announced and reported publicly. The balance of fund lending by the subsidiary did not exceed the limit set by the "Operating Procedures for Fund Lending to Others" of the subsidiary, and therefore, had no significant adverse effects on the subsidiary's financial condition.

(C) Policy, main reasons, and future response measures on endorsing guarantees for profit or loss:

As of the printing date of our annual report for the most recent fiscal year, the parties to whom we provided endorsements and guarantees were our subsidiary companies, ACES PRECISION CORPORATION, and ACES Precision Machinery Co., Ltd., all of which indirectly held 100% of voting shares in our company. The purpose of endorsing these guarantees was to assist our subsidiary companies in meeting their funding requirements for business expansion and obtaining financing from banks. All of these transactions were approved by our board of directors in accordance with regulations and publicly announced and reported. The balance of endorsement and guarantee did not exceed the limit set by the Company's "Endorsement and Guarantee Operating Procedures" and therefore had no significant adverse effects on our financial condition.

As for our subsidiary, as of the printing date of our annual report for the most recent fiscal year, the parties to whom the subsidiary provided endorsements and guarantees were companies that directly or indirectly held 100% of the subsidiary's voting shares. The purpose of endorsing these guarantees was to assist the subsidiary's subsidiary companies in meeting their funding requirements for business expansion and obtaining financing from banks. All of these transactions were approved by the subsidiary's board of directors in accordance with regulations and publicly announced and reported. The balance of endorsement and guarantee did not exceed the limit set by the subsidiary's "Endorsement and Guarantee Operating Procedures" and therefore had no significant adverse effects on the subsidiary's financial

condition.

- (D) Policy, main reasons for engaging in derivative trading for profit or loss, and future response measures:

If the Company and its subsidiaries engage in derivative trading, they will strictly abide by the "Acquisition or Disposal of Assets Processing Procedures" regulations and regularly report on derivative trading to the Board of Directors. At the same time, they will also disclose derivative trading in accordance with regulations.

### C. Future research and development plans and projected R&D expenses

As of May 09, 2025

Item	The current progress of ongoing research and development projects	Projected R&D expenses	Estimated time of completion for mass production	The primary factors that could influence future research and development success
Development of next-generation PCIE GEN6 GENZ series connectors	In the process of product design	NTD30 million	First half of 2025	Product high-speed design, SI analysis verification capability
Pcie6/7 direct soldering mcio connector wire set	In the process of product design	NTD50 million	First half of 2026	Product high-speed design, Production stability, SI Testing technology for High-Frequency Connectors
DSFF E.1/E.3 connector and connector wire set	In the process of product design	NTD40 million	second half of 2025	Product high-speed design, Mass Production SI Testing for High-Frequency Connectors
next-generation M.2 GEN6 connector	In the process of product design	NTD12 million	First half of 2026	Product high-speed design, assembly precision control ability, Production stability
Development of High power Type C 16pin	In the process of product design	NTD3 million	second half of 2025	Terminal Current Rating Methodology with Cross-Section Optimization

Note: The projected R&D expenses refer to the estimated amount to be invested in the research and development project. However, the actual recognition of "R&D expenses and fixed assets" will depend on the progress of the research project and the nature of the investments made, before it can be confirmed.

- D. The impact of significant domestic and international policy and legal changes on the Company's financial operations and the corresponding measures taken

The Company has not been financially or operationally affected by significant domestic or international policy and legal changes in the recent years up to the printing date of the annual report. The Company operates in compliance with relevant domestic and international laws and regulations and constantly monitors changes in domestic and international policies and laws. It is anticipated that the Company's financial and business operations will not be significantly adversely affected by future important domestic or international policy and legal changes.

- E. The impact of technological advancements (including information security risks) and industry changes on the Company's financial operations, as well as the corresponding measures to address them

The Company always keeps track of technological changes in the industry and timely launches products that align with market trends. We stay informed about market trends and evaluate their impact on the Company's operations. However, there have been no significant technological changes in recent years that have had a significant impact on the company's financial and business operations.

- F. The impact of corporate image change on crisis management and corresponding measures

The Company has always adhered to the principles of integrity and sound management. Since its establishment, we have actively strengthened internal management to enhance the quality and efficiency of our operations. The Company's corporate image has been consistently positive, and there have been no significant changes in the corporate image that would lead to a crisis.

- G. Expected benefits, potential risks, and mitigation measures of mergers and acquisitions  
As of the date of printing of the annual report, the Company has no plans for any acquisitions.

- H. After the official launch of the Taiwan Precision Center in the first quarter of 2012, the Company accelerates the development of key technologies and products required in the fine-pitch, low profile, high-frequency, and high-power advanced connectors, automotive electronics, , cloud servers, industrial control industry, and network communication markets. It will gradually generate benefits in terms of production quality and technological accumulation. At the same time, it will also be responsible for the development of precision molds and mold components, serving as the Group's mold coordination center, effectively utilizing and allocating resources for the production of mold components used by various manufacturing units for molding and stamping, aiming to reduce costs and maintain quality stability. For highly automated processes and high-end niche products, production will be planned in the Precision Center. In addition, for long-term operational development and to master core technologies in the Taiwan headquarters, the Company will also leverage Taiwan's abundant technical human resources to cultivate excellent product development and precision mold design and manufacturing personnel, building a complete technical team. In Q1 2025, the Company started the construction of the Precision Center R&D Headquarters Building in Taiwan, to enhance the long-term competitiveness and profitability of the Group. The Company has already executed the issuance of the third unsecured convertible corporate bonds in the domestic market in the third quarter of 2024, providing medium to long-term funds to cope with the Company's operations without causing significant impact.

- I. The risks and corresponding measures associated with concentrated procurement or sales

- (A) Assessment of concentrated procurement risks and corresponding measures

The Company has two or more fixed qualified suppliers for each of its major raw materials to ensure the quality and stability of the supply, thereby mitigating the risk of over-reliance on a single source of supply.

- (B) Assessment of concentrated sales risk and corresponding measures

In the past two fiscal years and the first quarter of 2024, the proportion of sales from customers of the Company to net revenue did not exceed 10%. Due to the recent vertical integration of the Company's industry and the increase in revenue, the proportion of net sales from U Company has increased in the Company's net revenue. U Company is one of the world's top five notebook computer contract manufacturers and is a major customer of the Company, which is reasonable.

In the future, the Company will continue to expand sales to domestic and international customers and actively develop connectors and related products in other fields. This should help reduce the risk associated with reliance on products in a single field.

- J. Directors, supervisors, or major shareholders holding more than ten percent of the shares, the impact, risks, and response measures of significant transfers or changes in ownership on the Company

The Company has not experienced significant transfers or changes in equity during the recent fiscal year and up to the date of printing of the annual report.

- K. The impact, risks, and mitigation measures of changes in ownership on the company's operations

The Company's directors and supervisors have long been involved in the Company's operations, and the management team has a strong sense of mission towards the company, considering the company's management as a lifelong career aspiration. In addition, employees identify with the company's development direction and are willing to hold the company's stocks for the long term, sharing in the Company's growth. Therefore, the Company should have no risk of a change in management control.

- L. Litigation or non-litigation events

Significant litigation, non-litigation, or administrative disputes involving the Company, its directors, supervisors, general manager, substantial shareholders with a stake exceeding 10%, and subsidiary companies, which have been finally judged or are currently pending and may have a significant impact on shareholder equity or securities prices, should disclose the disputed facts, the amount in dispute, the commencement date of the litigation, the main parties involved, and the status of the proceedings as of the date of the annual report publication.

1. As of the date of the annual report publication, there are no litigation, non-litigation, or administrative disputes that have been finally judged or are currently pending, which could have a significant impact on shareholder equity or securities prices.
2. For lawsuits, non-litigation, or administrative disputes involving the Company's directors, supervisors, general manager, substantial shareholders with a stake exceeding 10%, and subsidiary companies, where the judgments have been finalized or are currently pending as of the date of the annual report publication, and the outcomes may have a significant impact on shareholder equity or securities prices: None.

- M. Other significant risks and corresponding measures

The Company has not identified any other significant risk factors in its recent annual report up until the date of printing.

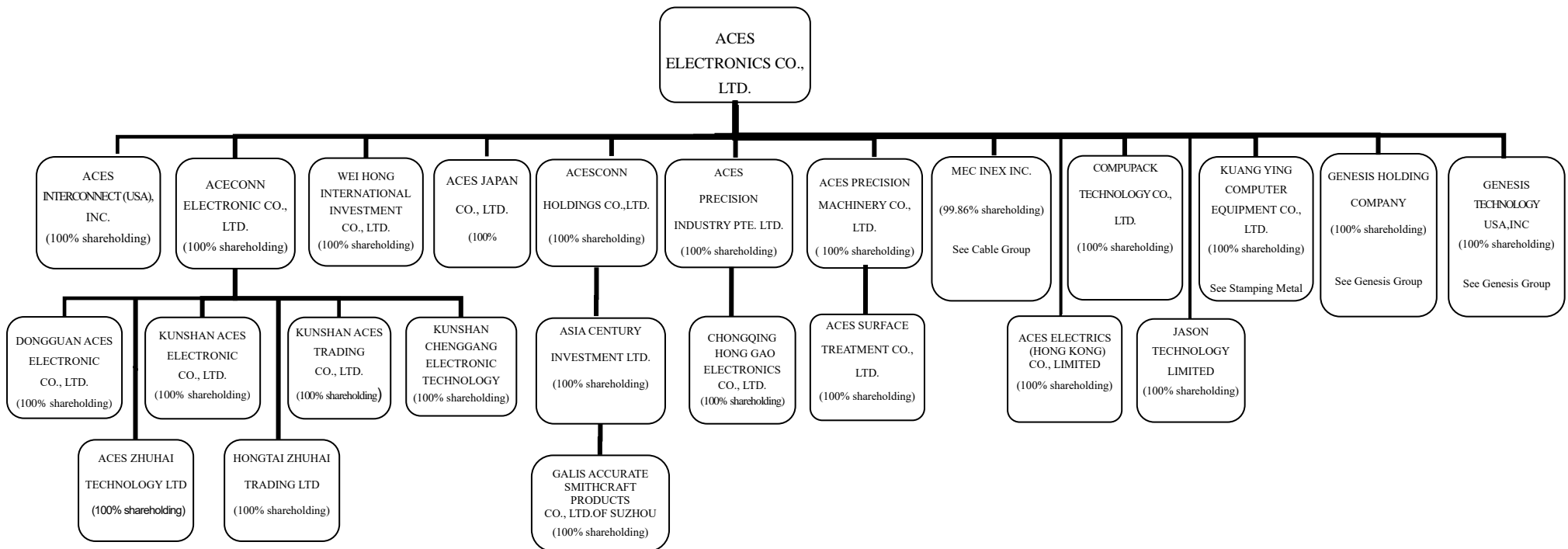
(7) Other important matters: None.

## VI. Other items deserving special mention

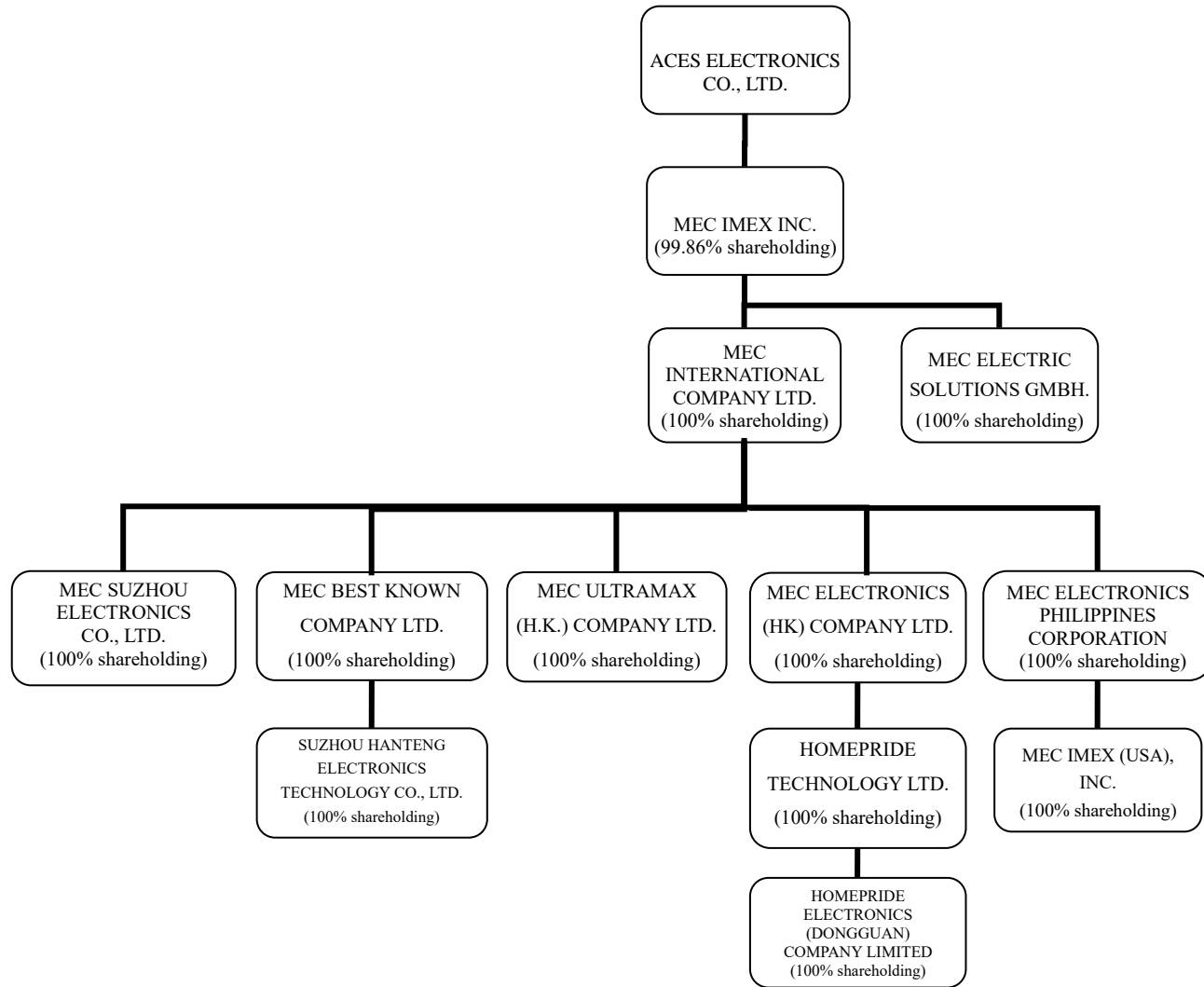
### (1) Information related to the company's affiliates

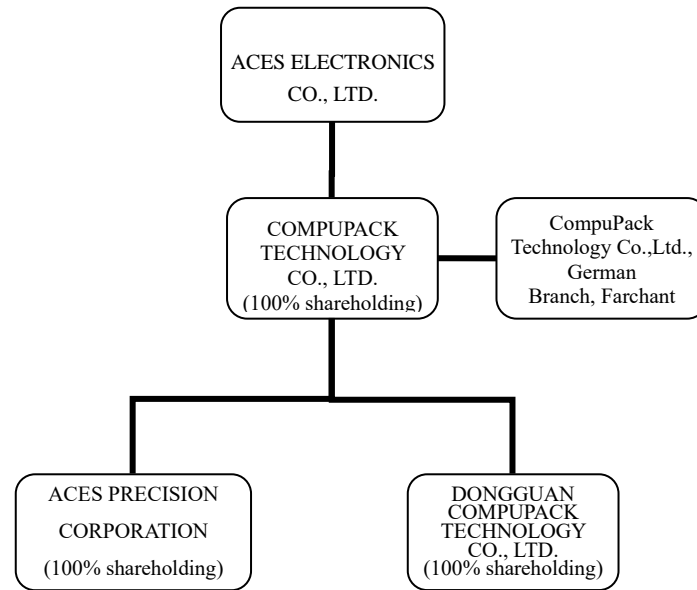
#### A. Consolidated business report of related companies

##### (A) Related company organizational chart (As of December 31, 2024)



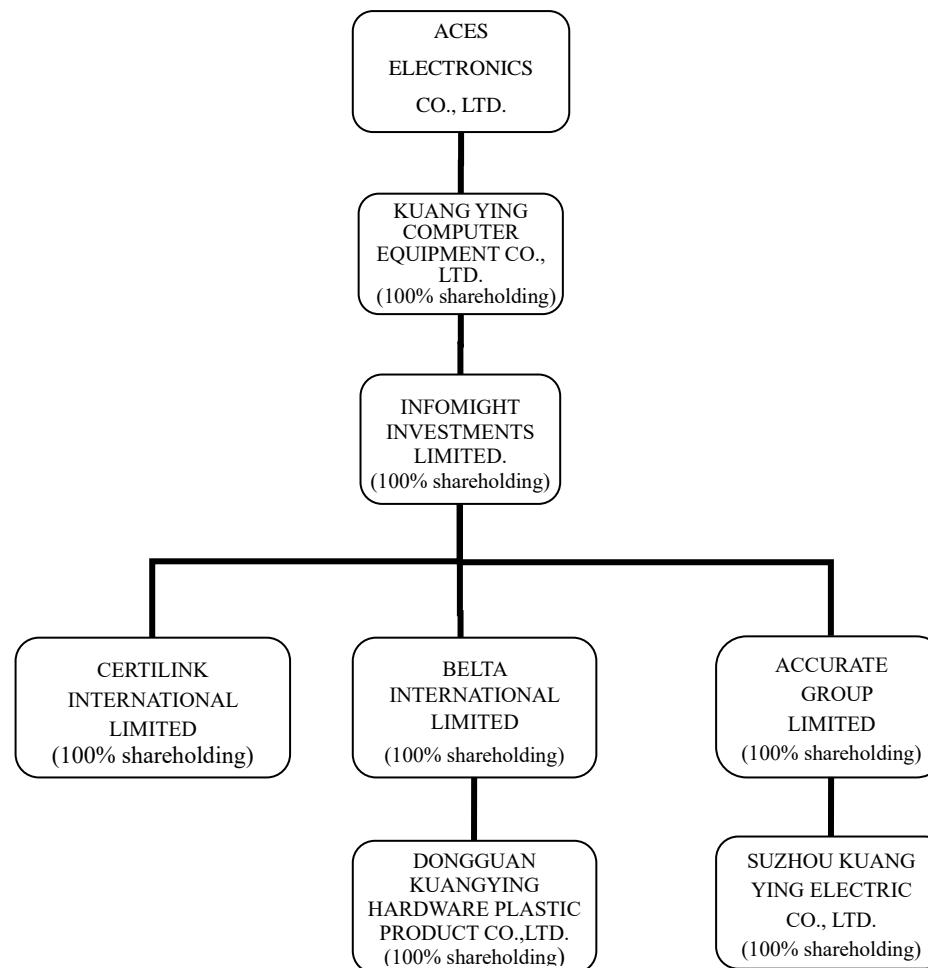
## Cable Group



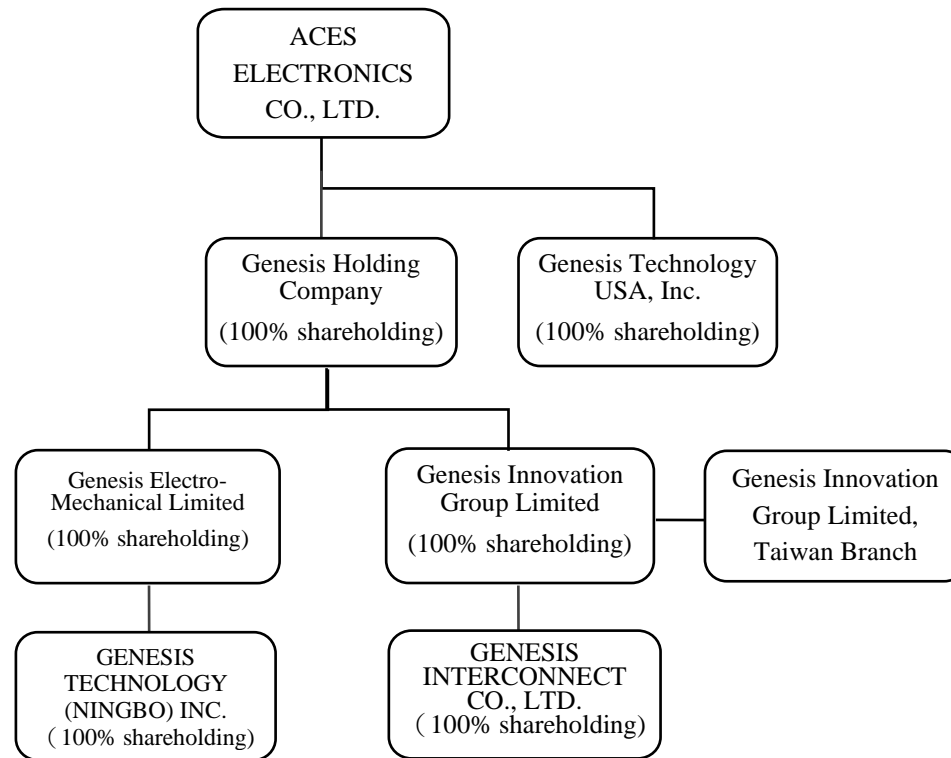




## Stamping Metal Connectors Group



## Genesis Group



## (B) Basic information on affiliated companies

As of December 31, 2024

Unit: Thousand

Company Name	Establishment date	Address	Paid-in capital	Primary business or production items
ACECONN ELECTRONIC CO., LTD.	2002/05/21	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, SAMOA	USD25,000	Investment holding
ACES PRECISION INDUSTRY PTE LTD	1999/07/15	50 Serangoon North Avenue 4 #01-02 First Centre Singapore (555856)	SGD8,162	Connector sales business
ACESCONN HOLDINGS CO., LTD.	2012/01/09	Maystar Chambers, P.O. Box 3269, Apia, SAMOA	USD12,000	Investment holding
ASIA CENTURY INVESTMENT LTD.	2007/01/03	Maystar Chambers, P.O. Box 3269, Apia, SAMOA	USD9,150	Investment holding
ACES INTERCONNECT(USA), INC.	2015/10/26	25613 Dollar St.Ste.11 Hayward, CA 94544, USA	USD300	Connector sales business
ACES JAPAN CO., LTD.	2012/09/03	Tachikawa Nishiki-cho Building 5F Nishiki-Cho 1-8-7 Tachikawa-city Tokyo Japan	JPY45,000	Connector business development
DONGGUAN ACES ELECTRONIC CO., LTD.	2002/12/10	No. 1, Jianggan Road, Chang'an Town, Dongguan City, Guangdong Province, China.	USD3,500	Connector manufacturing and sales business.
KUNSHAN ACES ELECTRONIC CO., LTD.	2003/02/12	No. 578, Qingyang North Road, Zhoushi Town, Kunshan City, Jiangsu Province, China.	USD20,000	Connector manufacturing and sales business.
KUNSHAN ACES TRADING CO., LTD.	2008/06/13	Building B, 1st Floor, No. 578 Qingyang North Road, Zhouzhi Town, Kunshan City, Jiangsu Province, China.	USD300	Connector sales business
CHONGQING HONG GAO ELECTRONIC CO., LTD.	2010/07/07	No. 68, Fajian Road, Bajuan Street Office, Tongliang District, Chongqing City, Sichuan Province, China (Shangfeng Mingju), Building 5, Unit 1-29-3.	USD5,950	Connector sales business
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	2005/10/21	No. 102 Matang Road, Kunshan Development Zone, Jiangsu Province, China.	USD8,790	Surface treatment and sales operations.
KUNSHAN CHENGANG ELECTRONIC TECHNOLOGY CO., LTD.	2018/2/27	No. 470, Changjiang North Road, Zhoushi Town, Kunshan City, Jiangsu Province, China.	USD19,836	Connector manufacturing and sales business.

Company Name	Establishment date	Address	Paid-in capital	Primary business or production items
ACES ZHUHAI TECHNOLOGY LTD	2022/11/02	Room 471, Block C, Floor 1, Building 24, No.1 Harbor No.1 Science and Innovation Park, No.1 Jintang Road, Tangjiawan Town, High-tech Zone, Zhuhai City, Guangdong Province, China. (Centralized office area)	USD5,000	Connector manufacturing and sales business.
HONGTAI ZHUHAI TRADING LTD	2022/11/22	Room 494, 1st Floor, Block C, Building 24, Science and Technology Innovation Park, No. 1, Jintang Road, Zone, Zhuhai City, Guangdong Province, China (Centralized Office Area)	USD200	Connector sales business
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	2010/11/02	No. 13, Dongyuan Road, Zhongli District, Taoyuan City, Taiwan (R.O.C.)	NTD25,000	Investment
ACES PRECISION MACHINERY CO., LTD.	2019/8/28	No. 12, Dazhong Road, Taitung City, Taitung County	NTD130,000	Metal surface treatment
ACES SURFACE TREATMENT CO., LTD.	2020/11/20	No. 22, Alley 13, Lane 107, Zhengnan First Street, Yongkang District, Tainan City, Taiwan.	NTD 7,000	Production and sales of mold components
JASON TECHNOLOGY LIMITED	2007/8/6	Room 2001, 20/F., 299 QRC, 287-299 Queen's Road Central, HongKong	HKD5,000	Electronic component sales business
ACES ELECTRICS (HONG KONG) CO. LIMITED	2022/8/3	Room 05, 16F, Shing Yip Industrial Building, 19-21 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong	0	Electronic component sales business
MEC IMEX INC.	1986/07/18	No. 13, Dongyuan Road, Zhongli District, Taoyuan City, Taiwan (R.O.C.)	NTD476,500	Cable assembly sales business
MEC INTERNATIONAL COMPANY LTD.	1998/06/24	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, BVI	USD33,400	Investment holding
MEC ELECTRONICS (HK) COMPANY LIMITED	1992/03/24	Room D1, 9/F, Block 2, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	HKD51,000	Cable assembly sales business
MEC ULTRAMAX (H.K.) COMPANY LIMITED (Note 1)	2008/01/11	Room D1, 9/F, Block 2, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	0	Investment holding

Company Name	Establishment date	Address	Paid-in capital	Primary business or production items
MEC BEST KNOWN COMPANY LIMITED	2007/10/10	Room D1, 9/F, Block 2, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	HKD118,250	Investment holding
HOMEPRIDE TECHNOLOGY LIMITED	1998/05/20	Room D1, 9/F, Block 2, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	HKD56,750	Investment holding
MEC ELECTRONICS PHILIPPINES CORPORATION	1989/05/16	Lot 1 Block 8A Phase I, Cavite Economic Zone, Rosario, Cavite, Philippines	PHP80,000	Production and sales of cable assemblies
MEC IMEX (USA), Inc.	2013/08/22	25613 Dollar Street, Suite 11 Hayward, CA. 94544-2535, USA	USD400	Cable assembly sales business
MEC ELECTRIC SOLUTIONS GMBH (Note 1)	2022/03/30	Partenkirchener Straße 52, 82490 Farchant	EUR 100,000.00	Cable assembly sales business
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	2007/12/27	Room 2604, Building 18, No. 3188 Renmin Road, Suzhou City, Jiangsu Province, China.	USD16,700	Cable assembly sales business
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED	2011/01/25	Building 1, No.1, Chang 'an Zhenyuan West Road, Chang 'an Town, Dongguan City, Guangdong Province, China.	USD7,050	Production and sales of cable assemblies.
MEC SUZHOU ELECTRONICS CO., LTD.	2020/01/07	Factory Buildings B and C, No. 555, Qingyang North Road, Zhoushi Town, Kunshan City, Jiangsu Province, China.	USD9,000	Production and sales of cable assemblies
COMPUPACK TECHNOLOGY CO., LTD.	2001/08/27	3F, No. 198, Chongyang Road, Nangang District, Taipei City, Taiwan (R.O.C.)	NTD215,000	Electronic component sales business
ACES PRECISION CORPORATION	2007/05/25	New Chang Industrial Zone, Xin Chang Community, Jinjiang County, Haiyang Province, Vietnam.	VND217,383,296	Electronic components manufacturing and sales business.
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD.	2017/10/24	Room 201, No. 1 Jianggan Road, Chang'an Town, Dongguan City, Guangdong Province, China.	USD350	Electronic component sales business
KUANG YING COMPUTER EQUIPMENT CO.,	1991/8/1	No. 13, Dongyuan Road, Zhongli District, Taoyuan City, Taiwan (R.O.C.)	NTD259,946	Electronic components manufacturing

Company Name	Establishment date	Address	Paid-in capital	Primary business or production items
LTD.				and sales business.
INFOMIGHT INVESTMENTS LIMITED	2008/1/3	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, SAMOA	USD7,980	Investment holding
BELTA INTERNATIONAL LIMITED	2010/8/12	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, BVI	USD3,600	Investment holding
CERTILINK INTERNATIONAL LIMITED	2004/10/18	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, BVI	USD50	Electronic component sales
ACCURATE GROUP LIMITED	2003/1/3	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, SAMOA	USD4,100	Investment holding
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD	2008/1/14	Building 1, No.1, Chang 'an Zhenyuan West Road, Chang 'an Town, Dongguan City, Guangdong Province, China.	USD4,190	Production and sales of electronic components.
SUZHOU KUANG YING ELECTRIC CO., LTD.	2003/5/9	Room 2604, Building 18, No. 3188 Renmin Road, Suzhou City, Jiangsu Province, China.	USD3,250	Production and sales of electronic components.
GENESIS TECHNOLOGY USA, INC.	2001/6/4	1325 Capital Circle, Suite A, Lawrenceville, GA 30043, USA	USD1.5	Electronic component sales business
GENESIS HOLDING COMPANY	2013/9/9	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.	NTD277,778	Investment holding
GENESIS ELECTRO-MECHANICAL LIMITED	2013/9/24	Unit 903, 9/F, Tower 2, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	USD12,500	Investment holding
GENESIS INNOVATION GROUP LIMITED	2017/7/21	Unit 903, 9/F, Tower 2, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	USD8,000	Investment holding
GENESIS TECHNOLOGY (NINGBO) INC.	2007/12/7	Room 517, International Trade Building, Yuyao City, Zhejiang Province, China.	RMB5,000	Electronic components manufacturing and sales business.

Company Name	Establishment date	Address	Paid-in capital	Primary business or production items
DONGGUAN POLIXIN ELECTRIC CO., LTD.	2006/5/18	No. 16 JunPeng Road, Qingyun Lin Industrial Zone, Tangxia Town, Dongguan City ,Guangdong Province , China	RMB15,000	Electronic components manufacturing and sales business.

Note 1: The liquidation is under process, and the remaining share capital has been remitted back to MEC INTERNATIONAL COMPANY LTD, the investment entity in the third jurisdiction.

Note 2: The liquidation is under process.

(C) Estimated identical shareholder information for entities with control and subordinate relationships: None.

(D) The industries covered by the overall business operations of the affiliated enterprises. If there are interrelated business operations among the affiliated enterprises, their respective division of labor should be explained.

The industries covered by our company and its affiliated enterprises include the design, development, testing, manufacturing, and sales of electronic components such as connectors, cable assemblies, and Access and RF products. We also engage in investment activities.

## (E) Information on Directors, Supervisors, and General Managers of Related Companies

As of December 31, 2024

Company Name	Title	Name or representative	Shareholding	
			Shares	Ratio
ACECONN ELECTRONIC CO., LTD.	Director	ACES ELECTRONICS CO., LTD. Representative: Yang Tsung-Lin	25,000,000	100%
ACES PRECISION INDUSTRY PTE LTD	Director	Yuan Wan-Ting	0	0%
	Director	Yang Tsung-Lin	0	0%
	Director	Teng Yu-Ming	0	0%
ACESCONN HOLDINGS CO., LTD.	Director	Yuan Wan-Ting	0	0%
ASIA CENTURY INVESTMENT LTD.	Director	Yuan Wan-Ting	0	0%
ACES INTERCONNECT(USA), INC.	Director /Representative	Yang Tsung-Lin	0	0%
ACES JAPAN CO., LTD.	Representative Director	Yang Tsung-Lin	0	0%
	Representative Director	Lin Keng-Su	0	0%
DONGGUAN ACES ELECTRONIC CO., LTD. (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Huang Wen-Cheng	-	-
	Director	Yang Tsung-Lin	-	-
KUNSHAN ACES ELECTRONIC CO., LTD. (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Huang Wen-Cheng	-	-
	Director	Yang Tsung-Lin	-	-
KUNSHAN ACES TRADING CO., LTD. (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Huang Wen-Cheng	-	-
	Director	Yang Tsung-Lin	-	-
CHONGQING HONG GAO ELECTRONIC CO., LTD. (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Huang Wen-Cheng	-	-
	Director	Yang Tsung-Lin	-	-
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Huang Wen-Cheng	-	-
	Director	Yang Tsung-Lin	-	-



Company Name	Title	Name or representative	Shareholding	
			Shares	Ratio
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD. (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Yu Shih-hui	-	-
	Director	Yang Tsung-Lin	-	-
ACES ZHUHAI TECHNOLOGY LTD (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Wang Hsueh-Hui	-	-
	Director	Yang Tsung-Lin	-	-
HONGTAI ZHUHAI TRADING LTD (Note)	Chairman	Yuan Wan-Ting	-	-
	Director	Wang Hsueh-Hui	-	-
	Director	Yang Tsung-Lin	-	-
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	Chairman	ACES ELECTRONICS CO., LTD. Representative: Yuan Wan-Ting	2,500,000	100%
ACES PRECISION MACHINERY CO., LTD.	Chairman	ACES ELECTRONICS CO., LTD. Representative: Yuan Wan-Ting	13,000,000	100%
	General Manager	Hsu Sheng-Hsien	0	0%
ACES SURFACE TREATMENT CO., LTD.	Chairman	ACES PRECISION MACHINERY CO., LTD. Representative: Hsu Sheng-Hsien	700,000	100%
JASON TECHNOLOGY LIMITED	Director	Lin Wan-Fu	0	0%
	Director	Ho Wai-Kuen	0	0%
ACES ELECTRICS (HONG KONG) CO. LIMITED	Director	Lin Wan-Fu	0	0%
	Director	Ho Wai-Kuen	0	0%
MEC IMEX INC.	Chairman	ACES ELECTRONICS CO., LTD. Representative: Yuan Wan-Ting	47,582,370	99.86%
	Director	ACES ELECTRONICS CO., LTD. Representative: Huang Tien-Fu	47,582,370	99.86%

Company Name	Title	Name or representative	Shareholding	
			Shares	Ratio
	Director	ACES ELECTRONICS CO., LTD. Representative: Yang Tsung-Lin	47,582,370	99.86%
	Supervisor	Lee Shu-Yun	0	0%
	General Manager	Huang Tien-Fu	0	0%
MEC INTERNATIONAL COMPANY LTD.	Director	Yang Tsung-Lin	0	0%
MEC ELECTRONICS (HK) COMPANY LIMITED	Director	Yang Tsung-Lin	0	0%
MEC ULTRAMAX (H.K.) COMPANY LIMITED	Director	Yang Tsung-Lin	0	0%
MEC BEST KNOWN COMPANY LIMITED	Director	Yang Tsung-Lin	0	0%
HOMEPRIDE TECHNOLOGY LIMITED	Director	Yang Tsung-Lin	0	0%
MEC ELECTRONICS PHILIPPINES CORPORATION	Chairman	Huang Tien-Fu	0	0%
	Director	Yang Tsung-Lin	0	0%
	Director	Lin Wan-Fu	0	0%
	Director	Lee Shu-Yun	0	0%
	Director	Yang Wei-Xin	0	0%
MEC IMEX (USA), Inc.	Director/ Representative	Yang Wei-Xin	0	0%
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD. (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Lee Shu-Yun	-	-
	Director	Yu Shih-hui	-	-
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Huang Tien-Fu	-	-
	Director	Wang Hsueh-Hui	-	-
MEC SUZHOU ELECTRONICS CO., LTD. (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Wang Hsueh-Hui	-	-
	Director	Yu Shih-Hui	-	-

Company Name	Title	Name or representative	Shareholding	
			Shares	Ratio
COMPUPACK TECHNOLOGY CO., LTD.	Chairman	ACES ELECTRONICS CO., LTD. Representative: Lin Wan-Fu	21,500,000	100%
ACES PRECISION CORPORATION (Note)	Chairman	Fan Chi-Yuan	-	-
	Vice Chairman	Lin Wan-Fu	-	-
	Director and General Manager	Liao Cheng-Yang	-	-
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD. (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Lee Shu-Yun	-	-
	Director	Huang Jen-hsuan	-	-
KUANG YING COMPUTER EQUIPMENT CO., LTD.	Chairman	ACES ELECTRONICS CO., LTD. Representative: Yuan Wan-Ting	25,994,600	100%
INFOMIGHT INVESTMENTS LIMITED	Director	Yang Tsung-Lin	0	0%
BELTA INTERNATIONAL LIMITED	Director	Yang Tsung-Lin	0	0%
CERTILINK INTERNATIONAL LIMITED	Director	Yang Tsung-Lin	0	0%
ACCURATE GROUP LIMITED	Director	Yang Tsung-Lin	0	0%
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Hsu Sheng-Hsien	-	-
	Director	Wang Hsueh-Hui	-	-
SUZHOU KUANG YING ELECTRIC CO., LTD. (Note)	Chairman	Yang Tsung-Lin	-	-
	Director	Hsu Sheng-Hsien	-	-
	Director	Yu Shih-hui	-	-
GENESIS TECHNOLOGY USA, INC.	Director	Yang Tsung-Lin	-	-
GENESIS HOLDING COMPANY	Director	Yang Tsung-Lin	-	-
GENESIS ELECTRO-MECHANICAL LIMITED	Director	Yang Tsung-Lin	-	-

Company Name	Title	Name or representative	Shareholding	
			Shares	Ratio
GENESIS INNOVATION GROUP LIMITED	Director	Yang Tsung-Lin	-	-
GENESIS TECHNOLOGY(NINGBO) INC. (Note)	Legal representative	Yang Tsung-Lin	-	-
	Executive Director	Yang Tsung-Lin	-	-
DONGGUAN POLIXIN ELECTRIC CO., LTD. (Note)	Legal representative	Yang Tsung-Lin	-	-
	Executive Director	Yang Tsung-Lin	-	-

Note: DONGGUAN ACES ELECTRONIC CO., LTD. 、KUNSHAN ACES ELECTRONIC CO., LTD. 、KUNSHAN ACES TRADING CO., LTD. 、CHONGQING HONG GAO ELECTRONIC CO., LTD. 、GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU 、KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD. 、ACES ZHUHAI TECHNOLOGY LTD. 、HONGTAI ZHUHAI TRADING LTD 、SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD. 、HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED 、MEC SUZHOU ELECTRONICS CO., LTD. 、ACES PRECISION CORPORATION 、DONGGUAN COMPUPACK TECHNOLOGY CO., LTD. 、DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD. 、SUZHOU KUANG YING ELECTRIC CO., LTD. 、DONGGUAN POLIXIN ELECTRIC CO., LTD. and GENESIS TECHNOLOGY(NINGBO) INC.: No shares.

## (F) Business operations of affiliated companies

As of December 31, 2024

Unit: NTD thousand(The earnings per share, excluding NTD per share)

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Profit (loss) from operations	Profit (loss) for the year (after tax)	Earnings per share (after tax)
ACECONN ELECTRONIC CO., LTD.	627,559	4,212,246	—	4,212,246	—	-31	57,008	2.28
ACES ELECTRICS (HONG KONG) CO. LIMITED	—	7,490	7,490	—	17,059	10	10	1.00
ACES PRECISION INDUSTRY PTE LTD.	208,410	61,976	4,310	57,666	11,811	-2,328	788	0.10
DONGGUAN ACES ELECTRONIC CO., LTD.	115,301	1,306,182	820,026	486,156	1,743,870	27,585	18,416	Note 1
KUNSHAN ACES ELECTRONIC CO., LTD.	629,475	3,581,962	822,241	2,759,721	2,547,847	-55,402	-5,339	Note 1
KUNSHAN ACES TRADING CO., LTD.	9,087	99,786	38,947	60,839	144,683	12,525	12059	Note 1
CHONGQING HONG GAO ELECTRONIC CO., LTD.	173,985	10,928	8,039	2,889	9,613	1,586	1,468	Note 1
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	593,671	1,376,691	757,420	619,271	1,373,220	16,809	27,129	Note 1
ACES ZHUHAI TECHNOLOGY LTD.	313,140	320,119	8,480	311,639	—	-3,665	-2,966	Note 1
HONGTAI ZHUHAI TRADING LTD	6,268	42,438	36,894	5,544	85,363	-1394	-773	Note 1
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	25,000	27,797	3	27,794	—	-442	9	0.00
ACESCONN HOLDINGS CO.,LTD.	351,112	166,611	—	166,611	—	-1	-543	-0.05
ASIA CENTURY INVESTMENT LTD.	351,112	166,611	—	166,611	—	-4	-542	-0.06
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	256,682	265,565	122,221	143,344	408,331	-1,986	-1,154	Note 1

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Profit (loss) from operations	Profit (loss) for the year (after tax)	Earnings per share (after tax)
ACES JAPAN CO., LTD.	15,137	14,533	—	14,533	20,432	1,408	845	169.00
ACES PRECISION MACHINERY CO., LTD.	130,000	118,063	53,692	64,371	44,565	-6,125	-11,006	-0.85
ACES SURFACE TREATMENT CO., LTD.	7,000	5,415	3,810	1,605	1,878	-4,658	-2,724	-3.89
ACES INTERCONNECT (USA) INC.	9,711	13,001	2,815	10,186	2,580	23	23	0.08
MEC IMEX INC.	476,500	1,059,481	451,703	607,778	530,063	2,452	44,592	0.94
MEC INTERNATIONAL COMPANY LTD.	1,295,195	1,283,265	927,544	355,721	—	-95	18,685	566.21
MEC ELECTRIC SOLUTIONS GMBH	3,179	3,428	461	2,967	—	67	107	107.00
MEC ELECTRONICS (HK) COMPANY LTD.	205,445	196,998	47,072	149,926	144,058	-657	34,442	67.53
MEC ULTRAMAX (H.K.) COMPANY LTD.	—	—	—	—	—	-159	17,066	Note 2
MEC BEST KNOWN COMPANY LTD.	473,201	8,927	124	8,803	—	-174	-722	-0.01
HOMEPRIDE TECHNOLOGY LTD.	230,261	103,035	18,193	84,842	—	-127	34,652	0.61
MEC ELECTRONICS PHILIPPINES CORPORATION	54,085	605,663	294,676	310,987	1,009,031	38,761	26,571	3.32
MEC IMEX (USA), INC.	12,544	20,049	2,125	17,924	23,747	-817	-817	-204.25
MEC SUZHOU ELECTRONICS CO., LTD.	—	—	—	—	—	-38	93	Note 1
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	519,336	8,667	—	8,667	—	-327	-545	Note 1
HOMEPRIDE ELECTRONICS (DONGGUAN)	214,991	269,004	167,652	101,352	539,720	38,198	34,846	Note 1

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Profit (loss) from operations	Profit (loss) for the year (after tax)	Earnings per share (after tax)
COMPANY LIMITED								
MEC SUZHOU ELECTRONICS CO., LTD.	272,030	280,219	317,522	-37,303	744,760	-40,116	-40,478	Note 1
COMPUPACK TECHNOLOGY CO., LTD.	215,000	384,944	276,308	108,636	514,043	-14,803	-33,051	-1.54
MICON PRECISE CORP.	—	—	—	—	—	-646	-13,823	Note 3
ACES PRECISION CORPORATION	336,292	155,011	191,175	-36,164	120,737	-18,012	-29,577	Note 1
DONG COMPUPACK TECHNOLOGY CO., LTD.	10,477	12,259	2,143	10,116	8,076	-2,006	-3,359	Note 1
KUANG YING COMPUTER EQUIPMENT CO., LTD.	259,946	673,650	266,835	406,815	584,770	36,249	83,602	3.22
INFOMIGHT INVESTMENTS LIMITED	285,904	237,403	—	237,403	—	-44	37,316	4.68
BELTA INTERNATIONAL LIMITED	52,349	189,492	—	189,492	—	-108	31,421	7,855.25
CERTILINK INTERNATIONAL LIMITED	1,605	197	57	140	—	-81	4715	94.30
ACCURATE GROUP LIMITED	131,588	44,983	—	44,983	—	-36	955	0.23
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	129,711	414,238	226,644	187,594	577,651	36,367	31,459	Note 1
SUZHOU KUANG YING ELECTRIC CO., LTD.	104,307	3,830	140	3,690	14	-164	-114	Note 1
JASON TECHNOLOGY LIMITED	—	34,419	26,156	8,263	34,385	-1,090	-24	0.00
GENESIS HOLDING COMPANY	277,778	854,344	0	854,344	0	-173	78,521	2.83

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Profit (loss) from operations	Profit (loss) for the year (after tax)	Earnings per share (after tax)
GENESIS TECHNOLOGY USA, INC	43	375,225	189,609	185,615	454,788	-14,185	7,886	3,943.00
GENESIS INNOVATION GROUP LIMITED	228,280	406,639	342	406,297	513,139	-794	86,304	10.79
GENESIS ELECTRO-MECHANICAL LIMITED	268,229	340,017	5,559	334,458	0	-990	-15,088	-1.61
DONGGUAN POLIXIN ELECTRIC CO., LTD.	65,150	129,770	103,389	26,381	218,780	26,474	19,127	Note 1
GENESIS TECHNOLOGY (NINGBO) INC.	21,720	54,533	1,730	52,804	104,004	-23,901	6,557	Note 1

Note 1: The affiliated company is a limited company without shares, so it is not possible to calculate earnings per share.

Note 2: MEC ULTRAMAX (H.K.) COMPANY LTD. was in the process of dissolution and liquidation in 2024.

Note 3: COMPUPACK TECHNOLOGY CO., LTD. and MICON PRECISE CORP. completed a short-form merger in December 2024, with COMPUPACK TECHNOLOGY CO., LTD. subsequently holding direct ownership of ACES PRECISION CORPORATION post-merger.

#### B. Consolidated financial statements for related companies' merger

The company will not prepare a separate consolidated financial statement for related party mergers for the fiscal year 2024 (from January 1 to December 31, 2024) in accordance with the "Guidelines for the Preparation of Consolidated Financial Statements for Related Party Mergers, Related Financial Statements, and Reports" and International Accounting Standard No. 27 recognized by the Financial Supervisory Commission for the preparation of consolidated financial statements for parent and subsidiary companies. The relevant information required for the related party consolidated financial statements has already been disclosed in the aforementioned consolidated financial statements for parent and subsidiary companies, therefore, there is no need to prepare a separate consolidated financial statement for related party mergers.

#### C. Relationship report

According to Article 369-12 of the Company Law, as a subsidiary of a non-publicly traded stock company, our company is not required to prepare a related-party transaction report.

(2) Execution status and disclosure items for the Company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

(3) Other matters that require additional description: None.

(4) 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.



ACES ELECTRONICS CO., LTD.

Chairman Yuan Wan-Ting