

Stock Code : 3679

This annual report can be found on websites below:
Market Observation Post System : <https://mops.twse.com.tw>
Company Website : <https://www.nishoku.com.tw>



Nishoku Technology Inc.

2024 Annual Report

Published on April 15, 2025

1. Names, Job Titles, and Telephone Numbers of the Company's Spokesperson and Acting

Spokesperson :

Spokesperson:

Name: Tsai, Chien-Sheng

Title: General Manager

Tel: (02)2998-3578

E-mail:ir@nishoku.com.tw

Deputy Spokesperson:

Name: Lin, Tzu-Hsuan

Title:CFO

Tel: (02)2998-3578

E-mail:ir@nishoku.com.tw

2. CORPORATE HEADQUATERS AND MANUFACTURING SITE

Address: No. 36, Ln. 11, Huacheng RD., Xinzhuang Dist., New Taipei City

Tel.: (02)2998-3578

3. COMMON SHARE TRANSFER AGENT AND REGISTRAR

Name: The Transfer Agency Department of CTBC Bank

Address:5F, 83, Sec. 1, Chung-Ching S. Rd., Taipei City

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

Tel.: (02) 6636-5566

4. AUDITORS

CPA Firm: KPMG

Name of CPA: Yung-Hua Huang and Sheng-Ho Yu

Address: 68F, TAIPEI 101 TOWER, No. 7, Sec. 5, Xinyi Road, Taipei City

Website:www.kpmg.com.tw

Tel.: 886(2) 8101-6666

5. OVERSEAS SECURITIES EXCHANGE : None.

6. FOR MORE INFORMATION ABOUT NISHOKU : <https://www.nishoku.com.tw>

TABLE OF CONTENTS

1. Letter to Shareholders.....	01
2. Corporate Governance	
2.1 Board of Directors and Management Team	6
2.2 Remuneration and Compensation Paid to Directors, the President, and Vice President	19
2.3 Implementation of Corporate Governance.....	29
2.4 Information Regarding CPA Fees	119
2.5 Information on Change of CPA.....	119
2.6 Management Team Who Had Worked for the Independent Auditor.....	119
2.7 Status of Net Change in Shareholding and Shares Pledged.....	120
2.8 The Relation of the Top Ten Shareholders	121
2.9 Long-Term Investment Ownership	122
3. Capital and Shares	
3.1 Sources of Capital	123
3.2 Register of Major Shareholders	125
3.3 Dividend Policy and Execution Status.....	125
3.4 The impact of stock dividend distributions proposed by the Shareholders Meeting for the current fiscal year on company operating performance and earnings per share	126
3.5 Compensation to Employees and Remuneration to Directors	126
3.6 Buyback of Common Stock	128
3.7 Issuance of Corporate Bond.....	128
3.8 Preferred Shares	128
3.9 Issuance of Global Depository Receipts	128
3.10 Employee Stock Option	128
3.11 Employee Restricted Stocks.....	128
3.12 New Shares Issuance in Connection with Mergers and Acquisitions	130
3.13 Financing Plan and Implementation	130
4. Overview of Business Operation	
4.1 Business Activities	131
4.2 Market and Sales Overview	137
4.3 Status of Employees.....	146
4.4 Expenditure on Environmental Protection.....	147
4.5 Employee Relations	147
4.6 Cyber security management.....	155
4.7 Important Contracts.....	160

5. Review of Financial Position, Management Performance and Risk Management	
5.1 Analysis of Financial Status	161
5.2 Analysis of Operating Results	162
5.3 Analysis of Cash Flow	163
5.4 Major Capital Expenditure.....	165
5.5 Investment Policy.....	165
5.6 Analysis of Risk Management	166
5.7 Other Major Risks.....	176
6. Other Special Notes	
6.1 Affiliated Companies	177
6.2 Private Placement Securities.....	182
6.3 Special Notes.....	182

1. Letter to Shareholders

Dear Shareholders,

We thank each and every of our shareholder's support of Nishoku Group. With your busy schedule, we are grateful for your participation in the Company's 2025 General Shareholders Meeting. On behalf of everyone at Nishoku, your presence is most welcome.

Looking back to 2024, the global economy is facing turning points, such as the slowing inflation and policy stagnation. The inflation in the U.S. and Europe has fallen significantly. Most central banks have stopped the interest rate rising cycle and entered the stage of monetary policy adjustment. The economic recovery is weak and housing market is sluggish in China. The weak domestic demand becomes the main source of pressure. Emerging markets deliver different performance. Notwithstanding, Southeast Asia and India maintain relatively stable growth. The political and military tensions in the world keep intensifying and bringing about multiple challenges to the global economic and supply chain stability and causing global enterprises to face the adjustment period amid the uncertainty. In order to face the year in turmoil, Nishoku remained acting slowly but surely and delivered outstanding results. In 2024, the annual consolidated net revenue was NT\$4.259 billion, a growth rate of 21.40%. The annual gross profit margin increased to 31% throughout the year, and the earnings per share after tax was NT\$6.08, an increase by NT\$6.08 from 2023.

Looking forward to 2025, the global economy is expected to recover moderately under the stable inflation and the major central bank's shift to the QE policy. If the USA and Europe gradually initiate interest rate cuts, it will help boost corporate investment and household spending, and also improve the overall market confidence. Meanwhile, the USA might adjust its trade policies and tighten the tariff measures after the Presidential Election, particularly with respect to specific industries (e.g. technology, green energy and manufacturing). As a result, some substantive impact might be posed on the global trade flow and supply chain deployment. Overall, 2025 will be a transition period between a policy turning point and an opportunity. The global economy will seek a new balance amid the changes. In line with the changes in the overall environment and industrial trend, the Company continues to focus on its main business, and continues to work on process automation and integrate the Group's resources, and proactively expands the Vietnam market, improve its global layout, improve the operating efficiency and supply chain resilience, and achieve the goals for stable growth of both operating revenue and earnings.

Below is 2024 operating report and 2025 operating plans:

1. The 2024 Business result:

(1) 2024 Performance Of Business Plan

In 2024, the global economy showed a certain resilience, and major economies demonstrate the ability of recovery under multiple challenges. The US economy continuously grew strongly, while China is maintaining the economic growth through the currency policy adjustments and stimulus to domestic demand, while Europe faced multiple challenges. However, structural problems and political uncertainty still have pressures on the global economy, becoming the uncertainties that affect growth.

With the uncertainties of macroeconomic environment, the Company's revenue and profit still outperformed in 2024. The Company's 2024 consolidated operating revenue totaled NT\$4.259 billion, a year-on-year increased of 21%, and our annual gross margin increased to 31%; our earnings per share after tax were NT\$13.85, a year-on-year decrease of NT\$6.08.

Unit: NT\$ thousand

Item \ Year	2024	2023	Percentage of change (%)
Net operating income	4,259,658	3,508,729	21%
Operating cost	2,944,014	2,592,872	14%
Gross profit	1,315,644	915,857	44%
Operating profit	822,855	471,260	75%
Non-Operating Income	425,255	199,541	113%
Profit before tax	1,248,110	670,801	86%
Profit after tax	869,119	487,097	78%
Gross profit (%)	31%	26%	
Operating profit (%)	19%	13%	

(2) Status of Budget Execution

Not available as Nishoku Technology Inc. had not declared 2024 financial forecast.

(3) Financial Receipt and Expenditure, and Profitability Analysis

Items of analysis		2024	2023
Financial Structure & Solvency	Current ratio (%)	240.63	209.54
	Quick ratio (%)	223.05	194.64
	Interest coverage ratio	25.21	13.00
	Debt to assets ratio (%)	44.20	47.82

Items of analysis		2024	2023
Profitability	ROA (%)	10.43	6.10
	Return on shareholders' equity (%)	18.43	10.71
	Income before tax as a percentage of paid-in capital (%)	198.04	106.41
	Net profit rate (%)	20.40	13.88
	After tax EPS (NTD)	13.85	7.77

(4) Status of R&D

The Company continuously deepens the technology R&D, other than discussing with the end customers about the design in aim to grasp the opportunities, the Company also has been dedicating itself in studying the key technologies and new production capabilities. Coupling of existing mature technologies, as well as adoption of latest developed new material, the Company has extended the technology to multiple compound production process and continued to develop new production processes. By actively investing in AI and other advanced equipment, the quality and output of products are greatly enhanced.

In terms of application, the Company has successfully developed a number of compound process technologies, such as fiber fabric and R&D of carbon fiber hot press integrating with injection molding process, laser engraving and spraying, and other compound process combination, to integrate the engineering plastic products for precision processing to replace metal parts and achieve the goal of lightweight and high-strength parts. In addition, the materials such as TPR, TPU and LSR are also widely used to improve the appearance and functions of products, such as waterproof and anti-slip. Meanwhile, the Company also promotes the insert molding technology of FPC and plastic parts to meet the precision manufacturing needs of electronic products.

The introduction of these technologies not only provides customers with more diversified, refined and functional product choices, but also improves process efficiency, reduces

subsequent processing costs, to further creates higher profit value, and lays the foundation for future competitive advantages.

2. 2025 Business Prospects

(1) Business strategy

- i. Increase the production capacity of Vietnam plant and accelerate vertical integration in response to the opportunity of order transfers
- ii. Introduce the environmentally friendly processes and use environmentally friendly materials to improve the Company's competitiveness as a green industry.
- iii. Accelerate the development of key strategic talent, and incorporate ESG performance into the performance reward/incentive system. In addition to strengthening human capital, it also improves the core competitiveness of the Company's sustainable operation.
- iv. Continue to effectively implement cost control, strive to create a higher shareholder value.

(2) Forecast of Sales Quantity and Its Basis

The Company took into the account the the overall external environmental changes and future developments in the estimation of future sales volume, based on which, the Company formulates with reference to past business operation, Company's current status and future development trend. As the Company does not disclose its 2024 financial forecast, the estimated sales volume shall not be disclosed.

(3) Policies on Production and Marketing

- i. Continue to improve production process capability and yield, and enhance cost control and inventory management.
- ii. Actively develop new market applications, expand product width, and maintain the market competitiveness.
- iii. Continue to expand global product lines and sales regions to reduce the operational risk of excessively concentrated product development.

3. Future Developing Strategies of Company

In face of the rapid changes and challenges of the domestic and international environment, the future development strategies are as follows:

- i. To respond to the reorganization of the global supply chain, the production base in Vietnam has been expanded, to meet the order shifting demands ◦
- ii. Improve the green manufacturing capabilities, to deepen and widen the core competitiveness of Company.

- iii. Continue the promotion of automated processes to improve efficiency and optimize manpower.
- iv. Deepen the compound process for the integration of the midstream and downstream industry chains to create comprehensive synergies and enhance the overall competitive advantages.

4. Impacts of the external competitive environment, regulatory environment, and the overall business environment

As the global economy enters 2025, countries will face multiple challenges, and the economic growth may slow down. According to the forecast of the United Nations, the global economic growth rate is expected to be 2.8% in 2025, indicating that the overall economic development will be stable, but the speed will slow down.

In the major economies, the US and China will still be the key drivers of global economic growth. However, the economic growth rate in the US may drop from 2.8% in 2024 to 1.9%, reflecting the impact of adjustment of monetary policies and changes in market demand. Meanwhile, China's economic growth is expected to drop slightly from 4.9% to 4.8%, mainly due to the impact of domestic demand adjustment and changes in the external trading environment. The EU, Japan and UK are expected to experience moderate economic recovery, but the growth rate is still affected by the global market volatility and policy adjustments.

In 2025, the Company stays prudent and conservative to embrace the future economic and politic changes, and continues to commit to the integration of group resources and organizations to improve internal efficiency and strengthen risk management to meet future challenges with a stable operating robustness. Moreover, the Company lay emphasis on the dynamics of the external competitive environment to respond to changes in the market environment and fully grasp the changes in relevant regulations. We stay prepared and take appropriate response measures to reduce the operational risks of future industry and overall environmental changes.

Once again, I thank each of our shareholder's support, trust and encouragement for the Company.

I wish you all

Healthy and well

Chairman

Chen, Piao-Fu

General Manager

Tsai, Chien-Sheng

2. Corporate Governance

2.1.1 Introduction of Board of Directors

2.1.1.1 Director & Supervisor

As of 03/31/2025

Title	Nationality	Name	Gender / Age	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with Number of the Concerned Person			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Jin Hong Investment Limited	-	6/15/2022	6/15/2022	3	3,600,000	5.74%	3,600,000	5.71%	0	0%	0	0%	—	—	—	—	—	—
	R.O.C	Rep.: Chen, Piao-Fu	Male 61 70 Age	12/26/2008	6/15/2022	3	0	0%	222,682	0.35%	118,708	0.19%	1,880,621	2.98%	Lee-Ming College of Technology QC supervisor of Sampo Corporation QC Assistant Manager of Dixing Industrial Co., Ltd.	Chairman of Nishoku Technology Inc. Chairman of SAME START LIMITED Chairman of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Chairman of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic Electronic Co., Ltd Director of SUN NICE LIMITED(B.V.I)	None	None	None	None
Director	R.O.C	Heng Sheng Investment Limited	-	12/26/2008	6/15/2022	3	2,263,956	3.61%	2,263,956	3.59%	0	0%	0	0%	—	—	—	—	—	—
	R.O.C	Rep.: Tsai, Chien-Sheng	Male 51 60 Age	12/26/2008	6/15/2022	3	0	0%	1,202,130	1.91%	31,805	0.05%	4,500,000	7.14%	EMBA, Institute of Management, National Taiwan University Engineering Supervisor of Dixing Industrial Co., Ltd.	President of Nishoku Technology Inc. Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Chairman of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Director of Nishoku Technology Vietnam Co., Ltd. Chairman of Kunshan Nishoku Plastic	Director	Wu, Ying-Lan	Spouse	None
Director	R.O.C	Cyuan Guan Investment Limited	-	12/26/2008	6/15/2022	3	1,855,308	2.96%	1,855,308	2.94%	0	0%	0	0%	—	—	—	—	—	—

Title	Nationality	Name	Gender / Age	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with Number of the Concerned Person			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
	R.O.C	Rep.: Chang, Wen-Hsien	Male 61 70 Age	12/26/2008	6/15/2022	3	0	0%	117,309	0.19%	9,316	0.01%	4,050,000	6.43%	Ta Hwa Technical College Manufacturing Supervisor of Dixing Industrial Co., Ltd.	Executive Vice President of Nishoku Technology Inc. Supervisor of Nishoku Boueki Co., Ltd. Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic ElectronicCo., Ltd Director of SUN NICE LIMITED(B.V.I)	None	None	None	None
Director	R.O.C	Ji Teng Investment Limited	-	6/15/2022	6/15/2022	3	4,500,000	7.18%	4,500,000	7.14%	0	0%	0	0%	—	—	—	—	—	
	R.O.C	Rep.: Wu, Ying-Lan	Female 51 60 Age	6/18/2019	6/15/2022	3	0	0%	31,805	0.05%	1,202,130	1.91%	4,500,000	7.14%	Ming Chuan College Chairman of Nishoku Boueki Co., Ltd.	Chairman of Nishoku Boueki Co., Ltd. Vice President of Nishoku Technology Inc. Supervisor of Ji Teng Investment Limited	Director	Tsai, Chien-Sheng	Spouse	None
Director	R.O.C	Jhan Yu Investment Limited	-	12/26/2008	6/15/2022	3	2,683,082	4.28%	2,683,082	4.26%	0	0%	0	0%	—	—	—	—	—	
	R.O.C	Rep.: Hsieh, Hsin-I	Male 41 50 Age	1/29/2019	6/15/2022	3	0	0%	47,968	0.08%	38,400	0.06%	4,736,000	7.51%	MBA of International University of Monaco Sales of Spring Machinery Company	Principal of Zhanyu Investment Co., Ltd. Principal of Ji Teng Investment Co., Ltd Company	None	None	None	None
Director	R.O.C	Chang Shun Investment Limited	-	6/18/2019	6/15/2022	3	2,705,932	4.32%	2,705,932	4.29%	0	0%	0	0%	—	—	—	—	—	
	R.O.C	Rep.: Fan, Chia-Wen	Female 41 50 Age	6/18/2019	6/15/2022	3	0	0%	194,409	0.31%	0	0%	0	0%	EMBA of Chang Gung University Flight attendants of EVA Air	CFO of Changshun Investment Co., Ltd	None	None	None	None

Title	Nationality	Name	Gender / Age	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with Number of the Concerned Person			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C	Lin, Horng Chang	Male 51 60 Age	6/18/2019	6/15/2022	3	0	0%	0	0%	0	0%	0	0%	MBA of George Washington University EMBA, Institute of Management, National Taiwan University Financial Senior Manager and Spokesman of Senao International Co., Ltd CFO of HEALTHCONN CORP.	CEO of PHARMIGENE, INC. Director of GREENYN BIOTECHNOLOGY CO., LTD Independent Director of COPLUS INC. Independent Director of TOPLUS GLOBAL CO., LTD.	None	None	None	None
Independent Director	R.O.C	Wang, Chih-Cheng	Male 61 70 Age	6/15/2022	6/15/2022	3	0	0%	0	0%	0	0%	0	0%	EMBA, Institute of Management, National Taiwan University GM of INVENTEC CORPORATION	President, PWM Consultancy Inc. Independent Director of PROVISION INFORMATION CO., LTD.	None	None	None	None
Independent Director	R.O.C	Tsai, Chih-Chieh	Male 51 60 Age	6/15/2022	6/15/2022	3	0	0%	0	0%	0	0%	0	0%	MBA, National Taipei University Electrophysics, National Chiao Tung University Chairman of SAN FAR PROPERTY LIMITED. Chairman of WitsLight Technology Corporation Limited (Samoa) Executive Vice President, Lung Yang Venture Capital (Yulong Group) President of GLOBAL VIEW CO., LTD. Director of GLOBAL VIEW CO., LTD	CPA of Jianda United Accounting Chairman of Jaydon Production and Economic Consultancy Inc. Chairman of Oneness Green Technology Co., Ltd. Independent Director of Silergy Corp. Independent Director of Success Prime Corporation. Director of SUNPLUS TECHNOLOGY CO., LTD. Supervisor of TAI FU INTERNATIONAL NETWORK CO., LTD.	None	None	None	None

Note 1 Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto

2.1.1.2 Director、Supervisor Major Shareholders of the Major Shareholders that are Juridical Persons：

2.1.1.2.1 Major Shareholders of the Institutional Shareholders

As of 03/31/2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
Jin Hong Investment Limited	Chen, Piao-Fu (86%)
Heng Sheng Investment Limited	LEADING PIONEER CO., LTD. (100%)
Cyuan Guan Investment Limited	STAR GATE CO., LTD. (100%)
Ji Teng Investment Limited	Wu, Ying-Lan (60%)
Jhan Yu Investment Limited	PAN OCEAN INTERNATIONAL CO., LTD.(100%)
Chang Shun Investment Limited	Quansheng Investment Co., Ltd(100%)

2.1.1.3Major Shareholders of the Major Shareholders that are Juridical Persons

As of 03/31/2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
LEADING PIONEER CO., LTD.	FAMOUS DRAGON LIMITED.(100%)
STAR GATE CO., LTD.	ELITE ALLY LIMITED.(100%)
PAN OCEAN INTERNATIONAL CO., LTD.	ADVANCE SUCCESS INTERNATIONAL LIMITED.(100%)
Quansheng Investment Co., Ltd	CFC Limited(100%)

2.1.1.4 Professional Qualifications and Independence Analysis of the Board Directors

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Jin Hong Investment Limited Rep.: Chen, Piao-Fu (Director)</p>	<ul style="list-style-type: none"> • Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. • Currently serving as Chairman and Chief Strategy Officer of the Company, Chairman of SAME START LIMITED Chairman of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Chairman of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic ElectronicCo., Ltd Director of SUN NICE LIMITED(B.V.I) • Directors in the past • None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<p>Not applicable.</p>	<p>None</p>
<p>Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng (Director)</p>	<ul style="list-style-type: none"> • Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. • Currently serving as President of the Company, Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Chairman of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Director of Nishoku Technology Vietnam Co., Ltd. Chairman of Kunshan Nishoku Plastic ElectronicCo., Ltd. Chairman of SUN NICE LIMITED(B.V.I) • Directors in the past • None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<p>Spouse of the representatives of Ji Teng Investment Limited, Wu, Ying-Lan, but no exceeding half of the board members.</p>	<p>None</p>

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien (Director)	<ul style="list-style-type: none"> • Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. • Currently serving as Executive Vice President of the Company; Supervisor of Nishoku Boueki Co., Ltd. Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic ElectronicCo., Ltd Director of SUN NICE LIMITED(B.V.I) • Directors in the past • None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	Not applicable.	None
Ji Teng Investment Limited Rep.: Wu, Ying-Lan (Director)	<ul style="list-style-type: none"> • Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. • Currently serving as Vice President of the Company, Chairman of Nishoku Boueki Co., Ltd. Supervisor of Ji Teng Investment Limited. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	Spouse of the representatives of Heng Sheng Investment Limited, Wu, Ying-Lan, but no exceeding half of the board members.	None
Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I (Director)	<ul style="list-style-type: none"> • Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as Principal of Zhanyu Investment Co., Ltd. Principal of Ji Teng Investment Co., Ltd • None of the circumstances in the subparagraphs of Article 30 of the Company Act. • 	Not applicable.	None

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang Shun Investment Limited Rep.: Fan, Chia-Wen (Director)	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as CFO of Chang Shun Investment Limited None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	Not applicable.	None
Lin, Horng-Chang (Independent Director)	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as The Convener of the Company's Audit Committee, CEO of PHARMIGENE, INC. Director of GREENYN BIOTECHNOLOGY CO., LTD Independent Director of COPLUS INC. Independent Director of TOPLUS GLOBAL CO., LTD. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<ul style="list-style-type: none"> Independent director' conformity to the independence requirement If the independent director, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution having specific relationship with the Company Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company. 	2
Wang, Chih-Cheng (Independent Director)	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as the president of PWM Consultancy Inc., The Convener of the Company's Remuneration Committee, independent director of Provision Information Co., Ltd. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<ul style="list-style-type: none"> Independent director' conformity to the independence requirement If the independent director, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution having specific relationship with the Company Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company. 	1
Tsai, Chih-Chieh (Independent Director)	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as CPA of Jianda United Accounting, The Convener of the Company's Sustainable Development and Risk 	<ul style="list-style-type: none"> Independent director' conformity to the independence requirement If the independent director, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution 	2

Name \ Criteria	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
	Management Committee, Chairman of Jaydon Production and Economic Consultancy Inc. Chairman of Oneness Green Technology Co.,Ltd. Independent Director of Silergy Corp. Independent Director of Success Prime Corporation. Director of SUNPLUS TECHNOLOGY CO., LTD. Supervisor of TAI FU INTERNATIONAL NETWORK CO., LTD. <ul style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act 	having specific relationship with the Company <ul style="list-style-type: none"> Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company. 	

II. The board of directors' diversity and independence:

1. Specific management targets for the diversity policy

To enhance the corporate governance, and promote the healthy development of the composition and structure of the board of directors, the Company amended Article 20 of the "Corporate Governance Best Practice Principles" to adjust the diversity guidelines. The policy indicates that the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Gender, age, nationality, and culture.
- (2) Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors, as a whole, shall possess the following abilities:

- (1) The ability to make judgments about operations.
- (2) Accounting and financial analysis ability.
- (3) Business management ability.
- (4) Crisis management ability.

- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

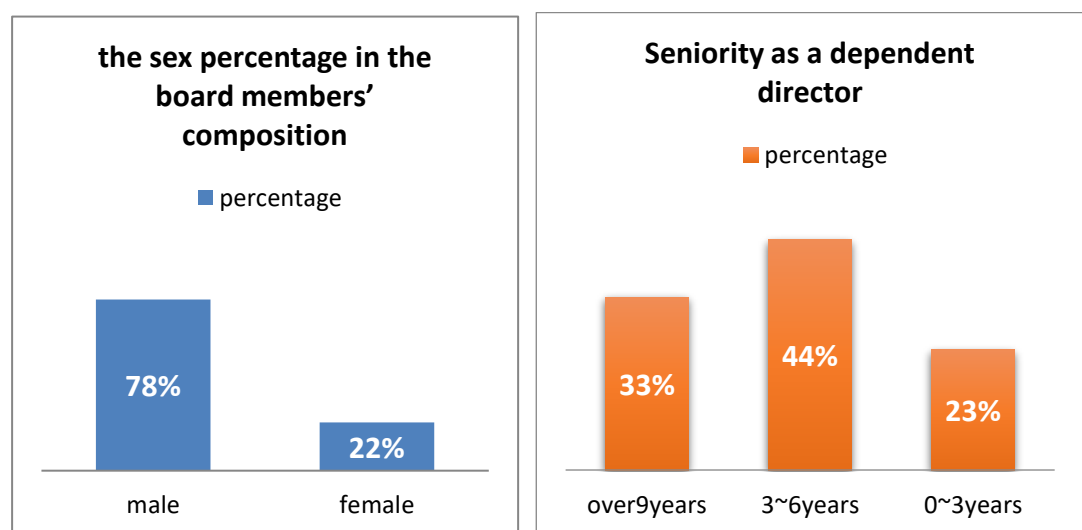
2. Implementation of the board members' diversity policy

The current board consists of nine directors, including six directors and three independent directors; among them, two are female. The independent directors are conformed to the qualifications of independent directors required by the Securities and Futures Bureau, Financial Supervisory Commission.

Each board member possesses the rich experience and expertise in finance, commerce, management, and industry.

All board members are Taiwanese. In terms of composition and structure, directors are also the employees of the Company for 45%; independent directors accounted for 33%; two female directors accounted for 22%; two directors are younger than 50 years old, three between 51-60 years old, and four are 61-70 years old. The Company also emphasizes the gender equality in the composition of the Board of Directors. In 2025, as the term of the 15th Board of Directors expired, the Company sought to enhance board diversity during the nomination process for director candidates. However, suitable talent aligned with the Company's industry characteristics has not yet been identified. The Company expects to recruit appropriate candidates during the next board re-election to achieve the goal of board member diversity.

The average number of terms of the current independent directors have not yet reached three. Independent director Lin, Horng-Chang was reappointed for the second term, and independent directors Wang, Chih-Cheng and Tsai, Chih-Chieh are all new independent directors in 2022.



Board member diversity status:

The current Board of Directors consists of 9 directors who have practical experience in corporate management of listed companies, and all of them have leadership and decision-making, crisis management and international market perspective. In addition, three of the independent directors, Lin, Horng-Chang, who used to be the chief financial officer of a listed company, Wang, Chih-Cheng, who used to be the general manager of a listed company, and Tsai, Chih-Chieh, who is a certified public accountant, have expertise in financial accounting, industry knowledge, and operational judgment. The other six non-independent directors, Chen, Piao-Fu, Chairman; Tsai, Chien-Sheng, Director; Wu, Ying-Lan, Director; Chang, Wen-Hsien, Director, have held key management positions as chairman or general manager or vice president of listed companies and have decades of experience in operations and management. Directors Hsieh, Hsin-I and Fan, Chia-Wen have experience in the hotel, traditional manufacturing and investment industries, and all of the above directors have expertise in marketing, management, industry knowledge and operational judgment, all directors mentioned above possess professional capabilities in marketing, business management, industry knowledge, and operational judgment. In addition to having fundamental qualifications and professional expertise, directors contribute to the supervision and decision-making in corporate governance, environmental sustainability, corporate social responsibility, legal compliance, and human rights protection through the operation of various functional committees.

The basic composition of the Board of Directors is as follows:

Item Director Name	Basic composition						Professional background					Professional knowledge and skills				
	Nationality	Sex	Employee of the Company	Age			Seniority as an independent director	Accounting/Finance	Law	Hotel/tourism	Technology and electronics	Manufacturing	The ability to make judgments about operations.	Decision-making ability.	Knowledge of the industry.	Crisis management ability.
				41-50	51-60	61-70										
Chen, Piao-Fu	ROC	Male	⊙			⊙						⊙	⊙	⊙	⊙	⊙
Tsai, Chien-Sheng	ROC	Male	⊙			⊙						⊙	⊙	⊙	⊙	⊙
Chang, Wen-Hsien	ROC	Male	⊙			⊙						⊙	⊙	⊙	⊙	⊙

Wu, Ying-Lan	ROC	Female	◎		◎					◎				◎	◎	◎	◎	◎
Hsieh, Xin-Yi	ROC	Male		◎										◎	◎	◎	◎	◎
Fan, Chia-Wen	ROC	Female		◎						◎		◎		◎	◎	◎	◎	◎
Lin, Horng- Chang	ROC	Male			◎			◎		◎		◎	◎	◎	◎	◎	◎	◎
Wang, Chih-Cheng	ROC	Male				◎	◎						◎	◎	◎	◎	◎	◎
Tsai, Chih-Chieh	ROC	Male			◎		◎			◎			◎	◎	◎	◎	◎	◎

3. The board of directors' independence:

The election procedures of all directors are open and just, complying with the “Articles of Incorporation,” the “Procedures for Election of Directors,” the “Corporate Governance Best Practice Principles,” the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and “Article 14-2 of the Securities and Exchange Act.” The current board consists of nine directors, including six directors and three independent directors. The independent directors accounted for 33%. As of the end of 2024, all independent directors complied with the regulations related to the independent directors by the Securities and Futures Bureau, Financial Supervisory Commission; between directors and independent directors, there is no circumstance provided in paragraph 3 and 4 of Article 26-3, the Securities and Exchange Act.

Among the directors, the representatives of Heng Sheng Investment Limited, Tsai, Chien-Sheng and Ji Teng Investment Limited, Wu, Ying-Lan are couples, but no exceeding half of the board members.

In nutshell, the board of directors of the Company is independent.

2.1.2 Introduction of the Management Team

As of 03/31/2025

Title	Nationality	Name	Gender	On-board Date	Current Shareholding (Note)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with Number of the Concerned Person			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Strategy Officer	R.O.C	Chen, Piao-Fu	Male	12/27/2011	222,682	0.35%	118,708	0.19%	1,880,621	2.98%	Lee-Ming College of Technology Chairman of Nishoku Technology Inc.	Chairman of Nishoku Technology Inc. Chairman of SAME START LIMITED Chairman of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Chairman of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic ElectronicCo., Ltd Director of SUN NICE LIMITED(B.V.I)	None	None	None	N.A.
President	R.O.C	Tsai, Chien-Sheng	Male	3/1/2007	1,202,130	1.91%	31,805	0.05%	4,500,000	7.14%	EMBA of National Taiwan University President of Nishoku Technology Inc.	resident of Nishoku Technology Inc. Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Chairman of SUN NICE LIMITED(SAMOA) Director of Nishoku Boueki Co., Ltd. Director of Nishoku Technology Vietnam Co., Ltd. Chairman of Kunshan Nishoku Plastic ElectronicCo., Ltd. Chairman of SUN NICE LIMITED(B.V.I)	Vice President	Wu, Ying-Lan	Spouse	
Executive Vice President	R.O.C	Chang, Wen-Hsien	Male	1/1/2008	117,309	0.19%	9,316	0.01%	4,050,000	6.43%	Ta Hwa Technical College Executive Vice President of Nishoku Technology Inc. President of Kunshan Nishoku Plastic ElectronicCo., Ltd.	Executive Vice President of Nishoku Technology Inc. Supervisor of Nishoku Boueki Co., Ltd. Director of SAME START LIMITED Director of Nishoku Hong Kong Holding Limited Director of SUN NICE LIMITED(SAMOA) Director of Nishoku Technology Vietnam Co., Ltd. Director of Kunshan Nishoku Plastic ElectronicCo., Ltd Director of SUN NICE LIMITED(B.V.I)	None	None	None	
Vice President	R.O.C	Wu, Ying-Lan	Female	1/1/2021	31,805	0.05%	1,202,130	1.91%	4,500,000	7.14%	Ming Chuan College Chairman of Nishoku Boueki Co., Ltd. VP of Nishoku Technology Inc.	Chairman of Nishoku Boueki Co., Ltd. Vice President of Nishoku Technology Inc. Supervisor of Ji Teng Investment Limited	Director	Tsai, Chien-Sheng	Spouse	
Assistant vice president	R.O.C	Lin, Tzu-Husan	Female	5/1/2010	24,400	0.04%	0	0%	0	0%	Master degree in Accounting, National Taipei University Manager of Alchip Technologies, Limited Assistant Manager of Deloitte.	Accounting Supervisor of Nishoku Boueki Co., Ltd. Accounting Supervisor of Same Start Ltd.(Anguilla) Accounting Supervisor of Nishoku Hong Kong Holding Limited	None	None	None	

Title	Nationality	Name	Gender	On-board Date	Current Shareholding (Note)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with Number of the Concerned Person			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
												Accounting Supervisor of Sun Nice Ltd. (Samoa) Accounting Supervisor of Sun Nice Ltd. (B.V.I.)				
Senior Manager	R.O.C	Cheng, Chao-Ming	Male	6/27/2017	18,000	0.03%	0	0%	0	0%	Bachelor degree of National Taipei University of Technology Engineering dep. Of Kuang Wu Industry and Commerce Junior College Manager of Nishoku Plastic Mold (Shenzhen) Co., Ltd. Xiamen, Jien Tyen Industry Co., Ltd., manufacturing manager.	None	None	None	None	

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

2.2 Remuneration and Compensation Paid to Directors, the President, and Vice President

2.2.1 Remuneration Paid to Director

As of 12/31/2024 , Unit : NTD thousand ; %

Title		Name	Remuneration								Total remuneration (A+B+C+D) as a % of net income		Compensation Earned by a Director Who is an Employee of Pegatron or its Consolidated Entities								Total remuneration (A+B+C+D+E+F+G) as a % of net income		Compensation paid to directors from non-consolidated affiliates
			Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee Compensation (G)						
			From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	Cash	Stock	Cash	Stock	From Pegatron	From all consolidated entities	
Director	Chairman	Jin Hong Investment Limited	0	0	0	0	8,010	8,010	360	360	0.96%	0.96%	26,766	26,766	324	324	12,460	0	12,460	0	5.51%	5.51%	0
	Rep	Chen, Piao-Fu																					
	Director	Heng Sheng Investment Limited																					
	Rep	Tsai, Chien-Sheng																					
	Director	Cyuan Guan Investment Limited																					
	Rep	Chang, Wen-Hsien																					
	Director	Ji Teng Investment Limited																					
	Rep	Wu, Ying-Lan																					
	Director	Jhan Yu Investment Limited																					
	Rep	Hsieh, Hsin-I																					
	Director	Chang Shun Investment Limited																					
Rep	Fan, Chia-Wen																						
Independent Director	Independent Director	Lin, Horng-Chang	0	0	0	0	4,065	4,065	210	210	0.49%	0.49%	0	0	0	0	0	0	0	0.49%	0.49%	0	
	Independent Director	Wang, Chih-Cheng																					
	Independent Director	Tsai, Chih-Chieh																					
1. Please describe the independent directors' remuneration policy, system, standards, and structure, and explain the factors including the independent directors' duties, risks, and invested time connecting to the remuneration amount: The Company's distribution of remuneration to employees is according to the provisions stipulated in Article 20 in the Articles of Incorporation.																							

In case the Company has yearly profit, at least 1% shall be appropriated as staff reward and less than 5% as rewards for directors and supervisors. In case the company has accumulative losses (including adjusted unappropriated earnings), reserve shall be made as remuneration.

The Company's remuneration to independent directors is handled in accordance with the Company's Articles of Incorporation. After the Remuneration Committee has been established on April 25, 2011, related remuneration motions are proposed by the Remuneration Committee and are implemented after being discussed by the Board of Directors. Remuneration to independent directors is determined by the duties, risks, time invested and contribution carried out by them. The Company takes references from related results of the performance evaluation conducted each year and usual standards of peers in the same industry. After being reviewed by the Remuneration Committee, it will be determined by the Board of Directors and it may not exceed the amount stipulated in the Company's Articles of Incorporation. As summarized above, the Company's policy of remuneration to independent directors and procedures for remuneration determination are positively linked to the management performance. The Company also reviews the remuneration system in a timely manner according to the actual operating situation and applicable acts and regulations, in order to balance the Company's sustainable management and risk control. The Company has established Board Performance Evaluation Procedures and regularly conducts self-evaluations of the Board and individual directors annually. Besides internal assessments, the Company also engages external evaluation institutions at least once every three years to conduct formal board performance evaluations. The reasonableness of performance evaluations and compensation is reviewed by the Remuneration Committee and the Board of Directors.

2. Remuneration received by directors for providing service to any company included in the financial statements (Such as serving as a consultant to all non-employees of the parent company/financial report of all companies/reinvested enterprises, etc.) in the last year: None.

Note 1 : Pursuant to Article 20 of the Company's Articles of Incorporation, in circumstances where the Company has an annual profit, the Company shall appropriate remuneration of no less than 1% and no higher than 5% to employees and directors, respectively.

Range of Remunerations for Directors

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	The company Companies in the financial report	The company	The company Companies in the financial report
Below NT\$ 1,000,000				
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)	Jin Hong Investment Limited Rep.: Chen, Piao-Fu 、Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng 、Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien 、Ji Teng Investment Limited Rep.: Wu, Ying-Lan 、Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I 、Chang Shun Investment Limited Rep.: Fan, Chia-Wen 、Lin, Horng- Chang 、Wang, Chih-Cheng 、Tsai, Chih-Chieh	Jin Hong Investment Limited Rep.: Chen, Piao-Fu 、Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng 、Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien 、Ji Teng Investment Limited Rep.: Wu, Ying-Lan 、Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I 、Chang Shun Investment Limited Rep.: Fan, Chia-Wen 、Lin, Horng- Chang 、Wang, Chih-Cheng 、Tsai, Chih-Chieh	Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I 、Chang Shun Investment Limited Rep.: Fan, Chia-Wen 、Lin, Horng- Chang 、Wang, Chih-Cheng 、Tsai, Chih-Chieh	Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I 、Chang Shun Investment Limited Rep.: Fan, Chia-Wen 、Lin, Horng- Chang 、Wang, Chih-Cheng 、Tsai, Chih-Chieh
NT\$2,000,000(Included) ~ NT\$3,500,000(Excluded)				
NT\$3,500,000(Included) ~ NT\$5,000,000(Excluded)				

NT\$5,000,000(Included) ~ NT\$10,000,000(Excluded)				
NT\$10,000,000(Included) ~ NT\$15,000,000(Excluded)			Jin Hong Investment Limited Rep.: Chen, Piao-Fu 、 Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng、Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien 、 Ji Teng Investment Limited Rep.: Wu, Ying-Lan	Jin Hong Investment Limited Rep.: Chen, Piao-Fu 、 Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng 、 Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien 、 Ji Teng Investment Limited Rep.: Wu, Ying-Lan
NT\$15,000,000(Included) ~ NT\$30,000,000(Excluded)				
NT\$30,000,000(Included) ~ NT\$50,000,000(Excluded)				
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)				
Over NT\$100,000,000				
Total	9	9	9	9

2.2.2. Remuneration Paid to Supervisor : The company has set up an audit committee to Replace the supervisors so it is not applicable.

2.2.3 Compensation Paid to President and Vice President

3.3.3.1 Compensation Paid to President and Vice President

12/31/2024, Unit: NT\$; %

Title	Name	Salary(A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total remuneration (A+B+C+D) as a % of net income		Compensation paid to directors from non-consolidated affiliates
		From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron		From all consolidated entities		From Pegatron	From all consolidated entities	
								Cash	Stock	Cash	Stock			
Chief Strategy Officer	Chen, Piao-Fu	15,300	15,300	324	324	11,466	11,466	12,460	0	12,460	0	4.55%	4.55%	None
President	Tsai, Chien-Sheng													
Executive Vice President	Chang, Wen-Hsien													
Vice President	Wu, Ying-Lan													

Note 1: The Company's distribution of remuneration to employees is according to the provisions stipulated in Article 20 in the Articles of Incorporation.

In case the Company has yearly profit, at least 1% shall be appropriated as staff reward and less than 5% as rewards for directors and supervisors. In case the company has accumulative losses (including adjusted unappropriated earnings), reserve shall be made as remuneration.

Note 2: The policies, standards, and packages, the procedure for determining managerial officers' remunerations, and its linkage to operating performance and future risk exposure: the remunerations paid to the managerial officers are based on the functions, contributions, the Company's operating results of the year, while considering the future risks, deliberated by the Remuneration Committee, and resolved by the board of directors.

Remuneration Brackets Table

Bracket	Name of General Manager and Deputy General Manager	
	The company	The company Companies in the financial report E
Below NT\$ 1,000,000		
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)		
NT\$2,000,000(Included) ~ NT\$3,500,000(Excluded)		
NT\$3,500,000(Included) ~ NT\$5,000,000(Excluded)		
NT\$5,000,000(Included) ~ NT\$10,000,000(Excluded)		
NT\$10,000,000(Included) ~ NT\$15,000,000(Excluded)	Chen, Piao-Fu 、 Tsai, Chien-Sheng 、 Chang, Wen-Hsien 、 Wu, Ying-Lan	Chen, Piao-Fu 、 Tsai, Chien-Sheng 、 Chang, Wen-Hsien 、 Wu, Ying-Lan
NT\$15,000,000(Included) ~ NT\$30,000,000(Excluded)		

NT\$30,000,000(Included) ~ NT\$50,000,000(Excluded)		
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)		
Over NT\$100,000,000		
Total	4	4

2.2.3.2 Employee Profit Sharing Granted to Management Team

unit : Thousand shares; NT\$ thousand

	Position	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income(%)
Managers	Chief Strategy Officer	Chen, Piao-Fu	0	14,460	14,460	1.66%
	President	Tsai, Chien-Sheng				
	Executive Vice President	Chang, Wen-Hsien				
	Vice President	Wu, Ying-Lan				
	Assistant vice president	Lin, Tzu-Husan				
	Senior Manager	Cheng,Chao-Ming				

2.2.4 Compare and state the ratio of total remuneration paid to the Company's Directors, President and Vice Presidents by the company and the companies in the consolidated financial statements to net income in the past two years. Please also describe the policy, criteria, packages and rules relating to the remuneration, as well as its relation to business performance and future risks.

2.2.4.1 Total amount of remuneration as a percentage of net income in the parent company only and consolidated financial statements

Unit: NTD thousand; %

Year	2024				2023			
Title	Total Remuneration		Total amount of remuneration as a percentage of net income %		Total Remuneration		Total amount of remuneration as a percentage of net income %	
	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
Director	12,645	12,645	1.45%	1.45%	9,716	9,716	1.99%	1.99%
President& Vice president	39,550	39,550	4.55%	4.55%	32,828	32,828	6.74%	6.74%
Total	52,195	52,195	6.00%	6.00%	42,544	42,544	8.73%	8.73%

Note 1: The total remuneration for the President and Vice Presidents in 2024 increased compared to 2023 due to increased profitability in 2024. However, the ratio of total compensation to net income after tax in 2024 remains lower than the ratio in 2023.

2.2.4.2 Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks

(1) Policy, standard, and mix of the remunerations paid.

A. Directors

The Company's remuneration distribution to directors are in compliance with Article 20 of the Company's Articles of Incorporation, in circumstances where the Company has an annual profit, the Company shall appropriate remuneration of no less than 1% and no higher than 5% to employees and directors, respectively. However, the Company's accumulated losses shall first have been covered. It has been passed via a special resolution by the Board of Directors and submitted to the Shareholders Meeting.

The payment of remuneration depends on the degree of participation and contribution value of each director, and is determined according to the relevant results of the performance of directors regularly evaluated pursuant to the "Procedures for the Board of Directors Performance Evaluation" and the usual level of the industry, while taking into account the Company's overall operating performance, future risks in the industry and development trend, to give reasonable remuneration. The Chairman's performance is measured based on the results of annual operating indicators of the Company's operations, corporate governance and financial results of the Company, including at least but not limited to pre-tax net income, corporate governance evaluation, etc. , the said remunerations have been deliberated by the Remuneration Committee, and than resolved by the board of directors; the maximum set forth in the Articles of Incorporation must not be exceeded.

The following is a list of the key performance evaluation items and ratios for directors' remuneration. The relevant performance evaluation and remuneration rationality have been reviewed by the Remuneration Committee and the Board of Directors:

(1) Operating performance: Subject to the multiple considerations for the current year, such as the annual operating revenue growth rate, net income before tax growth rate, operating income growth rate, and return on equity, etc., which account for 60% of the overall evaluation.

(2) Sustainable performance: Subject to the multiple considerations, such as the Company's sustainability commitment goals including green product innovation, low-carbon manufacturing transformation, circular renewal economy, sustainable responsible procurement, occupational safety and health, etc., which account for 20% of the overall evaluation.

(3) External evaluation: Subject to the comprehensive considerations, such as the changes in the Company's corporate governance evaluation, which account for 10% of the overall evaluation.

(4) Peer level: Subject to the comprehensive considerations, such as the average remuneration to directors of TWSE/TPEX listed companies or peer companies, which account for 10% of the overall evaluation.

In conclusion, due to the significant increase in the operating revenue growth rate and net income before tax growth rate, the operating performance became better, and the sustainable performance achievement rate improved too. As a result, the directors' appraisal result improved compared to last year and the remuneration to directors increased

by 23% from last year, i.e. 3% of the net income after tax.

B. President and Vice President

The remunerations of the President 、the Vice Presidents and Managerial Officers are based on the various allowances and bonuses set forth in the “Management Regulations Governing Appointment and Remunerations of Managerial Officers,” and “Regulations for Wage Management” as the appreciation and rewards to employees for their efforts. The remuneration is divided into two major components: I. financial indicators that take into account the Company's annual operating performance, financial position and operational status, and the achievement of the manager's goals; II. non-financial indicators that take into account the individual's time commitment, responsibilities, performance of core management functions and other duties. The Company has also established a set of sustainable performance evaluation indicators for the senior managers (including the President and vice presidents). The indicators include the mitigation of climate change and adaptation to related goals (including greenhouse gas inventory and assurance completion rate of subsidiaries, and carbon reduction by 2% from the previous year), and promotion for the achievement of occupational safety and health goals, etc., accounting for 20% of the overall evaluation.

The performance evaluation is conducted pursuant to the “Management Regulations for Employee’s Performance Management and Appraisal;” its result are used as a reference for issuing managerial officers’ remunerations. The appraisal includes the results of project or task target execution (or including the achievement of KPI), core functions, and management performance (management functions), to calculate the remunerations for managerial officers’ performance. The said payments are determine after deliberated by the Remuneration Committee and resolved by the board of directors.

Where the Company has an annual profit, pursuant to Article 20 of the Company’s Articles of Incorporation, at least 1% shall be appropriated as employee remuneration”. However, the Company’s accumulated losses shall first have been covered.

C. The remuneration mix paid by this Company is determined pursuant to the Remuneration Committee Charter, including cash remuneration, stock options, bonus and share dividends, retirement benefits, or severance pay, various allowances and other measures with substantial rewards. Its scope should be consistent with the remuneration of directors and managerial officers as provided in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedure for determine remuneration

To regularly evaluate the remuneration of directors and managerial officers, the Company take the evaluation results pursuant to the “Procedures for the Board of Directors Performance Evaluation” and the “Management Regulations for Employee’s Performance

Management and Appraisal” applicable to managerial officers and employees as the basis.

The directors and managerial officers’ performance evaluation and the reasonableness of the remuneration are reviewed and evaluated regularly by the Remuneration Committee and the board of directors every year.

(3) Linkage to operating performance and future risk exposure.

The performance objectives of the managerial officers are integrated with “risk control,” to reduce the possible risks generated within the scope of responsibilities, and further manage the occurrence of risks. According to the results of actual performance, various human resources and remuneration policies are linked to. The key decisions of the current management are all made after measuring various risk factors, and the relevant decisions are reflected in the Company's profitability, while the remuneration of the management is related to the performance of its risk control.

In order to enhance the Company's ability to sustain its development and achieve long-term ESG goals, the Company, by connecting ESG performance with a high-level remuneration system, expects that the senior managers and full-time (part-time) unit managers in charge of the sustainable development and risk management can incorporate short-, mid- and long-term ESG goals into the factors taken into consideration in the investment decision making and adopt a phased reward mechanism to seek a balance between short-term interests and long-term goals, align operational performance with sustainable operations, and deepen the sustainable governance culture.

The remuneration policy for the President, vice presidents and other equivalent managers is based on the provisions of the Company's "Regulations Governing Management and Appraisal of Employees’ Performance.” Meanwhile, in reference to the Company's overall operating performance and linked ESG indicators, personal performance achievement rate and contribution to the Company's operations, as well as the market salary level, the Company pays reasonable remuneration. The actual amount of remuneration paid to directors and managers each year is reviewed by the Remuneration Committee and then resolved by the Board of Directors.

ESG key indicators for senior managers

Scope of indicator	Weight	Detail
Financial indicator	20%	The Company's financial performance and comparative industry performance, such as ROE, ranking of the ROE among peers, budget achievement, total assets, and revenue performance, etc.

Strategic indicator	50%	The goals developed by the Company based on its mid- and long-term strategies such as digital transformation, achievement of the sustainability commitment, and response and adaption to major topics.
Sustainability and internal control indicators	30%	The Company is committed to fulfilling the three major sustainability commitments, namely ethical corporate management, compliance with laws and regulations, and risk control, and fulfilling the ESG practices (including care for climate risks and promotion of the net zero concrete action indicator as 10%).
Management indicator	Additional items to be taken into consideration	Include the human resource indicators and promote the talent development and occupational safety and health.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in 2024. The directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B / A)	Remarks
Chairman	Jin Hong Investment Limited Rep.: Chen, Piao-Fu	6	0	100%	
Director	Heng Sheng Investment Limited Rep.: Tsai, Chien-Sheng	6	0	100%	
Director	Ji Teng Investment Limited Rep.: Wu, Ying-Lan	6	0	100%	
Director	Cyuan Guan Investment Limited Rep.: Chang, Wen-Hsien	6	0	100%	
Director	Jhan Yu Investment Limited Rep.: Hsieh, Hsin-I	6	0	100%	
Director	Chang Shun Investment Limited Rep.: Fan, Chia-Wen	6	0	100%	
Independent Director	Lin, Horng-Chang	6	0	100%	
Independent Director	Wang, Chih-Cheng	6	0	100%	
Independent Director	Tsai, Chih-Chieh	6	0	100%	

Other issues to be recorded:

1.If operation of the Board of Directors encounters one of the following circumstances, the date, session of the board meeting, content of the proposal, opinions of all Independent Directors, and the Company's handling of the aforementioned opinions should be clarified:

1) Article 14(3) of the Securities and Exchange Act:

The company has set up an audit committee, in accordance with the Article 14-5 of the Securities and Exchange Act so it is not applicable the Article 14-3 of the Securities and Exchange Act

2) Except for the preceding items, other resolutions expressed disapproval or reservations by Independent Directors through written statements or records: None.

2.In implementation of avoidance of conflict of interest for certain proposals, the names of the Directors, content of the proposals, reasons for the recusal, and the participation in the voting were clarified as follows:

1. February 29, 2024 (1st board meeting in 2024)

(1) Discussion of the proposal to distribute the directors' remunerations: the proposal was voted for each director's remuneration individually; the concern director recused him/herself due to conflict of interest, not participating the discussion and voting.

(2) Discussion of the proposal to distribute the managerial officers' remunerations: the Chairman, Chen, Piao-Fu, and Directors Tsai, Chien-Sheng, Chang, Wen-Hsien, and Wu, Ying-Lan will receive the remunerations; therefore they recused themselves due to

conflict of interest, not participating the discussion and voting.

2. February 27, 2025 (1st board meeting in 2025)

- (1) Discussion of the proposal to distribute the directors' remunerations: the proposal was voted for each director's remuneration individually; the concern director recused him/herself due to conflict of interest, not participating the discussion and voting.
- (2) Discussion of the proposal to distribute the managerial officers' remunerations: the Chairman, Chen, Piao-Fu, and Directors Tsai, Chien-Sheng, Chang, Wen-Hsien, and Wu, Ying-Lan will receive the remunerations; therefore they recused themselves due to conflict of interest, not participating the discussion and voting.

3. TWSE/TPEX Listed Companies should disclose information including the evaluation cycle and period, evaluation scope, method and evaluation content of the Board's self (or peer) evaluation and the Evaluation of the Board of Directors in Attachment should be filled in:

Nature	Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Board of Directors			Entire board of directors and individual board members	The performance evaluation is conducted internally, with the Finance and Accounting Department responsible for implementation. The evaluation is carried out through internal questionnaires, assessing the operation of the Board of Directors, directors' participation, and the functioning of the Remuneration Committee, Audit Committee, and Sustainability Development and Risk Management Committee. The results of the above performance evaluations serve as reference for the selection or nomination of directors, and the performance evaluation results of directors and functional committee members are used as reference for determining their individual compensation.	The measurement items for the performance evaluation of the board of directors of the Company include the following five major aspects: 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. The measurement items for the self-evaluation of the members of the board of directors include the following six major aspects: 1. Alignment of the goals and mission of the company; 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control.
Functional committees	Executed once a year	2024.01.01~2024.12.31	Audit Committee		The measurement items for the internal self-evaluation of the Audit committee and self-evaluation of members thereof include the following five major aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the Audit committee; 3. Improvement of quality of decisions made by the Audit committee; 4. Composition of the Audit committee and election of its members; and 5. Internal control.
			Remuneration Committee		The measurement items for the internal self-evaluation of the Remuneration committee and self-evaluation of members thereof include the following five major aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the Remuneration committee; 3. Improvement of quality of decisions made by the Remuneration committee; 4. Composition of the Remuneration committee and election of its members; and 5. Internal control.
			Sustainable Development and Risk Management Committee		The measurement items for the internal self-evaluation of the Sustainable Development and Risk Management Committee and self-evaluation of members thereof include the following five major aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the Sustainable

					Development and Risk Management Committee; 3. Improvement of quality of decisions made by the Sustainable Development and Risk Management Committee; 4. Composition of the Sustainable Development and Risk Management Committee and election of its members; and 5. Internal control.
<p>The 2024 evaluation result conducted by the Board in accordance with the Regulations Governing the Board Performance Evaluation is as follows; it has been determined by the review of the Company's Remuneration Committee on January 20, 2025 then is submitted to the Board of Directors meeting on February 27, 2025.</p> <p>Evaluation period: January 1, 2024 - December 31, 2024</p> <p>(a) The total evaluation score for the Board is 100 points and the evaluation result is 99.09</p> <p>(b) The total evaluation score for the Board members is 100 points and the evaluation result is 98.74.</p> <p>(c) The total score of each functional committee is 100 points, and the scoring results are as follows:</p> <p>(1) Remuneration committee, result is 100</p> <p>(2) Audit Committee, result is 100</p> <p>(3) Sustainable Development and Risk Management Committee, result is 100</p> <p>Regarding the aforementioned evaluation result:</p> <p>1. Entire board of directors - The board of directors performance evaluation indicators include five major aspects for a total 45 indicators, and the evaluation result is: Excellent (99.09) The board members and operation status are relative mature. In addition to certain level of understanding on the operation of the management team, all of the board members are able fulfill their supervisory responsibilities as directors, thereby complying the implementation standard for corporate governance.</p> <p>2. Individual board member - The board member performance evaluation indicators include six major aspects for a total of 23 indicators, and the evaluation result is: Excellent (98.74), indicating that each director receives positive evaluation result in the operation efficiency and effect for all indicators.</p> <p>3. The performance evaluation indicators for each functional committee cover five major dimensions, with the Remuneration Committee having 20 indicators, the Audit Committee having 23 indicators, and the Sustainability Development and Risk Management Committee having 21 indicators.</p> <p>(1) Remuneration committee, result is "Excellent" (100)</p> <p>(2) Audit Committee, result is "Excellent" (100)</p> <p>(3) Sustainable Development and Risk Management Committee, result is "Excellent" (100)</p> <p>The Audit Committee、Remuneration Committee and Sustainable Development and Risk Management Committee are composed of professionals and are actively engaged in the operation and internal relationship management of the Company, indicating the complete and thorough operation of the functional committees.</p> <p>4. Measures the objectives to strengthen the functionality of the Board and execution status in the current year and the recent years:</p> <p>(1) The Company's members of the Board of Directors attach great importance to the elements of diversification. The term of the Board of Directors expired on June 15, 2022; fully new directors were appointed by the election, 2 female directors were newly elected who have different professional backgrounds in terms of knowledge, skills and industries needed for the position. The 2 directors take in reports discussed by the management team on the Board of Directors meeting and offer guidance and suggestions while maintaining sound communication with the management team, creating best interests for shareholders. In 2024, the Company held a total of 6 Board of Directors meetings which is in compliance with the provisions stipulated in the Rules and Procedures for Board Meetings that at least one meeting shall be conducted each quarter. Important motions are publicly announced on</p>					

- the MOPS in accordance with the law so as to make the information public.
- (2) Create a good board governance system of the Company; strengthen the functions of supervision and management mechanism which meet the Company's Board Meeting rules. The Audit Committee was established in 2019.
 - (3) On June 30, 2020, the Company appointed, upon the resolution of the board of directors, Assistant Vice President Tzu-Hsuan Lin of Financial and Accounting Division, as the Corporate Governance Officer. She holds both accountant qualification in Taiwan and the U.S, and has served as an officer in a public company for accounting, financial, shareholder services and affairs related to corporate governance for more than 3 years, so she is qualified as required by laws and regulations.
 - (4) In 2021, the revised "Measures for Board Performance Evaluation" is in line with the current practice, and it is specified that the evaluation should be carried out by an external professional independent organization or an external team of experts and scholars at least once every three years ; The Company first engaged an external institution to conduct a Board of Directors performance evaluation in 2021. As the three-year cycle was completed in 2024, the Company commissioned the Taiwan Corporate Governance Association, an external institution, in March 2024 to conduct a Board of Directors performance evaluation. The evaluation period was from April 1, 2023, to March 31, 2024. The report was issued on June 7, 2024. Considering timeliness, the Company first presented the external evaluation results to the Board of Directors on July 31, 2024, and subsequently reported to the Remuneration Committee on January 20, 2025. The 2024 external Board of Directors performance evaluation can be found on the Company's website at <https://www.nishoku.com.tw/zh-TW/Investor/Governance> under 'Board of Directors (Internal and External) Performance Evaluation Results.'
 - (5) On June 27, 2024, in accordance with Article 9 of the Company's 'Sustainable Development Best Practice Principles' and Article 4 of the 'Organizational Regulations of the Sustainability Development and Risk Management Committee,' and with reference to Article 10 of the 'Risk Management Best Practice Principles for TWSE/TPEX Listed Companies,' the Board of Directors approved the establishment of the Sustainability Development and Risk Management Committee. The committee consists of 3 independent directors and 2 directors as members, assisting the Board in promoting ESG sustainability and risk management to enhance corporate governance and drive and supervise the implementation of corporate sustainability policies.

2.3.2 Operation status of the Audit Committee or participation of the supervisors in the operation of the Board:

In addition to performing the duties of a supervisor as provided for in relevant laws and regulations, the Audit Committee of the Company aims to assist the Board of Directors in fulfilling its duties of supervising the proper presentation of the Company's financial statements, the selection (dismissal) and independence and performance of the certifying accountants, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the control of the Company's existing or potential risks.

The main review matters for the Audit Committee of this year includes

- Review quarterly financial statements

- Establish or amend internal control system and relevant important procedures
- Review the effectiveness of the internal control system
- A material monetary loan, endorsement, or provision of a guarantee.
- The hiring, discharge, or compensation of an attesting CPA.
- Business report and proposal for distribution of profit or covering losses.

2.3.2.1 Audit Committee :

A total of 6 (A) meetings of the audit committee were held in 2024. The independent directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B / A)	Remarks
Independent Director (The convener of 2nd term)	Lin, Horng- Chang	6	0	100%	
Independent Director	Wang, Chih-Cheng	6	0	100%	
Independent Director	Tsai , Chih-Jie	6	0	100%	
Remarks:					
I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent directors’ dissent, qualified opinion, or material recommendations, opinions of the Audit Committee and the Company’s handling of said opinions:					
(I) The listed items on Article 14-5 of the Securities and Exchange Act:					
Date/session of board of directors’ meeting	Proposal content and subsequent handling		Matters specified in §14-5of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but with the consent of more than two-thirds of all directors	
2024/02/29 (The 11th meeting of the 2nd term)	(1) Proposal for the Company’s 2023 parent only and consolidated financial statements		✓	None	
	(2) Proposal for the 2023 Business Report		✓	None	
	(3) Proposal for the 2023 Internal control system declaration		✓	None	
	(4) Motion for the company's private placement of ordinary shares approved by the ordinary meeting of shareholders. Since the processing period is about to expire, and will not continue to be processed.		✓	None	
	(5) Proposal for the company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.		✓	None	
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.				
	Company’s Handling for Opinions of Audit Committee: Submitted to the board of directors’ meeting and approved by all attending independent directors and directors.				
2024/04/26 (The 12th meeting of the 2nd term)	(1) Consolidated financial statements of Q1, 2024		✓	None	
	(2) Proposal on The Company's 2023Earnings Distribution Proposal		✓	None	
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.				

	Company's Handling for Opinions of Audit Committee: Submitted to the board of directors' meeting and approved by all attending independent directors and directors.		
2024/06/27 (The 13th meeting of the 2nd term)	(1) Motion for amendment to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies"	✓	None
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.		
	Company's Handling for Opinions of Audit Committee: Submitted to the board of directors' meeting and approved by all attending independent directors and directors.		
2024/07/31 (The 14th meeting of the 2nd term)	(1) Motion for the Consolidated Financial Statements for the Second quarter of 2024.	✓	None
	(2) Proposal for the loaning of funds to the offshore company Nishoku Technology Vietnam Co. Ltd. with 100% equity directly held by the Company.	✓	None
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.		
	Company's Handling for Opinions of Audit Committee: Submitted to the board of directors' meeting and approved by all attending independent directors and directors.		
2024/11/01 (The 15th meeting of the 2nd term)	(1) Motion for the Consolidated Financial Statements for the Third quarter of 2024.	✓	None
	(2) Proposal for The company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.	✓	None
	(3) Formulate the "Sustainable information management practices"	✓	None
	(4) Motion for amendment to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies"	✓	None
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.		
	Company's Handling for Opinions of Audit Committee: Submitted to the board of directors' meeting and approved by all attending independent directors and directors.		
2024/12/26 (The 16th meeting of the 2nd term)	(1) Motion for reporting the Company's 2025 budgets and business plans.	✓	None
	(2) Motion for reporting the Company's 2025 audit plans	✓	None
	(3) Motion for the Company's 2025 independence evaluation of CPAs appointed by the CPA firm.	✓	None
	(4) Proposal of establishment of the general principles for the Company's 2025 pre-approved non-assurance service policy.	✓	None
	(5) Formulate the "Operational procedures for preparing and verifying sustainability reports".	✓	None
	(6) Proposal for The company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.	✓	None
	Resolution Result of Audit Committee: Approved by the Audit Committee Meeting attended by all Audit Committee members.		
	Company's Handling for Opinions of Audit Committee: Submitted to the board of directors' meeting and approved by all attending independent directors and directors.		

(II) Other than those described above, any resolutions not approved by the Audit Committee but passed by more than two-thirds of directors: None.

II. For the implementation of independent directors' recusal for conflicts of interests, the independent directors' name, topic discussed, reasons for the required recusal and participation in the voting process: in 2024 there were no motions that had any conflict of interest between the Audit Committee and independent directors.

III. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors in 2024:

1. The Company's internal Audit Officer discusses audit report results with members of the Audit Committee on a regular basis, and makes an internal audit report in the Audit Committee meeting each quarter. Where there is a special circumstance, members of the Audit Committee will also be reported to immediately. In 2024, there was no occurrence of any of the situation stated above.
2. The Company's CPAs periodically reports the audit result or review result of financial statements on Audit Committee meetings as well as other matters required by other applicable laws and regulations. Where there is a special circumstance, members of the Audit Committee will also be reported to immediately. In 2024, there was no occurrence of any of the situation stated above.
3. Communication status is as follows:

(1) Communication status for internal audits

Date	Attendees	Key points of communication	Results of communication
2024/02/29	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	1. Report on the January 2024 audit implementation. 2. 2023 Internal Self-Assessment Audit Report.	No opinion was raised in the meeting.
2024/04/26	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	1. Report on the March 2024 audit implementation °	No opinion was raised in the meeting.
2024/06/27	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	Report on the May 2024 audit implementation	No opinion was raised in the meeting.
2024/07/31	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	Report on the June 2024 audit implementation.	No opinion was raised in the meeting.
2024/11/01	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	Report on the September 2024 audit implementation	No opinion was raised in the meeting.

2024/12/26	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh Audit Supervisor Cheng,Chao-Ming	Report on the November 2024 audit implementation. Report on 2025 annual audit plans. °	No opinion was raised in the meeting.
(2) Commutation status with CPAs			
Date	Attendees	Key points of communication	Results of communication
2024/02/29	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh CPA Huang, Yung-Hua	1. The CPAs explained the 2023 audited financial report, and discussed the audit findings. 2. The CPAs reported the internal control audit results to the Company 3. Discussion and communication of CPAs focusing questions asked by personnel participating in the meeting.	No opinion was raised in the meeting.
2024/04/26	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh CPA Huang, Yung-Hua	1. The CPAs explained the first quarter 2024 audited financial report, and discussed the audit findings. 2. The CPAs reported the internal control audit results to the Company. 3. Discussion and communication of CPAs focusing questions asked by personnel participating in the meeting.	No opinion was raised in the meeting.
2024/07/31	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh CPA Huang, Yung-Hua	1. The CPAs explained the second quarter 2024 audited financial report, and discussed the audit findings. 2. Accountants discussed the plan to introduce IFRS sustainable disclosure standards. 3. Discussion and communication of CPAs focusing questions asked by personnel participating in the meeting.	No opinion was raised in the meeting.
2024/11/01	Independent Director Lin, Horng-Chang Independent Director Wang, Chih-Cheng Independent Director Tsai, Chih-Chieh CPA Huang, Yung-Hua	1. The CPAs explained the third quarter 2024 audited financial report, and discussed the audit findings. 2. Accountants discuss annual audit planning. 3. Discussion and communication of CPAs focusing questions asked by personnel participating in the meeting.	No opinion was raised in the meeting.

2.3.3 Corporate Governance Implementation Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
1. If the Company established and disclosed Corporate Governance Principles in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company’s Board passed the “Corporate Governance Best-Practice Principles” in 2014 which has been disclosed on the Company’s corporate website/Investor Relations/Governance/Organizational Operations Regulations. Website: https://www.nishoku.com.tw	None
2. Shareholding Structure & Shareholders’ Rights				
(1) If the Company established internal procedures to handle shareholder suggestions, proposals, complaints and litigation and execute accordingly?	V		(I) The Company has established the “Management Measures for Stock Affairs” and has set up spokespersons and representatives. Dedicated personnel is in charge of handling shareholders’ suggestions, concerns, disputes and litigation matters.	None
(2) If the Company maintained of a list of major shareholders and a list of ultimate owners of these major shareholders?	V		(II) The Company’s internal personnel (directors, managerial officers and major shareholders holding more than 5% of the shares) provides shareholders’ list by the report of shareholding changes and stock agency, keeping a hold of the actual control list at any time.	None
(3) If risk management mechanism and “firewall” between the Company and its affiliates are in place?	V		(III) The Company has established applicable management measures for subsidiaries in accordance with the internal control system and Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises, building an appropriate risk control mechanism and firewall.	None
(4) If the Company established internal policies that forbid insiders from trading based on non-disclosed information?	V		(IV) As a means to prevent insider trading, the Company has established the “Operating Procedures for the Prevention of Insider Trading” and conducts a quarterly promotion to internal personnel and the Company’s employees. In addition, the Company’s internal personnel including newly appointed directors and managerial officers are given “Promotional Handbook for Company’s Internal Personnel Trading Equity” compiled by the TWSE for the compliance of internal personnel and at the same time	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>strengthening the prevention of insider trading, protecting the rights and interests of investors and the Company.</p> <p>In order to protect shareholders' rights and interests and to implement equal treatment of shareholders, the Company has established internal regulations to prohibit insiders from trading marketable securities using undisclosed information. On April 28, 2023, the Board of Directors approved the amendment of some provisions of the "Corporate Governance Best Practice Principles", including Paragraph 3 of Article 10, which stipulates that “the Company's insiders shall not trade in the Company's shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report, including (but not limited to) the directors' trading in the Company's shares after the date of receipt of the Company's financial report or the related results. ”</p> <p>The directors were informed on January 29, 2024 、 April 10, 2024 、 July 15, 2024 and October 16, 2024 that there the Company's shares may not be traded during the closed period of 30 days prior to the announcement of each quarterly financial report, in order to avoid any unintentional violation of such regulation by the directors.</p>	
<p>3. Structure of Board of Directors and its responsibility</p> <p>(1) If the Board consisted of members from diverse background?</p>	V		<p>(I) The Company has established the “Corporate Governance Best-Practice Principles” which has been disclosed on the Company's corporate website/Investor Relations/Governance/Organizational Operations Regulations. The Company's website: https://www.nishoku.com.tw.</p> <p>It regulates that the composition of the board of directors shall be determined by taking diversity into consideration. An appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <p>(1) Basic requirements and values: Gender, age, nationality, and culture.</p> <p>(2) Professional knowledge and skills: A professional background (e.g.</p>	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.</p> <p>To achieve the ideal goal of corporate governance, members of the Board of Directors shall possess the following abilities:</p> <p>(1) The ability to make judgments about operations.</p> <p>(2) Accounting and financial analysis ability.</p> <p>(3) Business management ability.</p> <p>(4) Crisis management ability.</p> <p>(5) Knowledge of the industry.</p> <p>(6) An international market perspective.</p> <p>(7) Leadership ability.</p> <p>(8) Decision-making ability.</p> <p>For the diversity policy for the board member and its implementation, please refer to page 13~16 of the annual report, the description of II. The board of directors' diversity and independence.</p>	
(2) If the Company established any other functional committee in addition to Compensation Committee, Audit Committee as required by law?	V		<p>(II) Not only has the Company established an Remuneration Committee, and Audit Committee , The Board of Directors approved the establishment of the Sustainable Development and Risk Management Committee on June 27, 2024.The Committee appoints three independent directors and two directors to assist the Board of Directors in promoting ESG practices and risk management, in order to improve corporate governance and promote and supervise the implementation of sustainable policies.</p>	None
(3) If the Company established methods and procedures to assess the performance of the Board and conduct assessment on annual basis? If the result of the assessment will be reported to the Board and taken into considerations for individual remuneration nomination purpose?	V		<p>(III) The Company's Board passed the “Regulations Governing the Board Performance Evaluation” which has been disclosed on the Company's corporate website/Investor Relations/Governance/Organizational Operations Regulations. Website: https://www.nishoku.com.tw</p> <p>The Company uses questionnaires to carry out self-assessment of its performance and discusses future issues that require special attention.</p> <p>As a means to implement corporate governance while improving the function of the Company's Board, performance goals are set to enhance the Board efficiency. The Company's Board shall conduct an internal</p>	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(4) If the Company assess the independence of CPA periodically?	V		<p>performance assessment of the internal Board of Directors at least once per year, and a self-assessment for the year shall be conducted at the end of each year according to assessment procedures and assessment indicators. The internal assessment outcome of the Board shall be reported to the next Board of Directors' meeting.</p> <p>The payment of remuneration depends on the degree of participation and contribution value of each director, while taking into account the relevant results of the performance of directors regularly evaluated each year and the usual level of the industry, which have been deliberated by the Remuneration Committee, and then resolved by the board of directors; the maximum set forth in the Articles of Incorporation must not be exceeded.</p> <p>In March 2024, in accordance with Article 3, Paragraph 2 of the Company's Board of Directors Performance Evaluation Management Procedures, an external professional independent institution was commissioned to conduct the Board of Directors performance evaluation. The performance evaluation certification from the external institution was obtained in June.</p> <p>In 2024, the board of directors has conducted a performance evaluation, which will be used as a reference for individual directors' remuneration and nomination for re-appointment, in accordance with the performance evaluation method of the board of directors, and submitted the evaluation results to the salary report the Company's Remuneration Committee on January 20, 2025 for approval, and submitted it to the board of directors report on February 27, 2025. For the evaluation results, please refer to page 30~32 of the Annual report., This has also been disclosed on the Company's website at(https://www.nishoku.com.tw/zh-TW/Investor/Governance).</p>	None
			(IV) When the Company appoints CPAs each year, the Financial and Accounting Division carries out an independence and suitability evaluation of the CPA and an independence statement, as well as AQI statements shall	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>be obtained. The Company confirms that other than the fees for certification and taxation cases, the CPAs have no additional financial interest or business relationship with the Company. The evaluation outcome shall be sent to the Audit Committee for review then to the Board of Directors meeting for discussion as references of appointed CPAs.</p> <p>一、 Facts regarding the evaluation of the independence and suitability of the certifying accountants with reference to Audit Quality Indicators (AQIs):</p> <p>(1) Confirmation that the Company's certifying accountants are not related parties to the Company or its directors.</p> <p>(2) Compliance with the Corporate Governance Best Practice Principles regarding the rotation of certifying accountants.</p> <p>(3) Obtained the report on 13 Audit Quality Indicators (AQIs) provided by the accounting firm, and evaluated the audit quality of the accounting firm and the audit team based on the 'Guidelines for Audit Committees to Interpret Audit Quality Indicators (AQIs)' issued by the competent authority.</p> <p>二、 The Company has executed the 2025 assessment for the CPAs' independence, and the outcomes of assessment was deliberated and the "Statement of Audit Quality Indicators (AQIs) approved by the Audit Committee and the board of directors on December 26, 2024.</p> <p>For the self-evaluation outcome of appointed CPAs for 2025, please refer to page 54 of the Annual Report (Table 1).</p> <p>The following is a summary of the evaluation of the independence and suitability of the CPAs appointed by the Company:</p> <p>I. Confirm that the appointed CPAs and the Company's directors or senior managers are not related parties.</p> <p>II. The audit and non-audit services provided by the CPAs have been reviewed by the Audit Committee in advance to ensure that the non-audit services will not affect the audit results.</p> <p>III. No failure to replace CPAs for seven consecutive years or the</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>occurrence of disciplinary actions by the assigned CPAs that would compromise their independence.</p> <p>IV. Evaluate the independence and suitability of the CPA through the "Statement of Independence" and "Audit Quality Indicators (AQIs)" issued by the CPA firm.</p> <p>After evaluation, it has been confirmed that the CPAs met the criteria of independence and suitability. Therefore, the reliability of the financial statements issued by them are assured. For the self-evaluation results, please refer to page 54 (Table 1) of the annual report.</p>	
4. If the Company had adequate number of corporate governance personnel and appoint a chief corporate governance officer overlooking corporate governance affairs including but not limited to handling matters relating to board meetings and shareholder meetings, assisting directors with legal compliance, preparing agendas and producing minutes for board meetings and shareholder meetings?	V		<p>On June 30, 2020, the Company appointed, upon the resolution of the board of directors, Assistant Vice President Tzu-Hsuan Lin of Financial and Accounting Division, as the Corporate Governance Officer. She holds both accountant qualification in Taiwan and the U.S, and has served as an officer in a public company for accounting, financial, shareholder services and affairs related to corporate governance for more than 3 years, so she is qualified as required by laws and regulations.</p> <p>(1) Provides information needed for directors to carry out their duties as well as meeting information 7 days prior to the convening of the Board Meeting.</p> <p>(2) Handles matters relating to the Board Meeting and Shareholders meeting while at the same time assisting in the Board of Directors and Shareholders for the compliance of applicable laws and regulations.</p> <p>(3) Compiles meeting minutes for the Board of Directors, Functional Committees and Shareholders meetings which are provided within 10 days of the meeting.</p> <p>(4) Assist the Board of Directors and Supervisors in complying with laws and regulations.</p> <p>(5) Arranges further education courses and visits to the Group's important operation bases for directors.</p> <p>(6) Assists in self performance assessments, guides and improves the Company's implementation of corporate governance.</p> <p>(7) Organizes investor conferences.</p> <p>(8) Replies relevant questions asked by investors.</p>	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>(9) Pursuant to the Corporate Governance Best Practice Principles, when independent directors need to meet with the internal audit officer or CPAs individually to understand the Company's finance and business, assistance is provided to arrange such meetings.</p> <p>(10) Review the classification of relevant information and provide the Company information required by the directors, to maintain successful communications and interactions between directors and heads of departments.</p> <p>(11) Assist independent directors and general directors in formulating annual continuing education plans and arranging courses based on the Company's industry characteristics, and the educational and career background of the directors.</p> <p>(12) Legality review of the qualifications of independent directors.</p> <p>(13) Occasional assistance in matters related to the resignation of directors or reassignment of representatives.</p> <p>The Company's corporate governance promotion of 2024 is as follows:</p> <p>(1) Based on the Company's industrial characteristics and business needs, directors are assisted in proposing annual further education plans and arranging courses. Further education courses were held on June 27, 2024 and November 01, 2024 for 3 hours per each course.</p> <p>(2) The Company assess and purchases liability insurance for directors and supervisors. In the latest period, the Company purchased liability insurance for all directors with a premium of USD 5 million (equivalent to approximately NT\$159,700,000). The insurance period started September 1, 2024 and ends September 1, 2025, which has been reported to the Board of Directors meeting held on November 01, 2024 for acknowledgment.</p> <p>(3) In August 2024, the Company was invite to take part in the "SinoPac hold road show". Information on most recent Investor Conference can be found on the MOPS.</p> <p>(4) Responsible for reviewing material information for important resolutions to be released after the Board of Directors meeting, ensuring the appropriateness and correctness of important information to protect the</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>transaction information of investors.</p> <p>(5) Maintains investor relations and arranges regular exchange with agency investors, allowing investors to gain enough information to evaluate and decide the Company's reasonable capital market value while at the same time allowing good maintenance of shareholders rights and interests.</p> <p>(6) Completed the 2024 New Directors' Handbook to provide the current term of new directors with a quick overview of the Company's business, finances and other relevant information.</p> <p>(7) Completed self-performance evaluation of Board of Directors and its Functional Committees in 2024.</p> <p>(8) In March 2024, the Company contracted the external professional organization to conduct performance evaluation on the Board of Directors, and the relevant certificate was received in June. °</p> <p>The corporate governance officer should complete at least 12 hours of continuing education every year. For his/her continuing education, please refer to page 57 (Table 4) of the annual report, "Continuing education on corporate governance for managerial officers."</p>	
5. If the Company established communication channel with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc) and disclosed key corporate social responsibility issues frequently enquired by stakeholders on the designated area of corporate website?	V		<p>The Company's website has a "Stakeholder Section" which discloses information on channels for complaints for stakeholders. There is also a mailbox for Audit Committee complaints and suggestions, enabling the sound communication between the Company and stakeholders.</p> <p>(https://www.nishoku.com.tw/zh-TW/Investor/Relationship)</p> <p>Status of communication with stakeholders in 2024, which has been reported to the Board of Directors meeting on February 27, 2025. °</p>	None
6. If the Company engaged professional transfer agent to host annual general shareholders' meeting?	V		The Company has appointed Stock Agency Department of CTBC Bank as stock agency to handle stock related affairs.	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
7 Information Disclosure				
(1) If the Company set up a corporate website to disclose information regarding the Company's finance, business and corporate governance?	V		(I) The Company's website also has a "Investor Relations" section, disclosing related financial, businesses, stock affairs and corporate governance information. Relevant regulations and rules as well as their execution status are also explained. (https://www.nishoku.com.tw/zh-TW/Investor)	None
(2) If the Company adopted any other information disclosure channels (e.g., maintaining an English-language website, appointing designated personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc)?	V		(II) Aside from setting up a website that is in both Chinese and English, the Company also has a spokesperson system with assigned spokesperson and acting spokesperson who are responsible for the communication in terms of external relations as well as the collection and disclosure of company information. They also upload information regarding shareholder conferences on the Company's website. (https://www.nishoku.com.tw/zh-TW/Investor/Catalog?guid=18110215404026)	None
(3) If the Company disclosed its annual financial report within two months after year end and disclose its 1st, 2nd, 3rd quarter financial reports and monthly revenue ahead of regulated disclosure date?	V		(III) The Company announces and reports its annual financial report within two months after the end of the fiscal year before the prescribed time (within three months prescribed by law). Financial report for Q1, Q2 and Q3 and monthly operation status are reported in accordance with regulations. Related information can be found on the MOPS.	None
8. If the Company had other important information to facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the	V		(I) Employee Rights: The Company has established the Staff Welfare Committee with welfare fund set aside each month. Representatives are selected by both sides of the labor and the management to be in charge of matters in connection to employee welfare so as to reach the goal of harmonious working environment as well as bringing all employees together. Welfare provided by the Company and the Welfare Committee: (1) Purchases labor insurance, National Health Insurance and Group	None

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>Insurance.</p> <p>(2) Holds employee health examinations performance by qualified hospitals, ensuring the health of employees.</p> <p>(3) Sets Employee canteen, providing meals for employees</p> <p>(4) Allowance for employee marriages, childbirths, three major festivals and birthdays</p> <p>(5) Funeral and hospital subsidies</p> <p>(6) Free car and motorbike parking spaces for colleagues.</p> <p>(7) Periodical employee trips</p> <p>(8) Holds education and training inside and outside the plant from time to time</p> <p>(9) Year-end parties and lucky draws</p> <p>(10) Advanced health check for senior employees and managers.</p> <p>(11) In addition to having professional backgrounds and professional skills, the company's directors have chosen to cover finance, risk management, business, and commerce related to the nature of the company's industry, considering the scope beyond the professional abilities of each director in order to enhance their professionalism and continuous improvement. , legal affairs, accounting, corporate social responsibility or internal control systems, and financial reporting responsibility-related courses. At least 6 hours of refresher courses are arranged for each person every year to ensure that board members have a considerable degree of industry knowledge and acquire new knowledge.</p> <p>(12) In addition to the menstruation leave that women are entitled to under the Labor Standards Act, the Company also provides the following support programs for female employees:</p> <p>Pregnancy and childbirth: 56 days of maternity leave in accordance with the law, 7 days of maternity examination leave, and the leave of rest in accordance with the doctor's orders, plus a maternity subsidy of NT\$12,000 per child.</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>Childcare: The Company provides family care leave of 7 days/year, breastfeeding time, and a baby-sitting system, with a 100% return rate of parental leave without pay. The Company also provides post-natal staff with reinstatement assistance measures and appropriate work arrangements depending on needs.</p> <p>Execution Status of Employee welfare and benefit in 2024, please refer to page 147-150 of the Annual Report.</p> <p>(II) Employee Care:</p> <p>(1) The Company formulates various management rules based on the interest of employees while looking after employees' life, benefits, and offers fair salaries.</p> <p>(2) In order to increase employees' professional ability and enhance work efficiency, further education on employees is encouraged. Methods for further education are various seminars, school training, professional training courses; according to Employee education and training Measures, related fess can be applied and subsided.</p> <p>(3) Employee Safety and Health Measures</p> <p>(A) A first-aid kit is placed on the first floor of the Headquarters to provide instant medical help.</p> <p>(B) The Company has signed an employee health examination contract with a teaching medical center. Not only do we offer health examinations that are customized and different, we also offer comprehensive health report consultancy, helping our employees to pay more attention on their own health.</p> <p>(C) Professional personnel is hired to carry out maternal and child safety education, fire protection and first aid training at the manufacturing area.</p> <p>(D) Sexual harassment and abuse language are strictly prohibited. An employee opinion box has been set up and there are clear compliant procedures to protect the rights of workers.</p> <p>(E) A lactation room has been set up for female employees at the</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>manufacturing area.</p> <p>(F) The Company has an staff canteen. The meals served by the canteen are based on the "Daily Dietary Guide Manual" of the Health Promotion Administration, Ministry of Health and Welfare, to build a healthy eat out environment for employees. Meanwhile, the Company also conducts the employees' group meal opinion survey regularly as a reference basis for continuing to optimize the employees' group meals, in order to ensure that employees are served healthy and delicious food in a clean and comfortable dining environment. °</p> <p>(III) Investor Relations: The Company has established a spokesperson and acting spokesperson as a communication bridge between the Company and investors. Aside from holding regular shareholder conferences, there is also a dedicated section on the Company's website for investors. The Company's current situation is disclosed through such comprehensive and fair platform, hoping that investors understand wholeheartedly the Company's management outcome and long-term operation direction.</p> <p>(IV) Supplier Relations: 1.The Company's procurement personnel evaluates the quality service, delivery time and price of suppliers with the requisition unit at least once every year, and establish a database for the qualified manufacturers according to the evaluation outcome. 2.Negotiations and contracting are first given to excellent suppliers, ensuring the quality while reducing the Company's procurement cost. For supplier management, please refer to page 64 of the annual report, section (VI) "Whether the Company has established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and their implementation status."</p> <p>(V) Stakeholder Rights: The Company has set a up a spokesperson and acting spokesperson who</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>are responsible for external communication; there is also a dedicated section on the Company's website for stakeholders, and dedicated personnel has been assigned to respond regarding important CSR issues concerned by stakeholders.</p> <p>(VI) Further Education for Directors: The Company had 9 directors in 2024 and a total of 54 training hours should be carried out; directors who actually took part in the training were 9 with a total of 54 training hours, all have respectively completed the further education hours of the year. For the above-stated further education status of directors, please refer to pages 55-56 (Table 2) of the Annual Report.</p> <p>(VII) Execution Status of Risk Management Policy and Risk Measurement Standard: The Company's "Risk management measures" were revised and renamed as "Risk Management Policies and Procedures" with Board approval in December 2023, establishing the Board of Directors as the highest governance body. In June 2024, the Board approved the establishment of the Sustainable Development and Risk Management Committee, appointing 3 independent directors and 2 directors as committee members. The committee serves as the supervisory unit for risk management-related operational mechanisms, with a Risk Management Implementation Team established underneath as the implementation and execution unit, designating the President as the convener. The risk management procedures established in the Risk Management Policies and Procedures include risk identification, risk measurement, risk monitoring, risk reporting and disclosure, and risk response. The Risk Management Implementation Team evaluates the frequency of risk events and the severity of their impact on company operations based on 'probability' and 'impact,' aiming to control risks within acceptable limits. The team reports its operational status to the Sustainability Development and Risk Management Committee and the Board of Directors at least once annually. The Board reviews the</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>implementation status of established response strategies and provides guidance for necessary strategic adjustments. The operational status is disclosed on the Company's website at https://www.nishoku.com.tw/zh-TW/Investor/Governance. Additionally, the Internal Audit Unit conducts regular and special audits on the implementation of the internal control system in accordance with internal regulations and the internal control system.</p> <p>The Risk Management Implementation Team reported its operational status to the Sustainable Development and Risk Management Committee and the Board of Directors on December 26, 2024.</p> <p>(VIII) Status of the Company Purchasing Liability Insurance for Directors: It has been stipulated in the Articles of Incorporation that the Company shall purchase liability insurance during the term of office of directors, and shall be liable for their compensation in terms of duties they carry out. Please refer to page 62 of the Annual Report (Table 3).</p> <p>(IX) Further Education and Training Regarding Corporate Governance Participated by Managerial Officers: Please refer to page 62 of the Annual Report (Table 4).</p> <p>(X) Formulation of Succession Plans of Members of the Board and Key Management Personnel: According to the Company's development direction and goals, during the succession planning not only does a successor require excellent work ability, but he/she also needs to hold similar values as the Company. He/she must contain the quality of integrity, taking commitment seriously, innovation and earning the trust of customers. The Company plans different concurrent tasks for unit managers of various groups. By cultivating strategic ability, it is expected that within 5 to 10 years, members of the Board and key management can be selected from within.</p> <p>(1) Succession Plans for Board Members: The Company currently has 9 directors (including 3 independent directors) who all have commerce, finance, accounting or management</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>expertise required by the business of the Company. Among these directors, 4 of them are also the Company's senior management. In the future, the current structure will continue to be used in respect of the composition of the Company's Board, and their experience and background. In terms of the succession plan of the Board, the Company has proposed to allow members of the key management group to attend the Board Meeting in order to cultivate their strategic ability while at the same time familiarizing the operation of the Board. In the future, these members may be selected as successors of the Board after evaluation. Independent directors on the other hand must require working experiences with respect to commerce, law, finance, accounting or other fields required by the business of the Company. As there is no shortage of such professionals in Taiwan, the succession plan for independent directors of the Company may come from the industry.</p> <p>(2) Succession Plan of Key Management:</p> <ol style="list-style-type: none"> 1 The Human Resources Administration Department of the Company coordinates and establishes the key talent development mechanism; the key positions are defined, and for each key position, one to two successors are nominated, and the estimated timetable for succession is specified. Based on the advantages and the ability to be developed of the successor candidates, the relevant incubation program is formulated pursuant to the Company's schedule planned. The program consists of three major modules, namely management ability, professional ability, and personal development plan, for the trainees to integrate and apply, in order to development the ability of decision making and judgement. The HR shall evaluate the effect of training regularly. 2 Starting from 2023, the Human Resources and Administration Department will successively promote the Individual Development Program (IDP) for the key management. Through the functional evaluation, various abilities and qualifications required for the current 	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>position are identified, to be integrated with the strategic goals of the Company and the department, for strengthening the competencies required for the current job. Meanwhile, the executive strategy consensus meeting is held, to study and discuss the subject courses planned based on the Company's future development direction, to establish their strategic mindset and leadership management, conduct the talent development and leadership legacy, for selecting potential successor candidates.</p> <p>(XI) Execution Status of Customer Policy: The Company maintains close contact with customers and informs customers regarding products which may benefit them while ensuring products meet their expectation of the reliability and quality. We also take the initiative to include new perspectives and methods into the Company's actual management system through communication channels including phone, email and video conference in order to meet customer needs. The Company also values and listens to customer voices, focusing on customer needs to enhance customer satisfaction and value, becoming a trusted partner to our customers. We provide timely responses and corresponding improvements to all issues reported by customers to gain customer trust and increase customer satisfaction. Through regular customer satisfaction surveys, we compile customer feedback, prepare reports with improvement strategies, and continuously track effectiveness. The average customer satisfaction survey score reached 99.5 points in 2024.</p> <p>(XII) Status of Insider Trading Promotion: The Company has established the "Operating Procedures for the Prevention of Insider Trading" which has been disclosed on the Company's website; the Company has regularly promoted the compliance of stock trading laws to its directors, supervisors and managerial officers. Matters relating to insider training is also being regularly promoted to the Company's internal colleagues.</p>	

Item	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>On January 2, 2024, April 1, 2024, July 1, 2024, and October 1, 2024, related education and promotions for current directors, managerial officers, and employees were conducted, for total of 129 attendees and total of 65 hours. The courses included the scope of internal material information, classification operation, public operations and handling of violations; the course briefing files were sent to all directors, managerial officers and employees for reference.</p> <p>The Company reminds directors in its annual insider trading prohibition program that they should not trade their shares during the closed period of 30 days before the annual financial report announcement and 15 days before the quarterly financial report announcement.</p> <p>The directors were informed on January 19, 2024、April 10, 2024、July 15, 2024 and October 16, 2024 that there the Company's shares may not be traded during the closed period of 30 days prior to the announcement of each quarterly financial report, in order to avoid any unintentional violation of such regulation by the directors.</p>	
<p>9. Any improvement made in accordance with the result of the most recent corporate governance evaluation conducted by TWSE? Any measures to be taken on the outstanding items?</p> <p>Improvement made: In the Corporate Governance Evaluation results for the past two years, the Company ranked between the 21% and 35% percentile. As of March 31, 2025, the Corporate Governance Evaluation results for 2024 have not yet been announced.</p> <p>The Company has made efforts to improve items that were not fully satisfactory in the Corporate Governance Evaluation. The main implementation results are as follows:</p> <ol style="list-style-type: none"> 1. In 2024, established the Sustainability Development and Risk Management Committee, which regularly reports to the Board of Directors, and discloses the committee's composition, responsibilities, and operational status to the public. 2. Based on the GRI Standards issued by the Global Reporting Initiative (GRI), published our first 'Sustainability Report 2023' in August 2024, available in both Chinese and English versions. 3. Enhanced disclosure of corporate governance, strategies, risk management, indicators, and targets related to climate-related risks and opportunities. 4. Held the Annual Shareholders' Meeting in May. 				

(Table 1)

The evaluation of the independency of CPA

Evaluation Unit: Board Affairs Unit

Evaluation Year : 2025

Appointed Law Firm and CPAs:KPMG/CPA Yung- Hua Huang and Sheng-Ho Yu.

Content	Consistent	Inconsistent	Remark
1. Not an employee of the Company or any of its affiliated enterprises.	✓		After evaluation, no such matters were found in these 2 CPAs
2. Not a director or supervisor of an affiliate of the Company. (However, this restriction does not apply in cases where the person is an independent director of the Company, its parent or subsidiary which the Company directly or indirectly holds 50% of voting rights).	✓		After evaluation, no such matters were found in these 2 CPAs
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.	✓		After evaluation, no such matters were found in these 2 CPAs
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in(1), (2) and (3).	✓		After evaluation, no such matters were found in these 2 CPAs
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares or a top five shareholder.	✓		After evaluation, no such matters were found in these 2 CPAs
6. Not a director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company.	✓		After evaluation, no such matters were found in these 2 CPAs
7. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company.	✓		After evaluation, no such matters were found in these 2 CPAs
8. Not been a person or any conditions defined in Article 30 of the Company Act.	✓		After evaluation, no such matters were found in these 2 CPAs
9. Not under Article 27 of the Company Act with government, juristic person or the representative thereof successfully elected.	✓		After evaluation, no such matters were found in these 2 CPAs
10. Receipt of Auditor's Independence Declaration	✓		Obtained

◆After evaluation, none of the CPAs were found to have matters stated in the independence evaluation stated above.

(Table 2) Board of Directors Training Record :

In 2024, there were a total of 9 directors, and 9 directors completed their first term and continuous further education.

The hours of further education for directors have met the regulations prescribed in the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies”.

Title	Name	Date		Institute	Course	Period (hours)
		From	To			
Chairman	Chen, Piao-Fu	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Tsai, Chien-Sheng	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Chang, Wen-Hsien	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association e	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Wu, Ying-Lan	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate	Trends and Risk Management in	3

				Governance Association	Digital Technology and Artificial Intelligence	
Director	Fan, Chia-Wen	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Hsieh, Hsin-I	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Lin, Horng-Chang	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Wang, Chih-Cheng	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk Management	3
		2024/11/01	2024/11/01	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Tsai, Chih-Chieh	2024/06/27	2024/06/27	Taiwan Corporate Governance Association	New Thinking of Enterprise Risk Management-Integrating Strategies Development and ESG Risk	3

					Management	
		2024/11/01	2024/11/01		Trends and Risk Management in Digital Technology and Artificial Intelligence	3

(Table 3) Purchasing of Liability Insurance for Directors:

Liability insurance for the entire Board and Supervisors		
Insured Object	Insurance Company	Insurance Period (start to end)
Entire Board	Cathay Century Insurance Co., Ltd.	September 1, 2024 to September 1, 2025
(Note) The report of the entire Board insured with liability insurance has been submitted to the Board Meeting held on November 01, 2024.		

(Table 4) Further Education and Training Regarding Corporate Governance Participated by Managerial Officers:

Sequence	Title	Name	Course	Number of Hours
1	Chief Strategy Officer	Chen, Piao-Fu	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management	3
2	Chief Strategy Officer	Chen, Piao-Fu	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
3	President	Tsai, Chien-Sheng	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management	3
4	President	Tsai, Chien-Sheng	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
5	Executive Vice president	Chang, Wen-Hsien	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management	3
6	Executive Vice president	Chang, Wen-Hsien	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
7	Vice president	Wu, Ying-Lan	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management	3
8	Vice president	Wu, Ying-Lan	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
9	Corporate Governance Officer	Lin, Tzu-Hsuan	New Thinking of Enterprise Risk Management- Integrating Strategies Development and ESG Risk Management	3
10	Corporate Governance Officer	Lin, Tzu-Hsuan	113th Annual Insider Trading Prevention Promotion Conference	3
11	Corporate Governance Officer	Lin, Tzu-Hsuan	GHG Protocol Corporate Standards and Category 3 Standards Promotion Course	7
12	Corporate	Lin, Tzu-Hsuan	New Thinking of Enterprise Risk	3

	Governance Officer		Management- Integrating Strategies Development and ESG Risk Management	
13	Manager	Cheng, Chao-Ming	Enhance the sustainable value of enterprises and improve the risk management system	6
14	Manager	Cheng, Chao-Ming	Business contract management and audit services	6

2.3.4 The Composition of the Remuneration Committee and its Operation Status:

The Company's Remuneration Committee primarily executes the following duties:

- (1) To establish and regularly review policies, system, standards and structures for performance evaluation and remuneration for directors and managers.
- (2) To regularly assess and set up the salary remuneration for directors and managerial officers.
- (3) To review incentive remuneration plan or employee remuneration plans with share-based payment.
- (4) Motion for suggested amendment to these Rules.

1. Information on the Members of the Remuneration Committee

2025/3/31

Title	Condition	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an remuneration committee member
	Name			
Independent Director (Convener)	Wang, Chih-Cheng	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as the president of PWM, independent director of Provision Information Co., Ltd. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<ul style="list-style-type: none"> Independent director's conformity to the independence requirement If the independent director, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution having specific relationship with the Company Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the most recent 2 years. 	1
Independent Director	Lin, Horng-Chang	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Currently serving as CEO, PHARMIGENE, INC., director of Greenyn Biotechnology Co., Ltd., independent director of COPLUS INC., and Independent Director of TOPLUS GLOBAL CO., LTD. 	<ul style="list-style-type: none"> Independent director's conformity to the independence requirement If the independent director, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution having specific relationship with 	2

Title	Condition	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an remuneration committee membe
	Name			
		<ul style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<ul style="list-style-type: none"> the Company Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the most recent 2 years. 	
Independent Director	Tsai, Chih-Chieh	<ul style="list-style-type: none"> Possessing the work experience required by the Company's business, such as commercial, knowledge to the industry, operation and management abilities. Qualified and currently serving as CPA of Jianda United Accounting, Chairman of Jaydon Production and Economic Consultancy Inc.Chairman of Oneness Green Technology Co.,Ltd. , Director of SUNPLUS TECHNOLOGY CO.,LTD.,Independent Director of Success Prime Corporation.,and Independent Director of Silergy Corp., Supervisor of Tai Fu International Network Co., Ltd. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<ul style="list-style-type: none"> Members are conformed to the independence requirement. If the member him/herself, his/her spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the company or any of its affiliates; not holding the Company's shares. Not a director, supervisor, or employee of any company or institution having specific relationship with the Company Not receiving compensation by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the most recent 2 years. 	1

2. The operation status of the Remuneration Committee

(1) The Company's Remuneration Committee is composed of 3 members.

(2) Tenure of the 5th term of Compensation committee is from 15st June, 2022 to 14th June, 2025.

A total of 2 (A) meetings of the Compensation Committee were held in 2024. The status of attendance is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B / A)	Remarks (Note)
Chairman	Wang, Chih-Cheng	2	0	100%	
Member	Lin, Horng-Chang	2	0	100%	
Member	Tsai, Chih-Chieh	2	0	100%	

Other matters that shall be reported:

1. If the Board of Directors does not adopt or amend recommendations proposed by the Remuneration Committee, the date, session, proposal contents and resolutions of the Board of Directors, and the company's actions in response to the opinions of the Audit Committee shall be stated (also, where the remuneration approved by the Board of Directors is superior to that recommended by the Remuneration Committee, the differences and reasons shall be stated): None.

Remuneration Committee Meeting Date/ Session	Proposal Content	Remuneration Committee Resolution Result	Company's handling for opinions of Remuneration Committee
2024/01/30 (The 5rd meeting of the 5th term)	(1) Proposal for 2023 board of directors' performance evaluation result of the Company (2) Proposal for 2023 remunerations of directors and supervisors (3) Proposal for 2023 remuneration of employees (4) Proposal for 2023 remuneration of managerial officers (5) Proposal for the Amendment to the "Regulations for Employee Performance Management and Appraisal"	All the members of the Audit Committee voted in favor of Proposal 1, and Proposal 3 to Proposal 4, The proposal was voted for each director's remuneration individually in Proposal 2; the concern Independent director recused him due to conflict of interest, not participating the discussion and voting.	Submitted to the board of directors' meeting and approved by all attending independent directors and directors.
2024/12/26 (The 6th meeting of the 5th term)	(1) Periodically evaluate and prescribe the remuneration of managerial officers.	All attending members approved the proposal as proposed.	Submitted to the board of directors' meeting and approved by all attending independent directors and directors.

2. Where resolutions of the Remuneration Committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, proposal contents, opinions from every member, and actions in response to the opinions of the members shall be stated: None.

2.3.5 The Composition of the Sustainable Development and Risk Management Committee and its Operation Status:

1. The Company established the Sustainable Development and Risk Management Committee under the Board of Directors in June 2024. According to the Company's "Sustainable Development and Risk Management Committee Charter," the Committee shall meet at least once a year. On July 31, November 1, and December 26, 2024, the Committee convened one meeting respectively to report to the Board of Directors the implementation results for the current year and the implementation plan of the next year.
2. The Sustainable Development and Risk Management Committee consists of 5 members, including 3 independent directors and 2 directors. The Committee's functions include the following:
 - (1) Formulation, promotion and improvement of the Company's sustainable development and risk management policies, annual plans and strategies, etc.
 - (2) Review on the adequacy of the risk management structure.
 - (3) Review on the early warning and countermeasures of major risk management issues and supervise the improvement mechanism.
 - (4) Direction to the disclosure of sustainable information and review on the sustainability report.
 - (5) Direction to the execution of the business under the Company's Sustainable Development Best Practice Principles or other tasks related to the sustainable development resolved by the Board of Directors.
 - (6) Review, tracking and revision of the implementation of sustainable development and risk management, and reporting of the implementation status to the Board of Directors on a regular basis.
3. The professional qualifications, experience and operation of the Sustainable Development and Risk Management Committee are as follows:
 - (1) Profile of Sustainable Development and Risk Management Committee members

Title	Name	Professional qualification and experience
Convener (Independent Director)	Tsai, Chih-Chieh	He is the former chairman and president of a TWSE listed company, having the expertise in corporate operation management, leadership decision-making, crisis management and industry knowledge. He has also served as an independent director of many TWSE/TPEX listed companies and, therefore, understands the importance of corporate sustainable development.
Member (Independent Director)	Lin, Horng-Chang	He is the current Chief Strategy Officer of a biotechnology company, having the professional experience in business analysis and strategic mergers. His practical experience in serving as the CFO and independent director of the TWSE listed company and the ESG practices will help the Company to promote sustainable development performance.
Member (Independent Director)	Wang, Chih-Cheng	He is well experienced in serving the president of a TWSE listed company and senior manager of a management consulting company, having the expertise in corporate operation management,

Title	Name	Professional qualification and experience
		leadership decision-making, crisis management and industry knowledge. He has also served as an independent director of many TWSE/TPEX listed companies and, therefore, understands the importance of corporate sustainable development.
Member (Director)	Chen, Piao-Fu	He is the Chairman of the Company, whose professional background covers business management, industry knowledge, leadership decision-making, risk management, and corporate sustainability. He continues to lead the Company to advance and move towards sustainable operation.
Member (Director)	Tsai, Chien-Sheng	He is the President of the Company, whose professional background covers business management, industry knowledge, leadership decision-making, risk management, and corporate sustainability. He leads the management team to achieve various sustainability indicators.

(2) Tenure of the 1th term of Compensation committee is from 27st June, 2024 to 14th June, 2025.

A total of 3 (A) meetings of the Compensation Committee were held in 2024. The status of attendance is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B / A)	Remarks (Note)
Chairman	Tsai, Chih-Chieh	3	0	100%	
Member	Lin, Horng-Chang	3	0	100%	
Member	Wang, Chih-Cheng	3	0	100%	
Member	Chen, Piao-Fu	3	0	100%	
Member	Tsai, Chien-Sheng	3	0	100%	

3. Meeting of the Sustainable Development and Risk Management Committee is as follows:

Remuneration Committee Meeting Date/ Session	Proposal Content	Remuneration Committee Resolution Result	Company's handling for opinions of Remuneration Committee
2024/07/31 (The 1st meeting of the 1st term)	(1) Motion for The company's 2023-year sustainability report..	All attending members approved the proposal as proposed.	Submitted to the board of directors' meeting and approved by all attending independent directors and directors.
2024/11/01 (The 2nd meeting of the 1st term)	(1) Formulate the "Operational procedures for preparing and verifying sustainability reports".	All attending members approved the proposal as proposed.	Submitted to the board of directors' meeting and approved by all attending independent directors and directors.
2024/12/26 (The 3rd meeting of the 1st term)	(1) Formulate the "Operational procedures for preparing and verifying sustainability reports"	All attending members approved the proposal as proposed.	Submitted to the board of directors' meeting and approved by all attending independent directors and directors.

2.3.6Promotion of sustainable development, and variance from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
1. Does the company establish an exclusively (or concurrently) dedicated unit to promote sustainable development have executives appointed by the board of directors to handle the promotion under the board of directors' supervision?	V		<p>The Company established the Sustainable Development and Risk Management Committee in June 2024. The Sustainable Development Promotion Team was established under the Committee. The Chairman of the Board is the Chairman of the Committee and the CFO is the Chief Executive of the Committee. The Committee is responsible for the formulation and implementation of the relevant policies, systems or related management guidelines and concrete promotion plans for sustainable development, as well as the identification of the relevant issues of concern to the Company's operations and stakeholders. The Committee shall also formulate and implement response strategies and work policies accordingly. The implementation results shall be tracked and implemented to ensure that the sustainable development strategy is fully implemented in the Company's routine operations.</p> <p>Based on the sustainable development issues focusing major annual implementation of corporate governance, development of a sustainable environment and maintenance of social welfare, the Sustainable Development Promotion Team identifies material issues that are of concern to the Company's operations and conducts the risk identification assessment to verify whether it would produce significant impact on the Company. With respect to significant issues, the team shall formulate corresponding strategies and plans and supervise the effectiveness of the implementation of each action plan and report to the Committee and Board of Directors regularly (at least once per year).</p> <p>Three meetings were held in 2024. The main contents of the proposals include (1) Identification of material topics; (2) Formulation of policies for sustainability-related issues; and (3) Supervision of the implementation of sustainability. The Board of Directors provides feasible strategic directions and other suggestions for the annual action plan and implementation status reported by the Sustainable Development and Risk Management Committee, and reviews the progress of the strategy in a timely manner, and urges management to adjust the goals when necessary.</p> <p>Corporate website:https://www.nishoku.com.tw/zh-TW/Responsibility/Corporate</p>	None

Items	Implementation Status			Non-implementation and its reason(s)								
	Y	N	Summary									
2. Does the Company follow the materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		<p>This disclosure and risk assessment boundary cover the sustainability performance of the Group from January 2024 to December 2024.</p> <p>The Sustainable Development and Risk Management Committee conducts analysis based on materiality principles in the sustainability report, engages with internal and external stakeholders, and evaluates significant ESG issues by reviewing domestic and international research reports, literature, and integrating assessment data from various departments and subsidiaries. Based on this, the Company establishes effective risk management policies for identification, measurement, assessment, supervision, and control of risks, and implements specific action plans to mitigate the impact of relevant risks.</p> <p>Based on the risks assessed, the relevant risk management policies or strategies are formulated as follows:</p>	None								
			<table><tr><th>Orientation</th><th>Risk Items</th><th>Risk management strategies (status of operation)</th></tr><tr><td rowspan="2">Governance/Economy</td><td>Business strategy and economic performance</td><td>1. Based on industry changes, we annually establish strategic objectives, align with budgetary controls, and regularly monitor budget achievement rates to oversee company operations. Management meetings are convened to review operational plan progress, performance tracking, and analysis. 2. The Company will pay close attention to market economic trends and business strategies, and evaluate the expansion of product lines to reduce the risk of excessive concentration in a single customer.</td></tr><tr><td>Corporate Governance</td><td>1. Through the establishment of internal regulations and education courses, and the implementation of</td></tr></table>		Orientation	Risk Items	Risk management strategies (status of operation)	Governance/Economy	Business strategy and economic performance	1. Based on industry changes, we annually establish strategic objectives, align with budgetary controls, and regularly monitor budget achievement rates to oversee company operations. Management meetings are convened to review operational plan progress, performance tracking, and analysis. 2. The Company will pay close attention to market economic trends and business strategies, and evaluate the expansion of product lines to reduce the risk of excessive concentration in a single customer.	Corporate Governance	1. Through the establishment of internal regulations and education courses, and the implementation of
			Orientation		Risk Items	Risk management strategies (status of operation)						
			Governance/Economy		Business strategy and economic performance	1. Based on industry changes, we annually establish strategic objectives, align with budgetary controls, and regularly monitor budget achievement rates to oversee company operations. Management meetings are convened to review operational plan progress, performance tracking, and analysis. 2. The Company will pay close attention to market economic trends and business strategies, and evaluate the expansion of product lines to reduce the risk of excessive concentration in a single customer.						
Corporate Governance	1. Through the establishment of internal regulations and education courses, and the implementation of											

Items	Implementation Status				Non-implementation and its reason(s)
	Y	N	Summary		
				and Ethical Management	internal control mechanisms, we ensure that all employees can comply with relevant laws and regulations. 2. Suppliers or third-party vendors are required to sign the Commitment of Integrity, actively preventing unethical conduct to implement the integrity management policy.
				customer service quality and Product quality safety	1. We promote products using lead-free processes and fully commit to meeting customer demands for heavy metal and hazardous chemical control. We also implement restrictions on prohibited substances and issue statements requiring suppliers to comply with regulatory standards. 2. Source management for standard operations of production equipment and processes is implemented, and strict control performed to ensure the safety of the Company's products. 3. Customer satisfaction surveys are conducted every year to strengthen customer relationships and improve product and service quality.
			Environmental Aspect	Climate Strategy	In response to customers' environmental compliance requirements, the Company, along with its major operational sites in Kunshan and Vietnam, has obtained ISO 14001 Environmental Management

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
				<p>System certification and have been certified regularly since then.</p> <p>Regarding carbon emissions and energy management, the Company has proactively aligned with governmental timelines by completing greenhouse gas (GHG) inventories across all operational sites ahead of schedule. Internal assessments are continuously carried out to monitor emissions. Notably, the Kunshan site obtained ISO 14064 verification for its GHG inventory in 2024.</p> <p>For the management of waste, water resource and waste water, according to the government's schedule, waste, water resources, and wastewater management of all the Group's operating sites is implemented and completed ahead of schedule.</p> <p>Continue to promote energy conservation and implement recycling and reuse measures.</p>
			<p>Social</p> <p>Friendly workplace</p>	<p>Employee care and labor insurance</p> <p>1. Supporting the spirit of the Universal Declaration of Human Rights, the Company is committed to understanding the International Bill of Human Rights. On April 26, 2024, the Company amended some provisions of its "Labor Management Policy and Implementation</p>

Items	Implementation Status				Non-implementation and its reason(s)
	Y	N	Summary		
					<p>Regulations" and renamed it as "Group Human Rights and Employee Policy," while establishing the "Employment Management Regulations," "Factory Regulations and Work Rules," "Employee Care and Welfare Program Application Regulations" and "Salary Management Regulations" to implement the respect and good treatment for the employees of the Company.</p> <p>2. The human rights policy is implemented through education courses, and various channels for employees to make complaints are provided to protect the rights and interests of employees, and to create a culture of diversity and equality in which employees and teams respect each other.</p> <p>Talent appointment and retention</p> <p>1. The Company prepares education and training plans and budgets, improves employees' professional or management skills through internal education and external professional training, and indirectly balances the physical and mental health of employees.</p> <p>2. The Company establishes rules such as employment management policies</p>

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
environment?			<p>promoted the implementation of ISO14001 activities. In 2024, a total of 13 environmental management programs were completed. In terms of pollution prevention, the Company adopts the following measures: (1) Purchase of active carbon waste gas treatment equipment to remove volatile organic compounds (such as odor, smoke, toxin, O3, SO3, etc.) from waste gas generated during production; (2) Arrangement of rainwater and sewage pipelines in the cleaning plant, and installation of water drain outlet iron nets to improve the quality of sewage discharge; (3) Installation of closed-loop spraying pools to reduce the use of oil and paint; (4) Repair of waste recycling pipelines to prevent pollution from air run-off into the external environment; in terms of energy and resource conservation, (1) Replacement of old injection machines with energy-saving electric injection machines; (2) Merger of workshop to reduce the use of auxiliary equipment and save power; (3) Installation of energy-saving devices to reduce energy consumption; (4) Replacement of air compressor to achieve energy conservation; in terms of the waste management, organization of the waste reduction activities to reduce the use of paper and reduce the amount of food waste generated in the employee cafeteria;</p> <p>The Company and its subsidiaries all have built adequate environmental management systems according to the ISO14001 (Environmental Management System) which are verified by a fair third-party continuously. The certification has been disclosed on the Company's website.</p> <p>The ISO14001 certificate for the Taipei Factory is effective from 2023/8/9 to 2026/8/14.</p> <p>The ISO14001 certificate for Kunshan Plant is effective from 2024/7/10 to 2027/7/21.</p> <p>The ISO14001 certificate for Vietnam Factory is effective from 2023/2/17 to 2026/2/17.</p>	
(2) Does the Company dedicate in promoting energy utilization	V		(II) In order to correspond the Company's business growth, a green headquarters has been built which has been put into use on March 30, 2011. The design	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
efficiency, and use renewable materials that have low impact to the environment.			<p>of the headquarters was based on the standard of the Leadership in Energy and Environmental Design (LEED) prescribed by the US Green Building Council. We have implemented the policy of green building and energy saving and carbon reduction with a goal of lowering the impact on the environment.</p> <p>(1)The Design of the Headquarters: “Water Conservation” landscape watering uses entirely recycled rainwater, tap water-saving device and increases the efficiency of kitchen and bathroom water by 70%. The goal of the process water recovery rate after operation is expected to reach over 90%. Advance night ice storage system has been introduced for “Energy Saving” air conditioning system which can be used in conjunction with a day chiller, saving time and carbon reduction.</p> <p>(2) Production sites use renewable energy. The Company promotes various energy reduction measures, selects high-efficiency energy-saving equipment, reduces energy consumption in the process, and continues to increase the use of renewable energy, so as to optimize energy use efficiency. The main source of renewable energy is the purchase of International Renewable Energy Certificate (I-REC) and the increase in the use of renewable energy by China Datang (Lienzhou) Corporation Renewable Power Co., Limited. In 2024, the Company aimed to increase the use of renewable energy power by 5% compared to the baseline year, 2023. The use of renewable energy power in the current year is 13,515.000 MWh (13%), which has reached the planned goal. The future goals (2025-2028) are to increase the use by 2% compared to the previous year.</p>	

Items	Implementation Status			Non-implementation and its reason(s)																			
	Y	N	Summary																				
(3) Has the Company assessed its potential risks and opportunities now and the future regarding climate change, and adopted related responding?	V		<div>Unit: MWh</div> <table><tr><td>Production sites</td><td>Renewable energy source</td><td>2023</td><td>2024</td></tr><tr><td rowspan="2">Kunshan Plant</td><td>I-REC</td><td>8085.000</td><td>9,262.000h</td></tr><tr><td>China Datang (Lienzhou)</td><td>500.000</td><td>-</td></tr><tr><td>Vietnam Plant</td><td>I-REC</td><td>3384.000</td><td>4253.000</td></tr><tr><td colspan="2">Total (MWh)</td><td>11969.000</td><td>13515.000</td></tr></table>	Production sites	Renewable energy source	2023	2024	Kunshan Plant	I-REC	8085.000	9,262.000h	China Datang (Lienzhou)	500.000	-	Vietnam Plant	I-REC	3384.000	4253.000	Total (MWh)		11969.000	13515.000	<p>The raw materials used by the Group all comply with the RoHS, REACH, and halogen-free specifications of the European Union. Nishoku Group keeps implementing relevant measures for environmental symbiosis, including recycling and reuse of supplies, renewable energy manufacturing of products and pollution reduction in the process, to mitigate the environmental impacts. In terms of green manufacturing, the Company reduces unnecessary waste of resources, and pursue development of waste reduction and reuse technology. The Company also works with the upstream and downstream segments in the value chain to recycle and reuse the packaging materials. In terms of products, the Company uses the best efforts to test the use of renewable materials with low environmental impact, so as to maximize the benefits of the circular economy.</p>
			Production sites	Renewable energy source	2023	2024																	
			Kunshan Plant	I-REC	8085.000	9,262.000h																	
				China Datang (Lienzhou)	500.000	-																	
			Vietnam Plant	I-REC	3384.000	4253.000																	
			Total (MWh)		11969.000	13515.000																	
			(III) The Company has kept an eye on international trends and corresponding directions and has further understood issues concerned by stakeholders namely the government, investors, customers and the society. The Company evaluated possible legal risks, substantial risks and other risks as well as potential opportunities in order to adopt corresponding measures. The potential risks and opportunities of the climate change for the Company now and the future, and related responding to the climate adopted:																				

Items	Implementation Status					Non-implementation and its reason(s)	
	Y	N	Summary				
			Item	Potential risks of the climate change	Opportunities	Response	
			Now	Greenhouse gas emission control and carbon credit trading system	Promote low-carbon green production, save power, and reduce operating costs	Through the replacement of lighting equipment and the purchase of energy-saving machines, the number of power used is reduced.	
				Cost of developing carbon product development costs	Energy saving, carbon reduction, and operating cost deduction through green process and environmental protection system	Introduce water-based spraying and painting process, to use water-based paint for products, to reduce volatile organic compounds (VOCs).	
			Future	The increase in sustainable development regulations increases related costs The extent to which extreme natural disasters caused by the greenhouse effect have potential and unpredictable impacts on sustainable operations.	Find and use green energy and environment friendly materials Mitigate the expansion of the greenhouse effect through carbon reduction actions.	Investment of resources at the early stage to develop green energy and environmental protection materials. Implement greenhouse gas reduction targets and encourage employees to use electric vehicles or public transportation to reduce carbon	

Items	Implementation Status					Non-implementation and its reason(s)	
	Y	N	Summary				
(4) If the Company monitored the amount of greenhouse emission, water usage and waste handling for the past two years and established corporate strategies on reduction of carbon emission, greenhouse gas emission, water usage and waste management?	V					emissions.	None
			(IV) In addition to the Company, the overseas production locations of Nishoku Group - Kunshan, Shenzhen and Vietnam all uphold the notion of co-existence with the Earth environment, In accordance with the "Sustainable Development Best Practice Principles" of the Company, the policies for energy conservation and carbon reduction, greenhouse gas reduction, and reduction of water consumption and other waste management are formulated. continue to promote energy saving and greenhouse gas emission reduction measures, actively reduce carbon emission and focus on power consumption measures and review internal energy consumption status periodically. The Company has established relevant provisions for polices on the energy saving and carbon reduction, greenhouse gas emission reduction, reduction of water usage or other waste management in the “Corporate Social Responsibility Best Practice Principles”, and also implements such polices thoroughly. The Company’s greenhouse gas emission inspection has been verified by external unit. In addition to the obtaining of green building certificate for the Group’s headquarter building, the company will continue to exert effort in the improvement of environment, and also plans to achieve the management goal of reduction of greenhouse gas emission by 5% annually in the future. The execution measures are as follows: 1. Production end energy-saving measures: Reduction of process energy consumption, increase of equipment efficiency and energy management, etc. The Company's Kunshan Plant purchased a total of 11 energy-saving electric injection molding machine units in 2024. The electricity consumption was saved by about 14,080 kWh in the current year, reducing the carbon about 6.97 mt,equivalent to the planting of about 13 camphor trees. If the machine is put into production in whole, the annual total				

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>benefit is expected to reduce process energy use by 116,160 kWh, reducing carbon by 57.5 mt, equivalent to planting of about 104 camphor trees each year.</p> <p>In 2024, the Company's Vietnam Factory purchased 20 units of energy-saving equipment, such as shredder machine, stamping machine, and molding machine, which helped save the electricity by 93,305 kWh in the current year, equivalent to a reduction of carbon emission by 46 mt, about planting of 84 camphor trees. It is expected to save electricity by 444,053 kWh each year, equivalent to a reduction of carbon emission by 220 mt, about planting of 399 camphor trees.</p> <p>2. Office energy saving measures:</p> <p>(1) Group's headquarter building obtained the U.S. Green Building Council LEED green building golden class certification in June 2012.</p> <p>(2) Office environment adjusts the air conditioning depending upon the season and the temperature is set at 26 degree Celsius constantly in order to reduce the power load.</p> <p>(3) Office lighting uses energy-saving and high-performance lighting fixtures in order to reduce the heat generated by the light source and to achieve the objective of energy saving.</p> <p>(4) Promote employees to use stairs instead of elevators.</p> <p>3. Others:</p> <p>(1) Use document electronic signing and approval system to perform electronic signing approval, thereby reducing the paper usage amount, and promote the use of recycled papers.</p> <p>(2) Properly execute the recycle management and resource classification of wastes, such kitchen wastes, metal/aluminum/glass bottles, waste papers and plastic bottles, etc., and appoint professional personnel to be responsible for the treatment and classification of wastes.</p> <p>4.Greenhouse gas emissions for the most recent two years:</p> <p>The information covers all production sites: Taipei Plant/Kunshan</p>	

Items	Implementation Status					Non-implementation and its reason(s)			
	Y	N	Summary						
			Plant/Vietnam Plant/Shenzhen Plant (Note)						
			Unit: Ton (tCO2e)						
			Year	Scope 1	Scope 2		Scope 3	Assurance of production site Assurance Institution	Description of assurance
			2024	912.332	36349.349		369.535	Kunshan Plant Shanghai Hongmu Technology Co., Ltd.	It is expected to be executed in March 2025
			2023	871.775	28261.848		117.553	Kunshan Plant ACM (CHINA) LIMITED	Obtained
<p>(Note) The liquidation and cancellation of Shenzhen Plant has been completed on December 10, 2024. Therefore, no statistics for 2024 are available.</p> <p><u>Management policy</u></p> <p>In order to ensure proper management of climate-related risks and opportunities, the Board of Directors is designated by the Company as the highest governing body for risk management. The Board of Directors supervises the Company's overall decision-making on climate change-related issues. In June 2024, the Board of Directors resolved to establish the Sustainable Development and Risk Management Committee. The Sustainable Development and Risk Management Committee serves as the main management level. The "Sustainable Development Promotion Team" and "Risk Management Promotion Team" are established under the Committee. The Chairman and the President of the Company act as the convener of each team, and the CFO as the Executive Chief of each team</p>									

Items	Implementation Status			Non-implementation and its reason(s)											
	Y	N	Summary												
			<p>to manage the climate change issues through the cross-department management. The related data and results are regularly reported to the Sustainable Development and Risk Management Committee based on the promotion results. The Sustainable Development and Risk Management Committee reports the discussion results to the Board of Directors.</p> <p>5. Water consumption and total weight of withdrawal (ton)</p> <p>The Company has monitored environmental protection issues such as water resources and waste for a long time. Currently, all major production bases have obtained the certification of ISO14001 environment management system. The Company primarily uses water for general domestic purposes, with no process water usage or wastewater generated during production. The only wastewater generated is from the office building’s general domestic use. We will continue to implement various water conservation measures and promote awareness to reduce and control water resource consumption. The Company does not generate hazardous waste. Routine promotion of recycling, sorting, plastic reduction and waste reduction is carried out in support of environmental protection. The output of non-hazardous waste has also been reduced year by year. Information about water withdrawal by the production sites (Taipei Plant/Kunshan Plant/Vietnam Plant):</p> <table><tr><th>Year/ Item</th><th>Water withdrawal (Million liters)</th><th>water withdrawal intensity</th><th>Note</th></tr><tr><td>113</td><td>199.862</td><td>0.047</td><td rowspan="2">Intensity of water withdrawal= Total water withdrawal for the year／Consolidated operating revenue of Nishoku; Unit: Million liters／NTD million</td></tr><tr><td>112</td><td>192.792</td><td>0.055</td></tr></table>	Year/ Item	Water withdrawal (Million liters)	water withdrawal intensity	Note	113	199.862	0.047	Intensity of water withdrawal= Total water withdrawal for the year／Consolidated operating revenue of Nishoku; Unit: Million liters／NTD million	112	192.792	0.055	
Year/ Item	Water withdrawal (Million liters)	water withdrawal intensity	Note												
113	199.862	0.047	Intensity of water withdrawal= Total water withdrawal for the year／Consolidated operating revenue of Nishoku; Unit: Million liters／NTD million												
112	192.792	0.055													

Items	Implementation Status			Non-implementation and its reason(s)									
	Y	N	Summary										
			<p>Though Nishoku is not considered as a water-heavy industry, it spares no effort in water resource management. The intensity of water withdrawal in 2024 reduced by 14.55% in 2023. Nishoku will continue to promote water resource efficiency improvement measures. Please refer to the 2024 Sustainability Report for the related water resources management.</p> <p>Information about waste of production sites (Taipei Plant/Kunshan Plant/Vietnam Plant):</p> <table><tr><th>Year</th><th>hazardous waste Ton (t)</th><th>non-hazardous waste Ton (t)</th></tr><tr><td>113</td><td>140.998</td><td>1,193.454</td></tr><tr><td>112</td><td>166.430</td><td>946.956</td></tr></table> <p>Nishoku’s process focuses molding and plastic injection. The waste generated may be categorized to the employees’ domestic waste and industrial waste primarily.</p> <p>The Company adopts the recycling and reuse of waste as the first priority. Waste reduction at the source is also taken seriously. Waste that cannot be recovered or reused will be removed, burned and buried by the relevant certified service providers contracted by the Company in accordance with environmental protection laws. Waste concentration treatment is intended for classification and safety. Local waste management is performed by designated units to effectively verify the source of waste and control the output volume, thereby increasing the value of resource utilization and achieving the annual waste reduction goal of 1%. Nishoku will continue to promote resource management and efficiency improvement measures. Please refer to the 2024 Sustainability Report for the relevant resource management.</p>	Year	hazardous waste Ton (t)	non-hazardous waste Ton (t)	113	140.998	1,193.454	112	166.430	946.956	
Year	hazardous waste Ton (t)	non-hazardous waste Ton (t)											
113	140.998	1,193.454											
112	166.430	946.956											

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>4. Social Issues</p> <p>(1) If the Company followed relevant laws, and internationally recognized human rights principal, and established appropriate management policies and procedures?</p>	V		<p>(I) The CompanyThe Company supports the spirit of the “Universal Declaration of Human Rights” and are committed to adhering to international human rights standards, including the “UN Global Compact Principles” and the “International Labor Organization Declaration on Fundamental Principles and Rights at Work”, among other important human rights conventions, On April , 2024, the Company amended some provisions of its "Labor Management Policy and Implementation Regulations" and renamed it as "Group Human Rights and Employee Policy,” · We strictly comply with relevant government regulations, implement labor laws, and regularly convene labor management meetings to achieve effective communication and problem-solving. We adhere to a people-centric culture and respect and treat our employees well.</p> <p>The Company implements human rights policies, including but not limited to prohibiting forced labor, child labor, discrimination, and ensuring occupational health and safety. We have established and regularly update relevant management regulations to safeguard human rights. In addition to the “Labor Management Policy and Implementation Regulations”, we have established the “Employment Management Regulations”, “Factory Rules and Working Codes”, “Employee Care and Welfare Program Application Methods”, and “Salary Management Methods” to ensure the rights of employees in terms of working hours and rest, wages and insurance benefits, and prevention of harassment.</p> <p>Communication channels for implementation of human rights issues</p> <p>Legal compliance advocacy: The Company conducts legal compliance advocacy via the intranet or announcements on a quarterly basis. The Company conducts anti-discrimination, anti-sexual harassment, and anti-bullying education and training campaigns to provide a quality workplace that upholds human rights.</p>	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(2) If the Company followed relevant laws and regulations and international guidelines on consumer health and safety, customer privacy, marketing and labeling of products and services and established relevant consumer protection policy and grievance channel?	V		<p>Suggestion box and e-mail: According to the Company's "Labor Management Policy and Implementation Regulations", a suggestion box has been set up within the Company so that employees can have a channel through which to express their opinions (or complaint) to senior supervisors or the Company's senior management.</p> <p>Labor-management meetings: Establish good communication channels and hold labor-management meetings regularly to ensure the rights and interests of both parties.</p> <p>(II) 1. The Company's Articles of Incorporation clearly states that "In case the company has yearly profit, at least 1% shall be appropriated as employee remuneration". Moreover, performance of various business groups and personal performance are used as reference base for determination, and after the approval of authorization manager is gained, reasonable reward shall be given to employees.</p> <p>2. The Company's holiday system has been formulated in accordance with the Labor Standards Act.</p> <p>3. For the status of the Company's employee welfare measures and implementation include of the support programs for female employees, please refer to "V. Operation Overview and Labor-Management Relations" (pages 147-150).</p> <p>4. Diversity and equality in workplace</p> <p>The Company is committed to providing employees with a dignified and safe working environment. We have implemented diversity in employment, fairness in remuneration and promotion opportunities, and formulated relevant management measures, including "Labor Management Policy and Implementation Regulations", "Appointment</p>	None

Items	Implementation Status				Non-implementation and its reason(s)																			
	Y	N	Summary																					
(3) If the Company provided safe and healthy working environment to employees and conducted relevant training on safety and health management to employees periodically?	V		Management Methods”, “Factory Rules and Working Codes”, "Application Guidelines for Employee Care and Welfare Programs", and "Wage Administration Guidelines". These policies ensure that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, religion, age, political affiliation, or any other condition protected by applicable laws and regulations.; provided, where the certain job is only suitable for certain gender, this shall not apply.																					
			In 2024, the average weight of female employees was 49%, and 39% for the female managers, please refer to page 151 of the Annual Report, Gender distribution by position category																					
			<table><tr><th rowspan="2">items</th><th colspan="2">male</th><th colspan="2">female</th></tr><tr><th>Number of People</th><th>Percentage</th><th>Number of People</th><th>Percentage</th></tr><tr><td>managers</td><td>83</td><td>49%</td><td>53</td><td>39%</td></tr><tr><td>total employees</td><td>1,638</td><td>51%</td><td>1,605</td><td>49%</td></tr></table>		items	male		female		Number of People	Percentage	Number of People	Percentage	managers	83	49%	53	39%	total employees	1,638	51%	1,605	49%	
items	male		female																					
	Number of People	Percentage	Number of People	Percentage																				
managers	83	49%	53	39%																				
total employees	1,638	51%	1,605	49%																				
			(III) The Company and the subsidiaries all have been certified for the ISO 45001 occupational health and safety management system. “Providing a safe and health workplace for employees” is the Company’s fundamental obligation. Aside from establishing a Labor Safety and Health Management Committee to implement necessary workplace environmental inspection, various safety and health facilities for labors and improvement or proposal of suggestions are also provided. Additionally, the health and safety education and trainings are conducted every year. Given the importance of protection measures for workplace and personal safety, the Company carries out related educational training on an unscheduled basis. The “Safety and Health Education for Labors” educational training is performed on employees containing courses such as: general safety and health educational training and classes regarding how to provide awareness of safety, and enhancement of health in		None																			

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(4) If the Company provided career planning, relevant raining and skill development for employees?			<p>workplace. Learning evaluation is also carried out in the process of educational training to ensure the correctness of the learning direction of employees while at the same time confirming the implementation of the working environment and personal safety, for the zero-disaster environment.</p> <p>In 2024, there were 6 occupational disasters, with 6 people involved (accounting for 0.19% of the total employees at the end of 2024), and the goal of zero-disaster was not achieved. For occupational hazard improvement measures, the department will conduct internal training for relevant employees, and require the implementation of occupational safety and health, to ensure the safety of colleagues in the work environment and continue to achieve zero occupational hazards.</p> <p>There was 0 case of fire in 2024. Relevant measures in response to fire: 1. Replacement of old equipment and regular inspections. 2. Strengthen the lighting and monitoring in the fire risk area at night. 3. Regular firefighting courses every year, including firefighting evacuation drills.</p> <p>The Company has implemented the monitoring of the work environment for the protection of the employees from hazards in the workplace, and provide them with a healthy and comfortable working environment. The Company also conducts the monitoring of the work environment twice a year to gradually understand the exposure of the employees. The environmental monitoring activities at Taipei Plant was performed on June 14, 2024 and December 13, 2024. The Company has reported the same to the Ministry of Labor on July 12 of the same year and January 14 of the following year.</p>	
			(IV) The Company values the importance of employees' competitiveness and is dedicated to talent development. Annual education and training plans are arranged according to the education and training Measures. Flexible adjustment may be made according to the nature of work to meet	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(5) If the Company followed relevant laws and regulations and international guidelines on consumer health and safety, customer privacy, marketing and labeling of products and services and established relevant consumer protection policy and grievance channel?			<p>expectations of duty and career development. The employees' further education training system in 2024 and execution status, please refer to page 154 of the Annual Report.</p> <p>(V) The Company is in the manufacturing industry; products are not directly sold to consumers. Even though there are no compliant procedures in terms of R&D, procurement, manufacturing, production and service to protect consumers' rights and interests, a section dedicated to stakeholders can be found on the Company's website in accordance with the Business Integrity Rules. There is also a compliant management to prevent product or service from directly or indirectly damaging the rights and interests, health and safety of consumers or other stakeholders. Meanwhile, the Company follows the customer management and service procedures to understand the needs of our customers and make internal adjustments, reviews, and improvements. These management and service procedures include the handling of customer complaints. At the same time, all internal units follow the "Correction, Prevention, and Continuous Improvement Procedures" to ensure that when significant quality abnormalities occur, they can be corrected and improved. Potential problems found through analysis and statistics can also be prevented and continuously improved.</p>	None
(6) If the Company established suppliers management policy requesting suppliers to comply with relevant regulations on EHS and human rights issues and monitored suppliers' execution status.			<p>(VI) The Company evaluates and inspects the condition of suppliers in accordance with the Company's "Supplier Management Measures", "Supplier Evaluation Management Procedures", "Supplier Questionnaire", and "Inspection Form of Environmental Quality Assurance System for Suppliers". The Company performs an evaluation on new suppliers to determine whether it can become a qualified manufacturer; in terms of existing suppliers, the Company carries out regular evaluation to ensure they are adequate and provide guidance on supplier compliance with human rights matters namely environmental management, restricted substance control, non-hazardous substances and non-conflict miners. All suppliers signed the contract with the commitment of complying with</p>	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>the Company's environmental policies including compliance of laws and regulations, reduction of impact, continuous improvement, implementation of education, and communication. If a supplier is involved with unlawful incident, the Company may terminate its contract. Where a supplier, customer or an entity which the Company does business with is suspected to have violated the Company's CSR policies which has made a significant impact on the environment and society, the business relationship between 2 parties may be considered to be terminated.</p> <p>In light of the important issue of environmental protection, countries in the EU and other countries have passed acts including the Restriction of Hazardous Substances Directive (RoHS) and Waste Electrical and Waste Electric and Electronic Equipment (WEEE). As a member of the green product supply chain, not only does Nishoku Technology promote products that are lead-free but is also dedicated to fulfilling the needs of customers regarding heavy metal and banned chemical substances. We are currently promoting forbidden substance control and have released statement that all suppliers must meet the standard prescribed by laws and regulations.</p> <p>Supplier Evaluation System</p> <p>The purpose of the system is to carefully select qualified suppliers to ensure that the raw materials, equipment, and components provided meet the product specifications, and that they are available at reasonable prices and in the right quality, quantity, and timeliness to meet production needs.</p> <p>New suppliers for the first time shall be selected through appropriate investigation for long-term partnerships with suppliers with good credit, quality and commitment which have entered agreements on compliance with laws and regulations, labor and human rights, environmental protection, health and safety, conflict minerals management, and sustainability management, etc. An annual evaluation of suppliers of raw materials and components related to production shall be conducted to review the conformity of each evaluation item.</p> <p>Annual evaluation method:</p> <p>Annual evaluations on the suppliers of raw materials and components</p>	

Items	Implementation Status			Non-implementation and its reason(s)															
	Y	N	Summary																
			<p>related to the production are conducted, and the emphasis on product quality and delivery, as well as on sustainable development management in the production process is the focus of the review statistics, and the related disposal is handled according to the evaluation conclusion.</p> <p>Supplier evaluation and subsequent actions:</p> <p>The evaluation results are divided into grades of A, B, C and D, as shown in the following table. The evaluation results shall be submitted by the purchasing department to the president for review and subsequent actions.</p> <p>Evaluation Grading</p> <table><tr><th>Grade</th><th>Score</th><th>Action</th></tr><tr><td>A</td><td>90 or above</td><td>1. Increase the order quantity or commissioning quantity as appropriate. 2. Give priority to produce the Company's development samples.</td></tr><tr><td>B</td><td>89~75</td><td>No action.</td></tr><tr><td>C</td><td>74~60</td><td>1. Decrease the order quantity or commissioning quantity as appropriate. 2. The purchasing shall will notify the supplier of a deadline for improvement, and if no improvement is made within the deadline, the supplier will be disqualified.</td></tr><tr><td>D</td><td>59 or below</td><td>Disqualify the vendor and do not work together for 2 years.</td></tr></table> <p>Implementation of the group evaluation in2024</p>	Grade	Score	Action	A	90 or above	1. Increase the order quantity or commissioning quantity as appropriate. 2. Give priority to produce the Company's development samples.	B	89~75	No action.	C	74~60	1. Decrease the order quantity or commissioning quantity as appropriate. 2. The purchasing shall will notify the supplier of a deadline for improvement, and if no improvement is made within the deadline, the supplier will be disqualified.	D	59 or below	Disqualify the vendor and do not work together for 2 years.	
Grade	Score	Action																	
A	90 or above	1. Increase the order quantity or commissioning quantity as appropriate. 2. Give priority to produce the Company's development samples.																	
B	89~75	No action.																	
C	74~60	1. Decrease the order quantity or commissioning quantity as appropriate. 2. The purchasing shall will notify the supplier of a deadline for improvement, and if no improvement is made within the deadline, the supplier will be disqualified.																	
D	59 or below	Disqualify the vendor and do not work together for 2 years.																	

Items	Implementation Status								Non-implementation and its reason(s)	
	Y	N	Summary							
				Year of Evaluation	Total Number of Suppliers Evaluated	Evaluation Grade				
						Number of Suppliers Graded A	Number of Suppliers Graded B	Number of Suppliers Graded C	Number of Suppliers Graded D	
				2024	142	91	51	0	0	
					%	64%	36%	0%	0%	
5. If the Company’s CSR report prepared based on international recognized standard and if the report verified by the third party?	V		「The 2023 Sustainability Report is the first annual report issued by the Company to disclose the corporate sustainable development. The Report is prepared in reference to the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD). For the initial report, the Company has not yet received the assurance or guarantee opinions from a third-party certification unit.							None
6. If the Company established any guideline of corporate social responsibility in accordance with “Corporate Social Responsibility Best-Practice Principles for Listed Companies”?										
On June 27, 2024, in accordance with Article 9 of the Company's 'Sustainable Development Best Practice Principles' and Article 4 of the 'Organizational Regulations of the Sustainability Development and Risk Management Committee,' and with reference to Article 10 of the 'Risk Management Best Practice Principles for TWSE/TPEX Listed Companies,' the Board of Directors approved the establishment of the Sustainability Development and Risk Management Committee. The Committee appoints Chairman Biao-Fu Chen, Director Chien-Sheng Tsai, Independent Director Hung-Chang Lin, Independent Director Chih-Chen Wang and Independent Director Chih-Chieh Tsai, The committee consists of 3 independent directors and 2 directors as members, assisting the Board in promoting ESG sustainability and risk management to enhance corporate governance and drive and supervise the implementation of corporate sustainability policies. The term of office of the committee members shall be the same as that of the board of directors by which they are appointed. The implementation status is regularly reviewed and improved according to the "Sustainable Development Code of Practice". There have been no major abnormal differences in implementation so far.										
7. Other material information that helps to understand the operation of corporate social responsibility:										
(I) As a means to fulfill corporate responsibility in protecting the environment, the raw materials currently used by the Company all comply with the										

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>RoHS regulations prescribed in July 2006. The dangerous substances stipulated in the RoHS are strictly prohibited in the production, and relevant information is also delivered to all departments, ensuring that all products of the Company comply with the RoHS or meet the needs of our customers.</p> <p>(II) In order to prevent employees from being exposed to hazards and reduce the risk of occupational diseases, the Company carries out annual regular health examinations and keeps track of employees’ health, while regularly carrying out workplace inspection and providing protective equipment.</p> <p>(III) Establishment of Lactation Room: As a means to provide convenience for female workers to collect milk, a comprehensive lactation room was established to encourage the nature of breastmilk, ensuring the health of our next generation.</p> <p>(IV) Safety and health: in addition to complying with the Occupational Safety and Health Act and related subordinating regulations, and handling matters accordingly, the Company also continues to promote the occupational health and safety management system (ISO 45001) to implement various health and safety management.</p> <p>(V) Caring for the local community: The Group is headquartered in Xinzhuang, New Taipei City. Since the completion of the factory in 2011, the Group has participated in the "Xinzhuang District United Scholarship Program" through the Xinzhuang District Office (subsidy targets are mainly public/private universities and public/private high schools), to encourage the spirit of diligence and improvement of the outstanding, poor, and needy students in Xinzhuang District, and to cultivate talent for the country, society and the region. The Company has been supporting this talent cultivation program for 13 years. The Company sponsored NT\$50,000 (to 7 persons) in 2024. The cumulative sponsorship amounted to NTD 850 thousand, and a total of 128 people received scholarships.</p> <p>In order to implement community care, the Company's Vietnam Plant participated in the winter relief activities through the Taiwanese Chamber of Commerce in Haiphong, Vietnam, and donated fund to the temple fairs in 2 villages and 20 poverty-stricken villagers. In September 2024, Vietnam suffered from Typhoon Yagi. The Company called on the employees to donate charity fund and also granted the corresponding amount to provide the relief to the colleagues of Vietnam Plant who were victims in the disaster.</p> <p>In addition, we make unscheduled visits to representatives of local groups and fire brigades adjacent to the plant to learn about material topics of concern to the local community. We also implement fire safety countermeasures and implement precautions for employees in the plant, hoping to keep the community safe and happy, and prevent risks of major hazards inside or outside the plant.</p> <p>(VI) Rural community care: In line with our corporate social responsibility of taking care of disadvantaged groups and narrowing the gap between urban and rural areas, Nishoku Technology Inc., has participated in KPMG’s second-hand computer donation event for 17 years straight. We have donated a total of 413 second-hand computers to remote digital opportunity centers, schools, and welfare organizations. This not only provides more learning opportunities and resources for people in rural areas but also enhances the quality of care provided by welfare organizations to disadvantaged individuals. At the same time, through participating in this event, we hope we can lead by example and inspire other enterprises to join in effort to narrow the gap between urban and rural areas.</p> <p>(VII) With a certain amount of money, the Company engages in events of social care and disadvantaged groups. Employees of the Company are also encouraged to take part in doing charities and make a difference in order to give back to the society.</p>				

Items		Implementation Status			Non-implementation and its reason(s)
		Y	N	Summary	
2024/12/31					
Number	Name of the Recipient			Amount	
1	Genesis Social Welfare Foundation			\$20,000	
2	Mennonite Social Welfare Foundation			\$58,977	
3	Buddhist Puxian Social Welfare Foundation of Yilan County			\$60,800	
4	Hualien Bethesda Nursing Institute, Hualien County Christian Missionaries			\$60,000	
5	Taiwan Fund for Children and Families			\$65,000	
6	Xinzhuang District Office, New Taipei City			\$50,000	
7	Private Huiming Blind Child Welfare Association is attached to the Christian Huiming Blind Welfare Association of Taichung City			\$60,000	
8	The Chiayi Diocese of Chiayi County is attached to the Chiayi Diocese of the Catholic Church			\$60,000	
9	Huashan Social Welfare Foundation			\$75,000	
10	Happy Mount Colony,New Taipei City			\$30,000	
11	Daxin Elementary School, Xinhua District, Tainan City (Sinhua Digital Opportunity Center)			\$20,000	
12	Fuyuan Elementary School, Ruisui Township, Hualien County(Ruisui Digital Opportunity Center)			\$10,000	
13	Xinwu Elementary School, Xinwu District, Taoyuan City			\$20,000	
14	Penghu County Magong City Guangrong Community Development Association (Penghu County Magong City Digital Opportunity Center)			\$20,000	
15	Gaoliao Community Development Association, Yuli Township, Hualien County			\$20,000	
16	Zhishan Social Welfare Foundation			\$50,000	
17	World Vision Taiwan			\$42,000	
18	Renewal Foundation Taiwan			\$50,000	
19	Private Xuan-Kuan Caring Home,Nantou County			\$59,760	
20	Andrew Charity Association			\$78,000	
21	Aboriginal Kaulahan Cultural			\$50,000	
22	Kids' Bookhouse Foundaion			\$50,000	

Items		Implementation Status			Non-implementation and its reason(s)
		Y	N	Summary	
Number	Name of the Recipient			Amount	
23	Taiwan Music Creation Association			\$60,000	
24	The Chiayi County Private Mindao Home, affiliated with the Chiayi Diocese of the Catholic Church			\$50,000	
25	The Mustard Seed Christian Foundation			\$50,000	
26	Taiwan Si'an Charity Service Association			\$50,000	
27	National Dong Hwa University			\$100,000	
28	Disaster Relief Foundation			\$150,000	
29	Taiwan Chamber of Commerce in Haiphong, Vietnam			VND15,000,000 about \$19,500	
30	Donation activity for Vietnam factory damaged by YAGI typhoon			VND22,754,754 about \$29,581	
31	Two temple fairs held in a small village in Vietnam			VND10,000,000 about \$13,000	
32	20 people from the poor villages in Vietnam			VND6,000,000 about 7,800	
	Total (TWD)			\$1,539,418	

(VIII) International quality certification:


Item		Kunshan Plant	Vietnam Plant	Taipei Plant
TS 16949 Certification of quality and quantity management system	Date of issuance	2014/6/18		
	Date of this issuance From to	2024/7/2~2027/7/1		
ISO 9001 Certification of quality and quantity management system	Date of first issuance	2002/10/29	2011/2/16	1998/5/6
	Date of this issuance From to	2024/7/2~2027/7/1	2023/2/16~2026/2/16	2023/8/9~2026/8/14
ISO 14001 Environment management system	Date of first issuance	2015/7/22	2011/2/17	2011/8/15
	Date of this issuance From to	2024/7/10~2027/7/21	2023/2/17~2026/2/17	2023/8/9~2026/8/14

Items			Implementation Status					Non-implementation and its reason(s)
			Y	N	Summary			
	ISO 45001 Occupational health and safety management system	Date of first issuance	2020/8/14		2011/8/5			
		Date of this issuance From to	2023/8/14~2026/8/13		2023/3/6~2026/3/6			
	ISO 13485 Medical device quality management system	Date of first issuance	2019/3/27					
		Date of this issuance From to	2025/3/27~2028/3/26					

2.3.7 Climate-related information of TWSE/TPEX-listed companies

1. Implementation status of Climate-related information implementation

Items	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The financial impact potentially posed by climate change risks has become one of the major issues of concern for stakeholders. Nishoku has realized the importance of climate risk management and is proactively establishing the Group's countermeasures against climate change, hoping to mitigate the impact on the industry chain caused by the climate. We follow the TCFD to disclose climate-related financial risks and opportunities under the four major frames, namely climate topic governance, climate-related risks and opportunities identification and response strategies, risk management, indicators and goals, in order to assess the possible impact on our operations, and formulate response strategies and management guidelines and achieve the goal of corporate sustainable operation.</p> <p>In order to ensure proper management of climate-related risks and opportunities, the Board of Directors is designated by the Company as the highest governing body for risk management. The Board of Directors supervises the Company's overall decision-making on climate change-related issues. On June 27, 2024, the Board of Directors resolved to pass the Sustainable Development and Risk Management Committee Charter and establish the Sustainable Development and Risk Management Committee. The Committee members were appointed per the resolution of the Board of Directors, including Chairman Biao-Fu Chen, Director Chien-Sheng Tsai, Independent Director Hung-Chang Lin, Independent Director Chih-Chen Wang and Independent Director Chih-Chieh Tsai. The Sustainable Development and Risk Management Committee serves as the main management level. The "Sustainable Development Promotion Team" and "Risk Management Promotion Team" are established under the Committee. The Chairman and the President of the Company act as the convener of each team, and the CFO as the Executive Chief of each team to manage the climate change issues through the cross-department management. The related data and results are regularly reported to the Sustainable Development and Risk Management Committee based on the promotion results. The Sustainable Development and Risk Management Committee reports the discussion results to the Board of Directors.</p>

	<p>Risk management operations</p>  <pre> graph TD Board[Board of Directors] --- Audit[Audit Office] Audit --- Committee[Sustainable Development and Risk Management Committee] Committee --- SDPT[Sustainable Development Promotion Team] Committee --- RMPPT[Risk Management Promotion Team] </pre> <p>Status of operation:</p> <ol style="list-style-type: none"> (1) The Sustainable Development Promotion Team discusses and identifies the climate change risk and opportunity issues, and provide them to the Risk Management Promotion Team for formulation of risk countermeasures and followup. (2) The Risk Management Promotion Team reports to the Sustainable Development and Risk Management Committee the identified risks and implementation result thereof, and related countermeasures. (3) The Sustainable Development and Risk Management Committee reviews and approves the climate risk management results reported to it regularly, and reports to the Board of Directors the decision management implementation results to the Board of Directors regularly. (4) The Board of Directors decides the strategy and supervises and governance.
<p>2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>In terms of the identification of climate-related risks and opportunities, Nishoku follows the suggestions of TCFD to have the Sustainable Development Promotion Team to collect the information about international trends and take an inventory of the climate-related risks and opportunities among peers and compile the climate-related risk and opportunity checklist; then, according to the measurement by questionnaire, the Sustainable Development Promotion Team and Risk Management Promotion Team engages in the discussion. The impact lengths relating to the strategy and operation of Nishoku are defined as short-term as 1-3 years, medium-term as 3-5 years, and long-term as 5-10 years. The key climate risks and opportunities are identified as follows:</p>

3. Describe the financial impact of extreme weather events and transition actions.

Key climate risks and opportunities identified

Types of risks and opportunities		Risk items	Possible time of occurrence	Impact on the Company's strategy, operation and finance	Response strategies of the Company	Potential financial impact of the response plan
Transformation risks	Policies and regulations	Requirements and supervision of existing products and services	Short-term	In response to GHG reduction and management regulations, it is necessary to improve the energy efficiency of business locations and increase the cost of green electricity certificate subscription	Phase out high-energy-consuming production, air-conditioning, and office equipment, and promote in-plant carbon reduction; increase operational efficiency through routine operational improvements to achieve energy conservation.	Increase in capital expenditure, increase or disposals of assets, increase in liabilities
	Technology	Costs of low-carbon technology transformation	Medium-term	Increased capital expenditures for technology development	Introduce the Manufacturing Execution System (MES) into the manufacturing process to automate and manual labor reporting, precisely control the processing time and scheduling, and effectively improve production efficiency.	Increase in capital expenditure
	Market	Changes in customer behavior	Short-term	Products and services currently provided do not meet market demand and are phased out if energy-intensive or	Expand sources of low-carbon procurement and seek out renewable energy suppliers Integrate upstream and downstream industries, formulate a process emission reduction	Increase in capital expenditure

					carbon-emissions are high, resulting in loss of customers.	plan, and develop green manufacturing processes	
	Physical risk	Immediacy	Power interruption caused by extreme weather events such as typhoons, floods, and flooding (heavy rainfalls)	Long-term	Production capacity decline (such as production suspension, extension of planning consent, transportation difficulties, supply chain interruption)	Review plans to install solar power generation equipment and purchase energy storage cabinets; or moderately increase the inventory	Increase in capital expenditure
	Opportunities	Resource efficiency	Use more efficient production and distribution processes	Medium-term	Reduce operating costs (e.g. through efficiency improvement and cost reduction)	Replace energy-intensive forklifts and vehicles Process equipment and introduction of low-carbon manufacturing process Opt for low-carbon transportation products	Decrease in operating costs, increase in capital expenditure, increase in or scrapping of assets, increase in liabilities
		Products and services	R&D and innovation for developing new products and services	Short-term	Increase revenue through demand for low-carbon products and services	Reduce carbon emissions and energy costs through the application, investment or development of new energy technologies	Increase in capital expenditure and revenue
		Market	Entrance into new markets	Short-term	Entering new and emerging markets (e.g. working with the government and development banks) to increase revenue	Expand new markets and industrial transformation through innovation of products or services Work with suppliers and customers to develop low-carbon	Increase in operating revenue

					and sustainable products							
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>To implement climate risk management, the Sustainable Development Promotion Team and Risk Management Promotion Team jointly conduct regular risk identification and evaluation and relevant response measures and plans based on the timeline of the possible impacts of climate change, the possibility of risk occurrence, and the impact on the Company's operations and finances to ensure sustainable development. The Sustainable Development Promotion Team provides the identification of climate change to the Risk Management Team. The Risk Management Team tracks the progress of promotion and reports to the Sustainable Development and Risk Management Committee. The Committee in turn reports the matters to the Board of Directors for decision-making.</p> <p>Identification and assessment procedures for climate change-related risks and opportunities Based on the TCFD framework, we have compiled a list of relevant risks and opportunities based on the external environment such as the current international attitudes to climate change, local government regulations, and the impact of climate change on internal company strategic goals, products and services, and the supply chain. In the medium and long term, the likelihood of risk occurrence and its impact on the Company's strategy, operation and finance will be assessed and the key risks and opportunities determined after internal discussions.</p> <table><tr><td>Risk collection/identification</td><td>Sustainability Promotion Team</td><td>List/screen climate risks and opportunities Based on the Company's industrial characteristics and current operation status, the Sustainable Development Promotion Team collected relevant climate risk and opportunity issues. After internal discussions, various departments screened out the Company’s risks and opportunities.</td></tr><tr><td>Risk assessment</td><td>Sustainability Promotion Team Risk Management Promotion</td><td>Identify key risks and opportunities</td></tr></table>						Risk collection/identification	Sustainability Promotion Team	List/screen climate risks and opportunities Based on the Company's industrial characteristics and current operation status, the Sustainable Development Promotion Team collected relevant climate risk and opportunity issues. After internal discussions, various departments screened out the Company’s risks and opportunities.	Risk assessment	Sustainability Promotion Team Risk Management Promotion	Identify key risks and opportunities
Risk collection/identification	Sustainability Promotion Team	List/screen climate risks and opportunities Based on the Company's industrial characteristics and current operation status, the Sustainable Development Promotion Team collected relevant climate risk and opportunity issues. After internal discussions, various departments screened out the Company’s risks and opportunities.										
Risk assessment	Sustainability Promotion Team Risk Management Promotion	Identify key risks and opportunities										

		Team	Based on the content of the research and analysis and the significance of the impact assessment, the Sustainable Development Promotion Team and the Risk Management Promotion Team summarized the key climate risks and opportunities of the Company.
	Risk response	Sustainability Promotion Team Risk Management Promotion Team	Response plans for key risks and opportunities The Sustainable Development Promotion Team and Risk Management Promotion Team examine the impacts of climate-related risks and opportunities on the Company's strategy, operations, and finance, and formulate corresponding strategic plans after internal discussions.
	Risk tracking	Risk Management Promotion Team	Followup on the countermeasures against key risks and opportunities For the identified major risks and opportunities, the Company shall formulate risk mitigation plans for high-risk items or necessary report items based on the risk response steps under the Company's "Risk Management Policy and Procedure," and carry out

			continuous monitoring and improvement. The internal audit unit will include the implementation of important plans into the internal audit plan and regularly review the implementation.															
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet adopted the scenario analysis of climate change.																	
6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<table border="1"> <tr> <th colspan="2">Types of risks and opportunities</th><th>Risk items</th><th>Impact on the Company's strategy, operation and finance</th><th>Response strategies of the Company</th></tr> <tr> <td rowspan="2">Transformation risks</td><td>Policies and regulations</td><td>Requirements and supervision of existing products and services</td><td>In response to GHG reduction and management regulations, it is necessary to improve the energy efficiency of business locations and increase the cost of green electricity certificate subscription</td><td>Phase out high-energy-consuming production, air-conditioning, and office equipment, and promote in-plant carbon reduction; increase operational efficiency through routine operational improvements to achieve energy conservation.</td></tr> <tr> <td>Technology</td><td>Costs of low-carbon technology transformation</td><td>Increased capital expenditures for technology development</td><td>Introduce the Manufacturing Execution System (MES) into the manufacturing process</td></tr> </table>				Types of risks and opportunities		Risk items	Impact on the Company's strategy, operation and finance	Response strategies of the Company	Transformation risks	Policies and regulations	Requirements and supervision of existing products and services	In response to GHG reduction and management regulations, it is necessary to improve the energy efficiency of business locations and increase the cost of green electricity certificate subscription	Phase out high-energy-consuming production, air-conditioning, and office equipment, and promote in-plant carbon reduction; increase operational efficiency through routine operational improvements to achieve energy conservation.	Technology	Costs of low-carbon technology transformation	Increased capital expenditures for technology development	Introduce the Manufacturing Execution System (MES) into the manufacturing process
Types of risks and opportunities		Risk items	Impact on the Company's strategy, operation and finance	Response strategies of the Company														
Transformation risks	Policies and regulations	Requirements and supervision of existing products and services	In response to GHG reduction and management regulations, it is necessary to improve the energy efficiency of business locations and increase the cost of green electricity certificate subscription	Phase out high-energy-consuming production, air-conditioning, and office equipment, and promote in-plant carbon reduction; increase operational efficiency through routine operational improvements to achieve energy conservation.														
	Technology	Costs of low-carbon technology transformation	Increased capital expenditures for technology development	Introduce the Manufacturing Execution System (MES) into the manufacturing process														

					to automate and manual labor reporting, precisely control the processing time and scheduling, and effectively improve production efficiency.
		Market	Changes in customer behavior	Products and services currently provided do not meet market demand and are phased out if energy-intensive or carbon-emissions are high, resulting in loss of customers.	Expand sources of low-carbon procurement and seek out renewable energy suppliers
	Physical risk	Immediacy	Power interruption caused by extreme weather events such as typhoons, floods, and flooding (heavy rainfalls)	Production capacity decline (such as production suspension, extension of planning consent, transportation difficulties, supply chain interruption)	Integrate upstream and downstream industries, formulate a process emission reduction plan, and develop green manufacturing processes
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet implemented an internal carbon pricing mechanism.				
8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon,	Nishoku Group promised that setting 2023 as the baseline year, it will reduce the greenhouse gas emission intensity by 20% under Scope 1 and Scope 2 and by 5% under Scope by the recent target year, 2030. Meanwhile, with respect to the emission reduction action under Scope 3, we will demand that the suppliers should provide the carbon emission data related to their power consumption as the reference for future				

and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified	carbon emission management. For related activities, GHG emission scope, and planning process, please refer to 9. GHG Reduction Targets, Strategies and Specific Action Plans.
9. Greenhouse gas inventory and assurance status (filled out separately below in 1-1).	Assurance of GHG emissions for 2024 and 2023 is shown in the following table

1-1 Greenhouse Gas Inventory and Assurance Status in Recent Two-year

1-1-1 Greenhouse Gas Inventory Information Instructions for Completing the Table:

Inventory year : 2024/01/01 ~ 2024/12/31

Scope 1	metric tons of CO2e	Density (metric tons of CO2e per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	7.257		Internal inventory	NA
Subsidiary (Kunshan)	720.369		Shanghai Hongmu Technology Co., Ltd.	It is expected to be executed in March 2025 (All assurance data will be disclosed in the sustainability report.)
Subsidiary (Vietnam)	184.706		Internal inventory	NA
Emission (tCO2e) Total	912.332	0.214	Intensity based on 2024 consolidated revenue of NTD 4,259.658 million	
Scope 2	metric tons of CO2e	Density (metric tons of CO2e per	Assurance Institution	Description of Assurance Status

		million dollars)		
Parent company	608.584		Internal inventory	NA
Subsidiary (Kunshan)	21,542.233		Shanghai Hongmu Technology Co., Ltd.	It is expected to be executed in March 2025 (All assurance data will be disclosed in the sustainability report.)
Subsidiary (Vietnam)	14,198.531		Internal inventory	NA
Emission (tCO2e) Total	36,349.349	8.533	Intensity based on 2024 consolidated revenue of NTD 4,259.658 million	
Scope 3	metric tons of CO2e	Density (metric tons of CO2e per million dollars)	Assurance Institution	Description of Assurance Status
Subsidiary (Kunshan)	369.535	0.087	Shanghai Hongmu Technology Co., Ltd.	It is expected to be executed in March 2025 (All assurance data will be disclosed in the sustainability report.)
Note	1. Intensity based on 2024 consolidated revenue of NTD 4,259.658 million 2. The parent company, and subsidiary (Vietnam) did not conduct the inventory under Scope 3.			

(Note) The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024. Therefore, the relevant information is no longer disclosed in said table.

Inventory year : 2023/01/01 ~ 2023/12/31

Scope 1	metric tons of CO2e	Density (metric tons of CO2e per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	23.472		Internal inventory	NA
Subsidiary (Shenzhen)	6.250		Internal inventory	NA
Subsidiary (Kunshan)	698.112		ASIM Certification (Shanghai) Co., Ltd.	The Company follows the ISO14064-1:2018 verification standard.
Subsidiary (Vietnam)	143.941		Internal inventory	NA
Emission	871.775	0.248	Intensity based on 2023 consolidated revenue of NTD 3,508.729	

(tCO2e) Total			million	
Scope 2	metric tons of CO2e	Density (metric tons of CO2e per million dollars)	Assurance Institution	Description of Assurance Status
Parent company	606.670		Internal inventory	NA
Subsidiary (Shenzhen)	3,391.360		Internal inventory	NA
Subsidiary (Kunshan)	19,867.238		ASIM Certification (Shanghai) Co., Ltd.	The Company follows the ISO14064-1:2018 verification standard.
Subsidiary (Vietnam)	4,396.580		Internal inventory	NA
Emission (tCO2e) Total	28,261.848	8.055	Intensity based on 2023 consolidated revenue of NTD 3,508.729 million	
Scope 3	At present, the Company's GHG inventory mainly focuses on the Scope 1 and Scope 2 information.			
Subsidiary (Kunshan)	117.553	0.034	ASIM Certification (Shanghai) Co., Ltd.	The Company follows the ISO14064-1:2018 verification standard.
Note	1. Intensity based on 2023 consolidated revenue of NTD 3,508.729 million 2. The parent company, subsidiary (Shenzhen), and subsidiary (Vietnam) did not conduct the inventory under Scope 3.			

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

(I) Corporate strategies in response to climate change or GHG management

In addition to the Company, the overseas production locations of Nishoku Group - Kunshan, Shenzhen and Vietnam all uphold the notion of co-existence with the Earth by continuing to promote energy-saving and GHG emission reduction measures.

The CO2 emission from power consumption is the main source of the Company's greenhouse gas emission. Therefore, the Company's energy-saving and carbon-reduction plan is prepared based on energy conservation as the focus. Meanwhile, the Company has established relevant provisions for policies on the energy saving and carbon reduction, greenhouse gas emission reduction, reduction of water usage or other waste management in the “Corporate Sustainable Development Best Practice Principles,” and also implements such policies thoroughly.

(II) Corporate GHG emission reduction targets

Nishoku Group promised that setting 2023 as the baseline year, it will reduce the greenhouse gas emission intensity by 20% under Scope 1 and Scope 2 and by 5% under Scope 3 by the recent target year, 2030. Meanwhile, with respect to the emission reduction action under Scope 3, we will demand that the suppliers should provide the carbon emission data related to their power consumption as the reference for future carbon emission management under Scope 3.

(III) Budgets and plans for the reduction of corporate GHG emissions

1. Energy-saving measures at the production end: Reduction of process energy consumption, increase of equipment efficiency and energy management, etc.
2. Office energy saving measures:
 - (1) Group's headquarter building obtained the U.S. Green Building Council LEED green building golden class certification in June 2012.
 - (2) Office environment adjusts the air conditioning depending upon the season and the temperature is set at 26 degree Celsius constantly in order to reduce the power load.
 - (3) The office machine will shut down automatically for 15 minutes.
 - (4) Promote the habit of turning off lights whenever they don't need the lights, closing power sources, and using natural light sources as much as possible.
 - (5) The Company regularly maintains and repairs lighting and air-conditioning equipment with large power consumption in the office, and continuously reviews and replaces high energy-consumed equipment and energy-saving measures.
 - (6) Enhance the maintenance and regular maintenance of various electrical appliances, and replace electrical equipment with expired user life and daily regular energy saving inspections, in order to reduce power consumption and carbon dioxide emissions.
 - (7) Promote employees to use stairs instead of elevators.
 - (8) Employees are encouraged to reduce the use of disposable cutlery and bring their own cutlery to reduce waste.
3. Others:
 - (1) Use document electronic signing and approval system to perform electronic signing approval, thereby reducing the paper usage amount, and promote the use of recycled papers.
 - (2) Properly execute recycle management and resource classification of wastes, such kitchen wastes, metal/aluminum/glass bottles, waste papers and plastic bottles, etc., and appoint professional personnel to be responsible for the treatment and classification of wastes.

(IV) Carbon reduction effect brought by the Company's products or services to customers or consumers

The Company is expected to join the "Private Sector and Group Green Procurement" promoted by the Ministry of Environment. In the future, the Company's Procurement Department will be required to purchase products or services that meet the requirements of the Ministry of Environment, including 9 types of labels and 34 types of labels, in order to reduce environmental impact and support the green life together.

2.3.8 Implementation of Ethical Corporate Management Best Practice Principles:

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>1. Ethical Corporate Management Policy</p> <p>(1) If the Company established ethical corporate management policy approved by the Board and specified procedures in its internal policies and external document? If the Board of Directors and the management team committed to enforce such policies rigorously and thoroughly?</p>	V		<p>(I) The board of directors has approved the “Ethical Corporate Management Best Practice Principles” in 2011, and the “Procedures for Ethical Management and Guidelines for Conduct” in 2021, to clearly specify the policies and conduct regulations for ethical management. For the directors and executives of the Company to understand and implement the ethical management philosophy better, while incorporating the “Commitment of Ethic and Integrity” in the documents required to be signed by the new directors and executives, the major contents include: no unethical conduct, not providing or receive improper benefits, not providing illegal political contributions or improper charitable donations or sponsorships, recusal for conflict of interests, performing the confidentiality obligation and no infringement to the intellectual property rights, complying with NDA, not engaging insider trading, performing the explanation obligation, not receiving improper benefits, nor conducting business with unethical operators; the re-elected or newly elected directors and supervisors are required to sign the “Commitment of Ethic and Integrity.”</p> <p>In 2023, the directors and executives of the Group complied the requirement in the above paragraphs, and no violation as of now.</p>	None
<p>(2) If the Company established a system to periodically evaluate business activities which</p>	V		<p>(II) The Company regularly analyses the forms of the whistle-blowing system for unethical conducts. An</p>	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
are possibly at a higher risk of being involved in an unethical conduct and if relevant prevention policy covering business activities specified in the second paragraph of Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSE Listed Companies established thereof?			<p>effective accounting system and internal control system are established for business activities with high risks, and the following procedures have been formulated in the “Ethical Management Best Practice Principles”:</p> <ul style="list-style-type: none"> ● No providing or acceptance of bribes. ● No providing illegal political contributions. ● No improper charitable donations or sponsorship. ● No offering or acceptance of unreasonable presents or hospitality, or other improper benefits. ● No misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. ● No engaging in unfair competitive practices. ● No damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	
(3) If the Company executed any measures to prevent unethical conduct and clearly prescribed the specific ethical management practice including operational procedures, guiding principles, penalties and grievance channels? If the Company reviewed the execution of these measures periodically and revised the measures where necessary.	V		(III)The Company has established the “Ethical Management Best Practice Principles”, which has clearly stated its operating procedures, conduct guidelines, penalties for violation and reporting system, such as channels including dedicated contact personnel, contact number and e-reporting mailbox on the Company’s website and internal website. For Company employees involving in	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			ethical conduct, it shall be handled according to the reporting procedures of the “Handling Measures for Reporting Illegal and Unethical and Dishonest Conducts”.	
2. Implementation of Ethical Corporate Management	V		(I) The Company has established the “Supplier Evaluation Management Procedures” and “Supplier Questionnaire” for approving trading objects for which the Company does business activities with. For suppliers/contractors which the Company is already in cooperation with, regular audits and inspections are carried out. Related terms and conditions between the Company and trading objects are also specified in the contract.	None
(1) If the Company checked whether the respective counterparty holds any record of unethical misconduct and if the contract terms required the compliance of ethical corporate management policy?				
(2) If the Company set up a unit, under the direct supervision of the Board of Directors, to handle the implementation and supervision of ethical corporate management as well as prevention of unethical conduct and reported to the Board of Directors periodically (annually)?	V		(II) 1.The Human Resources and Administration Department, Legal Affairs Office and Finance Department jointly formed the “Task Force for Promoting Ethical Management” with Vice President Wu, Ying-lan as the convener, conducting business pursuant to relevant management regulations, to ensure the implementation of the Ethical Corporate Management Best Practice Principles. The dedicated unit reported the implementation to the board of directors on December 26, 2024. 2. The operation and implementation in 2024 are as following: A. Education and training (1). Participated in external education and training related to ethical management issues (including courses related to (including	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(3) If the Company established a policy on	V		<p>courses related to practice and management of fraud risk, corporate governance, professional ethics and legal responsibility, accounting system, and internal control) with a total of 62.5hours.</p> <p>(2). Total 2 new recruits attended the ethical management promotional training.</p> <p>B. Legal compliance The Group-wide legal education and training was conducted by the Legal Office, focusing on ethical management, integrity commitment, commercial bribery, and intellectual property, The training has been held eleven times in 2024, 4 sessions in total, 69 participants , with 117 hours of promotion.</p> <p>C. Commitment of Ethics and Integrity Based on the principles of fairness, honesty, trustworthiness and transparency, the Company conducts the business. In order to implement the ethical corporate management policy, and actively prevent unethical conducts, suppliers or contractors are required to sign the “Commitment of Ethics and Integrity,” as many as 92.11%.</p> <p>D. Regular inspection The Company has established the “Reward and Punishment Management Regulations,” incorporating ethical management into employee performance appraisal and human resources policies, to establish a clear and effective discipline system. There will be no corruption and anti-competitive behavior in 2024.</p> <p>(III) The Company has established the “Ethical</p>	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
prevention of conflict of interests, provided appropriate reporting channel and executed rigorously and thoroughly?.			<p>Management Best Practice Principles” and when a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by any of the directors, managerial officers, and other stakeholders attending or present at Board Meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board Meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as a proxy for another director.</p> <p>As a means to avoid improper leaks of internal material information, the “Operating Procedures for the Prevention of Insider Trading” has also been established for the compliance of the Company’s directors, managerial officers, employees and shareholders holding more than 10% of the Company’s shares as well as spouses, minor children and holding shares using another person’s name stated previously.</p> <p>There is also a stakeholders section on the Company's website, providing a channel for making statements.</p>	
(4) If the Company established an effective accounting system and internal control system and if internal auditing department formulated auditing plan based on the result of risk evaluation on unethical conduct and audited the	V		(IV) The accounting system and internal control system established by the Company are able to control relevant operation risks. However, with the change of economic environment and the Company's expanding business scales, the Company adheres to	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>compliance of prevention plan or authorized external accounting firm to conduct auditing?</p> <p>(5) If the Company organized training and awareness programs on ethical corporate management to internal and external parties?</p>	V		<p>its ethical management while at the same time making appropriate reviews and improvements. The internal audit personnel carries out audits on the compliance of the systems stated previously, and shall make an audit report to submit to the Board meeting. CPAs are appointed to execute audits, and when it is necessary, professionals may be appointed for assistance.</p> <p>(V) As required by the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and the “Operating Procedures for the Prevention of Insider Trading” passed by the Board, an Education Promotion Handbook is produced quarterly and courses are carried out by external education institutions for assistant general manger-level and above. Trainings relating to Professional Ethics for Employees and Conduct of Conduct are arranged for the Company's general employees.</p> <p>On January 2, 2024, April 1, 2024, July 1, 2024, and October 1, 2024, the directors, managerial officers, and employees were informed with the common violations of insiders’ equity transfer and related education, for total of 129 readers. The contents included the scope of internal material information, classification operation, disclosure operations and handling of violations of the insiders’ equity transfer; the promotional materials were sent to all directors, managerial officers and employees for reference.</p> <p>The Company reminds directors in its annual insider trading prohibition program that they should</p>	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>not trade their shares during the closed period of 30 days before the annual financial report announcement and 15 days before the quarterly financial report announcement.</p> <p>The directors were informed on January 19, 2024, April 10, 2024, July 15, 2024, and October 16, 2024 that there the Company's shares may not be traded during the closed period of 30 days prior to the announcement of each quarterly financial report, in order to avoid any unintentional violation of such regulation by the directors.</p>	
3.Implementation of whistleblowing system				
(1) If the Company established a whistleblowing and reward system? Upon receiving a reported case, is there a dedicated personnel handling the reported case?	V		(I) The Company has established the “Ethical Corporate Management Best Practice Principles”, as well as independent whistle-blowing mailbox for internal and external personnel. A whistle-blower may send the reporting matter directly to such mailbox. The authorization unit appoints suitable dedicated personnel to handle the matter according to the nature of such matter, and the identity and reporting content will be kept confidential. An internal audit may be carried out according to needs.	None
(2) If the Company established standard operational procedures and relevant information confidentiality policy for investigation of reported cases and recommendation of preventive measures?	V		(II) The Company has established applicable standard operating procedures investigation in terms of reporting matters and an investigation is conducted under a confidential document.	None
(3) If the Company established any measures for protecting whistleblowers from inappropriate disciplinary actions?	V		(III) The Company's “Handling Measures for Reporting Illegal and Unethical and Dishonest Conducts” clearly specifies that the handling personnel shall keep confidential of the identity of the whistle-blower as well as the content, and shall	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
			protect such person from suffering any consequences of reporting an incident.	
<p>4. Information Disclosure</p> <p>If the Company disclosed ethical corporate management policy and its status of implementation via corporate website or Market Observation Post System?</p>	V		The Company has disclosed information relating to ethical management on its website and annual report for relevant personnel.	None
<p>5. If the Company established any guideline of ethical business conduct in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and please state the implementation status of the guideline and any reasons for non-implementation?</p> <p>The Company’s “Ethical Management Best Practice Principles” has been approved by the Board Meeting and has been publicly announced on the Company’s website and MOPS for compliance of employees. The concurrent unit, Finance Department, is responsible for the promotion of corporate ethical management.</p>				
<p>6. If any other information that helped to understand the operation of ethical business conduct and its implementation. (ie. Declarations, trainings and conventions held with vender to promote ethical business conduct)?</p> <p>(I) For to comply with laws and regulations as well as be in line with the current practice ,on October 28, 2021,the Company’s Board of Directors approved the amendment of the “Ethical Corporate Management Best Practice Principles” and “Handling Measures for Reporting Illegal and Unethical and Dishonest Conducts” .</p>				

2.3.9 Other important may be disclosed regarding information to improve the understanding of the Company's corporate governance operation:

The Company has a corporate governance section on the website for the disclosure of related information on corporate governance.

Company website:[https://www.nishoku.com.tw/zh-TW/Investor/ Governance](https://www.nishoku.com.tw/zh-TW/Investor/Governance)

2.3.10 The following items related to the implementation of internal control systems shall be disclosed:

(1) Internal Control Statement

Please refer to "Public Information Observation Station" >Single Company>Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement.

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

(2) Where a CPA is entrusted to carry out a special audit of the internal control system, furnish the CPA audit report: None.

2.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

2.3.11.1 The 2024 major Resolutions of Shareholders' Meeting and its Implementation Status:

1. Approval of the 2023 Business Report and Financial Statements.

Execution status: according to the resolution.

2. Approval of the 2023 earnings distribution.

Execution status: a cash dividend of NT\$7 per share was issued. Base date: June 24, 2024. The distribution was completed on July 12, 2024.

2.3.11.2 Major Resolutions of Board Meetings

Date	Major resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent director holding any dissent or qualified opinion
February 29, 2024 (1st session in 2024)	1. Motion for the Company's 2023 parent only and consolidated financial statements	✓	None
	2. Motion for the Company's 2023 remuneration to directors and employees, and year-end bonus for managerial officers	-	None
	3. Motion for the Company's 2023 business report	✓	None
	4. Motion for the Company's 2023 internal control system statement	✓	None
	5. Motion for the company's private placement of ordinary shares approved by the ordinary meeting of shareholders. Since the processing period is about to expire, and will not continue to be processed.	✓	None
	6. Motion for the proposal of the time, location and agendas for the Company's 2024 General Meeting of Shareholders	-	None
	7. Motion for the company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd..	✓	None
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
April 26, 2024 (2nd session in 2024)	1. Motion for the Consolidated Financial Statements for the first quarter of 2024.	✓	None
	2. Motion for the Company's 2023 earnings distribution	✓	None
	3. Proposal on Cash Distribution from Capital Reserve.	-	None

Date	Major resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent director holding any dissent or qualified opinion
	4. Motion for additional items for the Company's 2024 General Meeting of Shareholders.	-	None
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
June 27, 2024 (3th session in 2024)	1. Formulate the "Organizational Rules of the Sustainable Development and Risk Management Committee"	-	None
	2. Appointment of members of the company's sustainable development and risk management committee	-	None
	3. Motion for amendment to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies"	✓	None
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
July 31, 2024 (4th session in 2024)	1. Motion for the Consolidated Financial Statements for the second quarter of 2024.	✓	None
	2. Proposal for the loaning of funds to the offshore company Nishoku Technology Vietnam Co. Ltd. with 100% equity directly held by the Company.	✓	None
	3. Motion for The company's 112-year sustainability report	-	None
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
November 01, 2024 (5th session in 2024)	1. Motion for the Consolidated Financial Statements for the third quarter of 2024.	✓	None
	2. Formulate the "Operational procedures for preparing and verifying sustainability reports"	✓	None
	3. Proposal for The company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.	✓	None
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
December 26,	1. Motion for reporting the Company's 2025 budgets	✓	None

Date	Major resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent director holding any dissent or qualified opinion
2024 (6th session in 2024)	and business plans.		
	2. Motion for reporting the Company's 2025 audit plans.	✓	None
	3. Motion for the Company's 2025 independence evaluation of CPAs appointed by the CPA firm.	✓	None
	4. Proposal of establishment of the general principles for the Company's 2025 pre-approved non-assurance service policy.	✓	None
	5. Motions resolved implementation of managerial officers ' Remuneration by The 6th meeting of the 5th term Remuneration Committee.	-	None
	6. Formulate the “Operational procedures for preparing and verifying sustainability reports”	✓	None
	7. Proposal for The company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.	✓	
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		
February 27, 2025 (1st session in 2025)	1. Motion for the Company's 2024 parent only and consolidated financial statements	✓	None
	2. Motion for the Company's 2024 remuneration to directors and employees, and year-end bonus for managerial officers	-	None
	3. Motion for the Company's 2024 business report	✓	None
	4. Motion for the Company's 2024 internal control system statement	✓	None
	5. Motion for the Company's 2024 earnings distribution	✓	None
	6. Define the scope of grassroots employees	-	None
	7. Amendment to the “Articles of Incorporation”	-	None
	8. Motion for the proposal for the Company’s 2025 General Meeting of Shareholders	-	None
	9. Motion for the Company’s election for nine seats of directors (three independent directors)	-	None
	10. Proposal of the list of director and independent director candidates nominated by the Board of Directors.	-	None
	11. Motion for proposal for the release of prohibitions on the directors from participation in competitive business proposal.	✓	None
	12. Proposal for The company provided the bank credit line endorsement guarantee to the subsidiary Nishoku Technology Vietnam Co., Ltd.	✓	None

Date	Major resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Independent director holding any dissent or qualified opinion
	Opinion of the independent directors: None.		
	How the company responded to these opinions: None.		
	Resolution: The motion was passed without objections after the Chair consulted with all attending independent directors and directors.		
	No other motions or extraordinary motions		

2.3.12 Major Issues of Record or Written Statement Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in 2024 and to the date of the annual report: None.

2.4 CPA Fees

Information on CPA fees

unit: NT\$ thousand

CPA Firm	CPA		Auditing Period	Auditing Fees	Non-Auditing Fees	Total	Note
KPMG	Yung-Hua Huang	Sheng-Ho Yu	2024/01/01 2024/12/31	4,070	1,020	5,190	Sustainability report consulting services, transfer pricing tax services fees, etc.

Please specify the content of non-audit professional services: (such as taxation certification, assurance or other financial advisory services)

Transfer pricing taxation service fees, service fees for the verification and certification for direct deduction of business tax, and commercial and industrial registration.

2.4.1 Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

2.4.2 Over 10% decrease in audit fee on a year-to-year basis: Not applicable.

2.5 Information on Change of CPA: None

2.6 If the chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed: None.

2.7 Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Department Heads and Shareholders of 10% Shareholding or More

2.7.1 Equity transfer :

Please refer to the homepage of "Public Information Observatory" > Single Company > Equity Change/Securities Issuance > Equity Transfer Information Inquiry > Post-declaration Form for Insider Shareholding Changes.

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

2.7.2 Changes in equity pledges:

Please refer to the homepage of "Public Information Observatory" > Single Company > Equity Changes/Securities Issuance > Internal Pledge Release > Announcement of Internal Pledge Release..

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

2.8 The Relations of the Top Ten Shareholders as Defined in the Finance Standard Article 6:

Unit: shares; %; As of 03/31/2025

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Yi Feng Investment Co., Limited	4,736,000	7.51%	0	0%	0	0%	Jhan Yu Investment Limited	Same as the Chairperson	None
Rep.: Hsieh, Xin-Yi	47,986	0.08%	38,400	0.06%	2,683,082	4.26%			
Ji Teng Investment Co., Limited	4,500,000	7.14%	0	0%	0	0%	Heng heng Investment Co., Limited	Same as the Chairperson	
Rep.: Tsai, Chien-Sheng	1,202,130	1.91%	31,805	0.05%	2,263,956	3.59%			
Yun Ding Investment Co., Limited	4,050,000	6.42%	0	0%	0	0%	Cyuan Guan Investment Limited	Same as the Chairperson	
Rep.: Chang, Wen-Hsien	117,309	0.19%	9,316	0.01%	1,855,308	2.94%			
Jin Hong Investment Co., Limited	3,600,000	5.71%	0	0%	0	0%	Ghi Yang Investment Co., Limited	Same as the Chairperson	
Rep.: Chen, Piao-Fu	222,682	0.35%	118,708	0.19%	1,880,621	2.98%			
Chang Shun Investment Limited	2,705,932	4.29%	0	0%	0	0%	None	None	
Rep.: Fan, Zhen-Yi	360,021	0.57%	0	0%	0	0%			
Jhan Yu Investment Limited	2,683,082	4.26%	0	0%	0	0%	Yi Feng Investment Co., Limited	Same as the Chairperson	
Rep.: Hsieh, Hsin-I	47,968	0.08%	38,400	0.06%	4,736,000	7.51%			
Heng Sheng Investment Co., Limited	2,263,956	3.59%	0	0%	0	0%	Ji Teng Investment Co., Limited	Same as the Chairperson	
Rep.: Tsai, Chien-Sheng	1,202,130	1.91%	31,805	0.05%	4,500,000	7.14%			
CTBC Bank is entrusted with the custody of the investment account of Rui Bo Lian Limited	2,094,360	3.32%	0	0%	0	0%	None	None	
Ghi Yang Investment Co., Limited	1,880,621	2.98%	0	0%	0	0%	Jin Hong Investment Co., Limited	Same as the Chairperson	
Rep.: Chen, Piao-Fu	222,682	0.35%	118,708	0.19%	3,600,000	5.71%			
Cyuan Guan Investment Limited	1,855,308	2.94%	0	0%	0	0%	Yun Ding Investment Co., Limited	Same as the Chairperson	
Rep.: Chang, Wen-Hsien	117,309	0.19%	9,316	0.01%	4,050,000	6.42%			

2.9 Long-Term Investment Ownershi

Unit: thousand shares; %; As of 12/31/2024

Long-Term Investment (Note1)	Ownership by Pegatron		Direct/Indirect Ownership by Directors and Management		Total Ownership	
	Shares	%	Shares	%	Shares	%
SUN NICE LTD. (SAMOA)	12,468	100%	0	0%	12,468	100%
NISHOKU BOUEKI CO., LTD.	300	100%	0	0%	300	100%
SUN NICE LTD.(B.V.I)	0	0%	15,697	100%	15,697	100%
NISHOKU TECHNOLOGY VIETNAM CO., LTD.	(Note 2)	100%	0	0%	(Note 2)	100%
SAME START LTD. (ANGUILLA)	0	0%	0	100%	0	100%
NISHOKU HONG KONG HOLDING LIMITED	0	0%	40,298	100%	40,298	100%
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	0	0%	(Note 2)	100%	(Note 2)	100%

Note 1: Refers to the Company's investments accounted for under equity method.

Note 2: No shares issued.

3. Capital and Shares

3.1 Capital and Shares

3.1.1 Type of Stock

As of the publication date of the annual report; unit: thousand shares; NT\$

thousand

Year/ Month	Issue Price	Authorized Capital		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
May 1980	1,000	2.5	2,500	2.5	2,500	Founding capital	None	Note 1
Nov 1983	1,000	10	10,000	10	10,000	Cash Capital Increase - NT\$7,500 thousand	None	Note 2
Jun 1988	1,000	20	20,000	20	20,000	Cash Capital Increase - NT\$10,000 thousand	None	Note 3
Mar 2008	10	22,000	220,000	22,000	220,000	Cash Capital Increase - NT\$200,000 thousand	None	Note 4
May 2008	20	100,000	1,000,000	32,000	320,000	Cash Capital Increase - NT\$100,000 thousand	None	Note 5
Sep 2008	35	100,000	1,000,000	37,714	377,143	Cash Capital Increase - NT\$57,143 thousand	None	Note 6
Dec 2008	40	100,000	1,000,000	54,214	542,143	Cash Capital Increase - NT\$165,000 thousand	None	Note 7
Jan 2009	10	100,000	1,000,000	59,214	592,143	Capitalized earnings - NT\$50,000 thousand	None	Note 8
May 2009	40	100,000	1,000,000	64,964	649,643	Cash Capital Increase - NT\$57,500 thousand	None	Note 9
Jun 2009	45	100,000	1,000,000	70,964	709,643	Cash Capital Increase - NT\$60,000 thousand	None	Note 10
Dec 2010	2021	100,000	1,000,000	73,964	739,643	Cash Capital Increase - NT\$30,000 thousand	None	Note 11
Oct 2011	55	150,000	1,500,000	81,164	811,643	Cash Capital Increase - NT\$72,000 thousand	None	Note 12
Feb 2014	10	150,000	1,500,000	80,265	802,653	Cancellation of Treasury Shares - NT\$8,990 thousand	None	Note 13
Aug 2016	10	150,000	1,500,000	79,303	793,033	Cancellation of Treasury Shares - NT\$9,620 thousand	None	Note 14
Aug 2018	10	150,000	1,500,000	63,442	634,426	Cash Capital Increase - NT\$158,607 thousand	None	Note 15
Nov 2018	10	150,000	1,500,000	62,296	622,962	Cancellation of Treasury Shares - NT\$11,464 thousand	None	Note 16

Nov 2020	10	150,000	1,500,000	62,446	624,462	Employee stock option certificate conversion shares 1,500 thousand	None	Note 17
Mar 2021	10	150,000	1,500,000	62,491	624,912	Employee stock warrants converted to common shares NT\$450 thousands	None	Note 18
May 2021	10	150,000	1,500,000	62,561	625,612	Employee stock warrants converted to common shares NT\$700 thousands	None	Note 19
Nov 2021	10	150,000	1,500,000	62,671	626,712	Employee stock warrants converted to common shares NT\$1,100 thousands	None	Note 20
Jun 2022	10	150,000	1,500,000	62,676	626,762	Employee stock warrants converted to common shares NT\$50 thousands	None	Note 21
Sep 2022	10	150,000	1,500,000	63,048	630,482	New Restricted Employee Shares NT\$3,720 thousands	None	Note 22
May 2023	10	150,000	1,500,000	63,024	630,242	Redemption and cancellation of Restricted Employee Shares NT\$240 thousands	None	Note 23
Jul 2023	10	150,000	1,500,000	63,048	630,482	New Restricted Employee Shares NT\$240 thousands	None	Note 24
Jan 2024	10	150,000	1,500,000	63,040	630,402	Redemption and cancellation of Restricted Employee Shares NT\$80 thousands	None	Note 25
Nov 2024	10	150,000	1,500,000	63,022	630,222	Redemption and cancellation of Restricted Employee Shares NT\$180 thousands	None	Note 26

Note 1 : Approved by Taiwan Provincial Government on May 20, 1980.

Note 2 : 11/10/1983 Jing-Shou-Shang-Zi No.246628

Note 3 : 06/17/1988 Jing-Shou-Shang-Zi No.304680

Note 4 : 07/20/2007 Jing-Shou-Shang-Zi No.09632459260 and 03/20/2008 Jing-Shou-Shang-Zi No.09731903470

Note 5 : 05/16/2008 Jing-Shou-Shang-Zi No.09732260590

Note 6 : 09/23/2008 Jing-Shou-Shang-Zi No.09733121770

Note 7 : 12/15/2008 Jing-Shou-Shang-Zi No.09701315730

Note 8 : 01/14/2009 Jing-Shou-Shang-Zi No.09801004840

Note 9 : 05/13/2009 Jing-Shou-Shang-Zi No.09801094360

Note 10 : 06/04/2009 Jing-Shou-Shang-Zi No.09801111260

Note 11 : 12/13/2010 Jing-Shou-Shang-Zi No.09901274890

Note 12 : 10/17/2011 Jing-Shou-Shang-Zi No.10001239610

Note 13 : 02/06/2014 Jing-Shou-Shang-Zi No.10301021820

Note 14 : 08/10/2016 Jing-Shou-Shang-Zi No.10501189160

Note 15 : 08/16/2018 Jing-Shou-Shang-Zi No.10701102870

Note 16 : 11/27/2018 Jing-Shou-Shang-Zi No.10701145000

Note 17 : 11/19/2020 Jing-Shou-Shang-Zi No.10901214520
Note 18 : 03/23/2021 Jing-Shou-Shang-Zi No.11001047370
Note 19 : 05/26/2021 Jing-Shou-Shang-Zi No. 11001085760
Note 20 : 11/22/2021 Jing-Shou-Shang-Zi No.11001208860
Note 21 : 06/09/2022 Jing-Shou-Shang-Zi No.11101097450
Note 22 : 09/07/2022 Jing-Shou-Shang-Zi No.11101161330
Note 23 : 05/25/2023 Jing-Shou-Shang-Zi No.11230082370
Note 24 : 27/07/2023 Jing-Shou-Shang-Zi No.11230133640
Note 25 : 01/16/2024 Jing-Shou-Shang-Zi No.11330003350
Note 26 : 11/12/2024 Jing-Shou-Shang-Zi No.11330197260

Units: share

Share Type	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common Share	63,022,229	86,977,771	150,000,000	None

Note: The Company's stocks are publicly-traded. 5,000 Shares refer to employee stock option conversion but alternation registration has not been performed.

3.1.2 Information for Shelf Registration: None

3.2 List of Major Shareholder

Unit: shares; %; As of 03/31/2025

Shareholder's Name	Shareholding	Shares	Percentage
Yi Feng Investment Limited		4,736,000	7.51%
Ji Teng Investment Limited		4,500,000	7.14%
Yun Ding Investment Co., Limited		4,050,000	6.42%
Jin Hong Investment Limited		3,600,000	5.71%
Chang Shun Investment Limited		2,705,932	4.29%
Jhan Yu Investment Limited		2,683,082	4.26%
Heng Sheng Investment Limited		2,263,956	3.59%
CTBC Bank is entrusted with the custody of the investment account of Rambo Land Limited		2,006,360	3.18%
Ghi Yang Investment Limited		1,880,621	2.98%
Cyuan Guan Investment Limited		1,855,308	2.94%

Note: refers to top 10 shareholders of the Company

3.3 Dividend Policy and Execution Status

3.3.1 Dividend Policy Stipulated in the Company's Articles of Incorporation

In case the Company has yearly profit, at least 1% shall be appropriated as staff reward and less than 5% as rewards for directors and supervisors. In case the company has accumulative losses (including adjusted unappropriated earnings), reserve shall be made as compensation.

The employee remuneration mentioned in the preceding paragraph may be determined by shares or cash and its receiving parties must include its serving employees in accordance with the requirements established by the Board of Directors; the board and supervisor remuneration mentioned in the preceding paragraph may be determined only by cash.

The preceding 2 items shall be resolved by the Board before execution. And the shareholders meeting shall be reported to.

The policy of cash dividends of the company is formed to match present and future development plan. In consideration of investing environment, demand of fund, competition at home and abroad, and interest of shareholders, every year at least 10% of distributable surplus for stock or cash dividends shall be appropriated as rewards for shareholders. However, when the annual distributable earnings have been all appropriated for stock and cash dividends for shareholders at less than NT\$0.5 per share, the distributable surplus may be fully retained without any distribution. The distribution of surplus can be cash or stock dividends. Among the dividends, cash shall be at least 30% of total.

3.3.2 Dividend distribution resolved by this Board Meeting

Item	NT\$ per share	Source
Cash dividend	10	Undistributed earnings

3.3.3 Explanation shall be given if there were expected materials changes in the dividend policy:

There were no expected materials changes in the Company's dividend policy, so there is not impact.

3.4 Impact to 2024 Business Performance and EPS resulting from Stock Dividend

Distribution: Not Applicable, Cash dividends are distributed this time.

3.5 Compensation to Employees and Remuneration to Directors:

3.5.1 Compensation to employees and remuneration to directors stipulated in the Company's Articles of Incorporation

In case the company has yearly profit, at least 1% shall be appropriated as staff reward and no more than 5% as rewards for directors and supervisors. However, the Company's accumulated losses shall first have been covered.

The preceding staff reward shall be paid by stock shares or cash dividends. The objects of payment shall consist of employees of controlling and affiliated company meeting certain criteria determined by the Board. The preceding rewards for directors and supervisors shall only be paid by cash dividends.

The preceding 2 items shall be resolved by the Board before execution. And the shareholders meeting shall be reported.

3.5.2 Accounting treatment applied to the difference between actual and estimated compensation to employees and remuneration to directors.

Where there are still changes on the resolution day of Shareholders meeting, they shall be recognized as accounting estimate changes and will be accounted on the annual shareholders resolution day.

3.5.3 Approving status of remuneration distribution by the Board of Directors:

1. Remuneration to employees and remuneration to directors, supervisors are distributed in cash or stocks. Any discrepancy between the annual recognized distributed amount and figure, the difference, reason and response should be disclosed:

The Company's 2024 remuneration to employees was NT\$30,000 thousand, and remuneration to directors and supervisors was NT\$12,075 thousand; both were all distributed in the form of cash. There is no discrepancy of the amount of remuneration to employees, directors and supervisors mentioned above.

2. Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees:

Not applicable because the Company did not distribute any employee remuneration in stocks.

- #### 3.5.4 If there's any discrepancy between actual distribution (including the number of shares distributed, amount and stock price) and the recognized remuneration for employees, directors and supervisors for the previous year, please specify the discrepancy, cause, and how it is treated:

The Company's motion for 2023 earnings distribution was resolved and passed by the General Meeting of Shareholders held on June 13, 2024. Remuneration paid in cash to employees was NT\$24,300 thousand and remuneration paid in cash to directors was NT\$9,156 thousand. There is no discrepancy between the actual distribution and the recognized remuneration.

3.6 Buyback of Common Stock: None.

3.7 Issuance of Corporate Bond: None.

3.8 Preferred Shares (with stock option) : None.

3.9 Issuance of Global Depositary Receipts : None.

3.10 Employee Restricted Stocks : None.

..3.11 Issuance of Employee Restricted Stocks :

(一) The new restricted employee shares that have not fully met the vesting conditions,
and the impact on the shareholders' equity.

Issuance of Employee Restricted Stocks

March 31, 2025

Type of New Restricted Employee Shares	First RSA	
Date of Effective Registration and total shares	Jul. 15, 2022 , Total number of shares scheduled to be issued (unit: shares) 400,000 Shares	
Issuance date	Aug. 3, 2022	Jul. 5, 2023
No. of New Restricted Employee Shares issued	372,000 Shares	24,000 Shares
Number of shares of restricted stock awards available for issuance	0 Shares	
Issued Price (NT\$)	NT\$ 0	
New Restricted Employee Shares as a Percentage of Shares Issued	0.63	
Vesting Conditions of New Restricted Employee Shares	<p>From the date the employees are granted the restricted stocks for employees, these employees are in service at the expiry of each of the following vesting period, and the personal working performances achieve the performance criteria prescribed by the Company (i.e at each expiry of the vesting period, the latest annual performance appraisal is grade A or higher. If not in service, it is deemed failed to achieve), and the employees have not violate the Company's labor agreement or working rules. The shareholding percentage at each vesting period is described below:</p> <p>Two full year services since being granted: 50% of the granted shares.</p> <p>Three full year services since being granted: 25% of the granted shares.</p>	

	Four full year services since being granted: 25% of the granted shares.	
Restricted Rights of New Restricted Employee Shares	<ol style="list-style-type: none"> 1. Employees granted new restricted employee shares, before fulfilling the vesting conditions, shall not sell, pledge, transfer, or donate them to others or perform any other means of disposal. 2. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting right, etc., are in accordance with the Company's issued common shares and exercised by trust agency, or any other method of custody as determined by the Company. 3. Before achieving the vesting conditions, share distribution (including the dividends from surplus to capital increase and reserve to capital increase) and cash dividend (including cash dividend and capital reserve distributed in cash) derived from the restricted stocks for employees issued pursuant to the Procedures are distributed to the employees in the same year, not subject to the same restrictions of the restricted stocks for employees. 	
Custody Status of New Restricted Employee Shares	After new restricted employee shares are issued, the shares must immediately be deposited in trust.	
Measures to be Taken When Vesting Conditions are not Met	For new restricted employee shares granted to employees, when the vesting conditions are not fully met, the shares will be fully withdrawn by the Company and canceled without any compensation.	
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	50,000 Share	0 Share
Number of Released New Restricted Employee Shares	170,000 Share	0 Share
Number of Unreleased New Restricted Shares	152,000 Shares	24,000 Shares
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0.28	
Impact on possible dilution of shareholdings	Dilution of original shareholders' holding is limited	

(Note) Total share issued is 63,022,229 Shares on March 31, 2025.

(二) As of the publication of the annual report, list of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

March 31, 2025

Title	Name	New restricted Employee shares acquired	Ratio of new Restricted employee shares issued to the total shares issued	Released				Unreleased			
				Number of Released restricted shares	Issue price	Issue Amount	Ratio of released Restricted shares to the total shares issued	Number of Unreleased restricted shares	Issue price	Issue Amount	Ratio of unreleased restricted shares to the total shares issued
Managerial Officer	CFO Accounting Officer	Lin, Tzu-Husan	84	42	0	0	0.07%	42	0	0	0.07%
	Audit Officer	Cheng, Chao-Ming									
Employee	Assistant General Manager	Chen, Wei-Zhong	264	128	0	0	0.20%	136	0	0	0.22%
	Assistant General Manager	Li, Ming-Li									
	Assistant General Manager	Li, Bei-Ping									
	Assistant General Manager	Tsai, Pao-Lien (Note3)									
	Manager	Chan, Chien-Wei									
	Manager	Lo, Chin-Yi									
	Assistant manager	Teng, Chien-Chun									
	Assistant manager	Wang, Pin									
	Assistant manager	Lu, Hou-Chun (Note3)									

(Note1) The top ten employees who received restricted employee shares refer to employees other than managers.

(Note2) The number of current outstanding shares refers to the data registered with the Ministry of Economic Affairs

(Note3) Lu Hou-Jun and Tsai Pao-Lien resigned on November 8, 2023, and August 31, 2024, respectively, resulting in the recall and cancellation of 26,000 restricted shares.

3.12 Status of New Shares Issuance in connection with Mergers and Acquisitions: Not Applicable.

3.13 Financing Plan and Implementation Rebecca: None.

4. Overview of Business Operation

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Operating Scope

- (1) CQ01010 Die Manufacturing.
- (2) F106030 Wholesale of Die.
- (3) F206030 Retail Sale of Die.
- (4) C805990 Other Plastic Products Manufacturing.
- (5) F401010 International Trade.
- (6) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

4.1.1.2 Breakdown of Sales by Major Products

Unit: NTD thousand

Product Category \ Year		2023		2024		First quarter of 2025	
		Operating Revenue Amount	Proportion (%)	Operating Revenue Amount	Proportion (%)	Operating Revenue Amount	Proportion (%)
Plastic Components	3C Products	2,105,525	60.01%	2,712,527	63.68%	795,550	65.57%
	Other	1,202,193	34.26%	1,240,311	29.12%	313,093	25.81%
	Subtotal	3,307,718	94.27%	3,952,838	92.80%	1,108,643	91.38%
Die		197,151	5.62%	301,242	7.07%	84,117	6.93%
Other		3,860	0.11%	5,578	0.13%	20,436	1.69%
Total		3,508,729	100.00%	4,259,658	100.00%	1,213,196	100.00%

4.1.1.3 Product Lines

Our primary products include the design and development of precision plastic dies, and single and double injection components. The main application for plastic injection components include NB-use components, computer peripheral equipment components, tablet computer accessories, headphones and their components, audio, video equipment, POS card readers, barcode scanners, GPS device components, home appliance components, automotive lamp housing, dashboards components, etc.

4.1.1.4 Product Development

Our Company is a professional plant for designing and manufacturing dies as well as single and double injection plastic components injection with its primary products covering manufacturing different types of plastic components and assembly. With the accumulation of years of expertise and experience on injection, not only do we offer our customers professionalism in terms of plastics, techniques and skills to solve difficult

issues encountered by the industry, we also offer our customers extended surface treatment processes including electroplating, printing, painting and ultrasonic fusion technology and assembly. Different hardening and spraying process technology of inserted injection and soft plastics are being used and our development of all process technologies have matured and are continuing to improve.

4.1.2 Industry Overview

4.1.2.1 Progress and Development of the Industry

(1) Die Industry

The die industry is categorized as a special industry with intensive technology and capital and at the same time high-added values. It is also a crucial basic tool in terms of mass production of various end products; it therefore is also known as the “Mother of Industry.” The semiconductor industry, 5+2 industry, electric vehicles, self-driving cars, aerospace satellites and medical biotechnology, etc., to be developed in Taiwan in the future, all need precision mold technology to move towards mass production. The development of the die industry not only improves the precision degree of industrial products, it also drives the overall progress of the entire manufacturing industry, accelerating the upgrading of industries. Consequently, the die industry is regarded as a paramount basic industry for flourishing manufacturing sectors. There are many types of die products with a wide range of applications, 75% of the rough-processed industrial product parts and 50% of finished parts are mostly shaped by dies and most plastic products are also molded by dies. As the basic industry of the national economy, dies are involved in industries such as machinery, automobiles, light industry, electronics, chemical industry, metallurgy, and building materials. Products from high-tech industries to people’s livelihood industries all use dies as basic tools for mass production. At the moment, of all downstream application industries, 3C related industries have the highest proportion in terms of applications, followed by the transportation tool industry. The total of both industries account for 70% of the overall applications. With regard to die types, the stamping and plastic molding are the main supplies for 3C related industries followed by the supplies for shell production of automobiles, motorbikes and die-casting mold; the downstream industries are mainly automobiles, motorbikes and forging dies for automobiles, motorbikes and bicycle industries. The Company is a manufacturer of plastic dies.

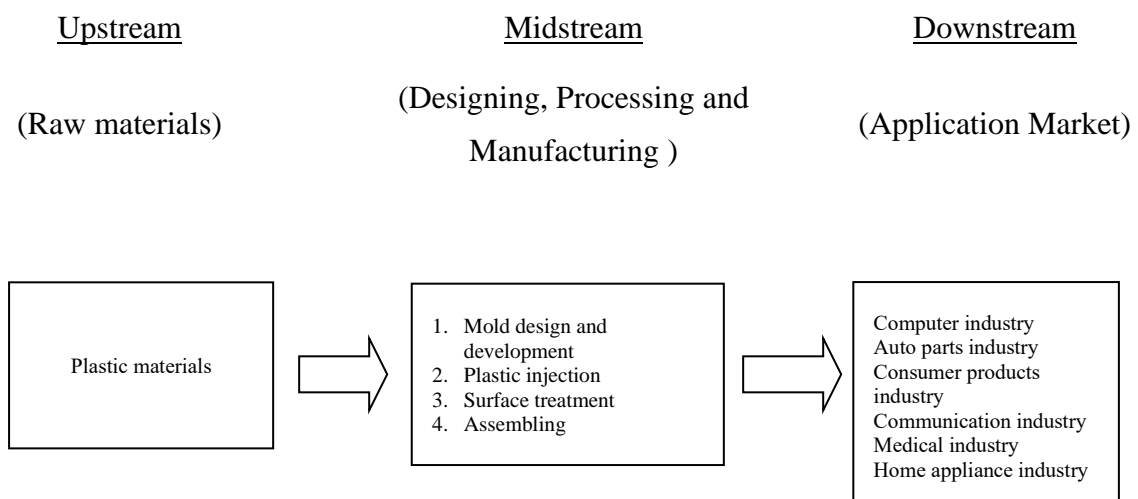
(2) Plastic Component Application Industry

Plastic injection products have a relatively wide range of applications which include: consumer electronics, medical equipment, automotive industry, information industry, etc. At the moment, industrial plastic products in the domestic market used in information process equipment account for

approximately 1/4 of the overall applications; household electrical appliances, motors and other electrical appliances and audiovisual small household appliances each account for approximately 13% - 14%. However, the development of the plastic injection industry is closely related to manufacturers' needs of plastic shells or plastic injection components. With the drive of 3C electronics industry needs, Taiwan's production and sale of plastic products have been steadily growing year by year. The Company's products are mainly information products such as parts for notebooks as well as automotive parts.

4.1.2.2 Correlation of the Upstream, Midstream, and Downstream of the Industry

Aside from the design and development of precision molds, we also engage in products with plastic injection components. Plastic injection components of upstream raw materials are high temperature resistant plastic raw materials including PP (polypropylene), ABS ((propylene-butadiene-styrene copolymer), PMMA (polymethyl methacrylate), PC (polycarbonate) and PU (Polyurethane). The raw material suppliers are mainly well-known domestic and foreign manufacturers and given by the long-term well-maintained supply relationship the Company has built with its suppliers over the years, the situation of material shortages is unlikely to happen. In addition, the application of the Company's plastic components products is wide including information, communications, consumer electronics, household appliance industry, medical equipment and automotive components industry, etc. The connection between upstream and downstream industries is shown as follows:



4.1.2.3. Development Trends of Products and Competition Situation

(I) Trends of Product Development

A. Die Industry

In the face of the micro era, the life cycle of all types of products are getting shorter and shorter, especially in the 3C electronics industry. The die industry will therefore encounter the challenge of tight delivery and profit reduction. In order to response to such trend, sectors must use process automation to replace manual processing while at the same time using systems including CAD/CAM/CAE (computer-aided drawing/ computer-aided processing/computer-aided engineering) to reduce trial molds to further reach the precision required by the development of molds. In addition, due to the fact that molds are being produced by orders, it is therefore unlikely to be mass-produced on an economic scale; the sales for mold production is mostly regional, hence the reason for the establishment of overseas subsidiaries or joint ventures by mold manufacturers as a means to deploy business globally. As a result, the original die industry that only dominates regionally may transfer into a global industry. With the mold industry moving towards internationally, only by early deployment globally may domestic manufacturers seize the first business opportunity.

Molds are products that are customized which cannot be mass-produced and they require close cooperation and coordination with customers in order to perform design adjustments. Consequently, the industry focused mainly on sales of domestic customers or for their own use then it would move onto the neighboring countries which limited sales. Nevertheless, as a means to reduce inventory, decrease production costs and quickly respond to market demands, many downstream information manufacturers of mold industry have adopted the production and sales strategy of global operation. In order to meet customer requirements in the market, mold manufacturers have also established overseas subsidiaries or joint ventures to accompany their customers to conduct a global deployment so as to face and respond to the challenges encountered in various locations.

B. Plastic Component Application Industry

Along with the continuous improvement of digital technology and manufacturing technology, communications, information and consumer electronics products have gradually been integrated into a 3C industry. While at the same time products are developing into a trend which allows them to be lighter, thinner, shorter, smaller, and the exterior design is appealing to the eye. With the constant introduction of new products, it has prompted rapid

replacement of products. Hence, it is no doubt that the future development of industry will focus on automated production equipment, rapid production, high-quality products and diversification. Judging from the inevitable development trend of high-tech productions moving towards lighter, shorter and smaller of the global electronics, information and communication, requirements for precision components have also somewhat increased. The manufacturing technology and surface treatment application of precision components have become the goal for all manufacturers to proactively research and develop.

(II) Competition Situation of Products

The Company is a production manufacturer for design and development of professional precision dies and precision plastic injection components. The Company's main competitors include Coxon Group, TaiHan Precision Technology Co., Ltd., Ways Technical Corp., Ltd. and Megaforce Company with main competitions such as die development and various plastic injection components. Many mold manufacturers and plastic injection plants perform lower-level production with simple machinery and equipment. Nevertheless, the Company's advantages can be summarized as follows:

- A. High degree of vertical integration - it can effectively connect the supply chain to provide products needed by customers at one time in order to increase the market share while making a stop for the entering of new manufacturers, adding more virtual barriers for competitors to enter the market.
- B. Effectively grasping the key technology capabilities of new products by participating in projects and joint development discussion with end customers at the beginning stage of a product development; providing customers diversified services so as to effectively shorten the production cycle and reduce production costs.
- C. Adopting automated production and double injection machines which have been regarded as a leading advantage in the industry. When faced with price competition, regardless of cost or quality, the Company poses the benefit of economic scale which is unlikely to be replaced by new manufacturers in the short and medium period of time.

4.1.3 Research and Development

4.1.3.1 Research and Development Expense in Recent Year

Unit: NTD thousand

Item \ Year	2023	2024	First quarter of 2025
R&D expenses	81,061	95,866	25,695
Net operating income	3,508,729	4,259,658	1,213,196
R&D expenses to net revenue ratio	2.31%	2.25%	2.12%

4.1.3.2 Research and Development Accomplishments in the Recent Year

(1) As a means to increase added values to plastic components, the Company keeps on investing in surface treatment technologies, which include heat transfer printing, printing, coating, engraving, heat stacking and NCVM and has successfully developed insert molding process inserted injection.

(2) Patents acquired by the Company in the past 5 years:

Year	Specific R&D Result	Country - Patent Approval Number
2014	Electronic watch body structure and production method of its watch bands.	Taiwan - I423000
2017	Fixture structure in integrated silicon steel sheet	Taiwan - M543164
2017	Fixture structure in integrated silicon steel sheet	Mainland - ZL 2017 2 0139556.8
2019	Fixture structure in integrated silicon steel sheet	The U.S. - 10317185 - Acquired on June 11, 2019.

4.1.4 Long Term and Short Term Business Development Plans

4.1.4.1 Short-term plans

- (1) Deepen the layout of diversified products and proactively extend popular products in terms of automotive and information products.
- (2) Accelerate the expansion of the Vietnamese market development and production scale to achieve synergy in the production economy.
- (3) Seek strategic partners in connection to business and technology improvement, deepening and widening corporate core competitiveness.
- (4) Accelerate the development of automation and replacement of electronics to improve efficiency and streamline manpower.
- (5) Build standard and modeled designs and carryout process improvement, increasing production efficiency.
- (6) Continue to invest in R&D funds, and recruit and cultivate professional R&D personnel as a means to develop key technologies and new products, constructing a strong R&D team.
- (7) Deepen cultivation of compound process and develop automotive exterior decorative parts and manufacturing process.

4.1.4.2 Long-term plans

- (1) Proactively develop new market applications, expand product width, and maintain the market competitiveness.
- (2) Become strategic alliance with industry's key technology manufacturers to carry out technical cooperation so as to accelerate new applications between the combination of plastic material development and other products.
- (3) Strengthen the technical position of key components for new products in the market, increasing the market share and competitiveness.
- (4) Emphasize product profitability; products with low margins will not be produced; insist on making products that are different.
- (5) Operation model is high-end technologies and know-how oriented in terms of R&D and marketing.
- (6) Establish a plant that contains consistent, automatic and comprehensive manufacturing processes; ensure stable quality via strict and inclusive process management.
- (7) Continue to expand global product lines and sales regions to reduce the operational risk of excessively concentrated product development.

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1 Sales (Service) Regions

Unit: NTD thousand; %

Item \ Year		2023		2024		First quarter of 2025	
		Sales Amount	To revenue ratio	Sales Amount	To revenue ratio	Sales Amount	To revenue ratio
Export Sales	North America	1,632,293	46.52%	2,210,259	51.89%	843,767	69.55%
	Europe	1,407,502	40.11%	1,761,631	41.36%	314,391	25.91%
	Asia	426,554	12.16%	253,005	5.94%	37,640	3.10%
	Subtotal	3,466,349	98.79%	4,224,895	99.19%	1,195,798	98.56%
Domestic Sales		42,380	1.21%	34,763	0.81%	17,398	1.44%
Total		3,508,729	100.00%	4,259,658	100.00%	1,213,196	100.00%

4.2.1.2 Market Share

The Company has been focusing on the production of mold design and development and plastic components which is highly recognized in the industry. The Company has diversified products to meet market requirements. Our products are being widely used on components for notebooks, computer-related components, phone cases, MP3 cases, earphones and their parts, household appliances parts, wearable bracelets, existing light housings, dashboards, fan outlets, and grips in automotive fields. The Company's total turnover of 2024 and amounted to NT\$4,259,658 thousand, of which

the main income from plastic injection components amounted to approximately NT\$3,958,838 thousand; operating amount for molds accounted for approximately NT\$301,242 thousand. The final products of plastic injection components are considerably different, hence there is no complete and objective analysis for market shares provided for reference.

4.2.1.3 Market Demand, Supply, and Growth

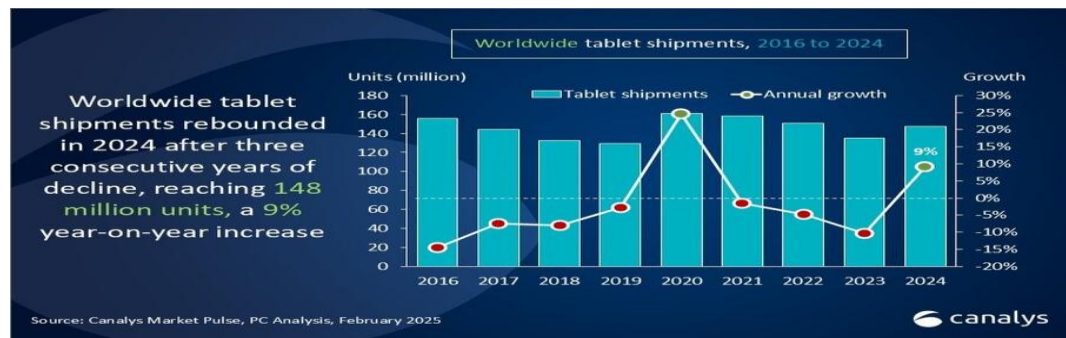
Given that the Company's main products consist of plastic components for information products, the supply and demand situation is easily influenced by changes in the sales of end products and the product lifecycle.

According to the preliminary results of IDC's (International Data Corporation) latest Global Personal Computing Device Quarterly Tracking Report, PC shipments in the fourth quarter of 2024 increased by 1.8% compared to 2023, with global shipments reaching 68.9 million units. For the full year of 2024, PC manufacturers' shipments totaled 262.7 million units, a 1% increase compared to 2023.

With the impending change in the U.S. administration, coupled with threats of potential new tariffs and increases to existing ones, industry-wide concerns have risen, with some brands attempting to proactively address these inherently uncertain situations. Supply-side research indicates that there was some advanced stocking in December 2024, primarily from brands with limited manufacturing capabilities outside of China. This may be to preempt potential U.S. tariffs on Chinese-manufactured goods. However, the scale of this movement has been relatively limited so far.

2024年全球前五大品牌個人電腦廠商出貨量、市佔率及年成長率 (出貨量單位為百萬台)					
品牌廠商	2024 出貨量	2024 市佔率	2023出貨量	2023市佔率	2024/2023 年成長率
1. Lenovo	61.8	23.5%	59.1	22.7%	4.7%
2. HP Inc.	53.0	20.2%	52.9	20.3%	0.1%
3. Dell Technologies	39.1	14.9%	40.0	15.4%	-2.2%
4. Apple	22.9	8.7%	21.9	8.4%	4.5%
5. Asus	17.9	6.8%	16.8	6.5%	6.4%
其他	68.0	25.9%	69.5	26.7%	-2.1%
總計	262.7	100.0%	260.2	100.0%	1.0%
來源: IDC Quarterly Personal Computing Device Tracker, January 9, 2025 備註: 1.此數據為初步研究結果。 2.傳統個人電腦包括桌上型、筆記型電腦和工作站，不含平板電腦或x86伺服器。可拆卸平板電腦和二合一平板電腦(Slate Tablets)是個人運算裝置追蹤報告的一部分，但不在本新聞稿的範圍內。 3.出貨量(Shipments)包括發往經銷通路或終端用戶的出貨量。OEM 銷售額是依照銷售的公司/品牌計算。4. 品牌廠商是指當前母公司(或控股公司)擁有和營運的所有品牌和子公司。					

According to the latest report from global market research firm Canalys, the global tablet market experienced growth in 2024, with annual shipments reaching 147.6 million units, a 9.2% increase compared to 2023.



Sources : canalys Market Pules, PC Analysis, February 2025

According to forecasts, the smart doorbell market was valued at \$5.06 billion in 2023 and is expected to reach \$5.92 billion in 2024, representing a compound annual growth rate of 18.18%, reaching \$16.29 billion by 2030.

The scope and definition of the smart doorbell market includes digital doorbell systems integrated with security cameras and online platforms, providing enhanced security and convenience for residential properties. These system provide video streaming, two-way communication, motion detection, and integration with smart home ecosystems. The demand for smart doorbells is driven by the growing need for home security solutions, the increasing trend of smart home automation, and the rising adoption of always-connected devices. Their applications range from residential to commercial facilities, offering real-time monitoring and remote surveillance capabilities. End-use segments primarily include individual homes, multi-user residences, and small to medium-sized businesses.

Looking towards 2025

According to the latest TrendForce survey, the global notebook market in 2024 was affected by high interest rates and geopolitical factors, resulting in a moderate pace of demand recovery, with annual shipments projected at 174 million units, representing a year-on-year increase of 3.9%. Looking ahead to 2025, the conclusion of the U.S. election reduces political variables, while the Federal Reserve's interest rate cuts initiated in September 2024 will facilitate capital flows. Combined with the end of Windows 10 support and business replacement demand, notebook shipments are expected to increase by 4.9% next year, reaching 183 million units.

TrendForce indicates that notebooks remain primarily positioned as productivity tools, with volume growth mainly coming from accumulated deferred replacement demand, while the contribution from AI notebooks remains quite limited. However, AI features are becoming a trend in specification upgrades, and the penetration rate of AI notebooks is expected to naturally increase as brands integrate AI functionality.

Analyzing products with different market positioning, business notebooks in 2024 showed conservative demand due to global layoffs and political and economic instability, with order releases falling short of expectations. In 2025, as negative factors subside and liquidity increases following interest rate cuts, the commercial market is

expected to recover, with shipment volume projected to achieve year-on-year growth exceeding 7%.

In contrast, in the consumer market, notebook brands actively promoted sales to stimulate demand in 2024, with entry-level models becoming the main sales drivers, particularly strong in the North American region. TrendForce points out that the consumer market will become more stable in 2025, with brands planning to refocus on high-value-added and high-profit models. Consumer model volume growth is expected to slow to 3%, but the product mix will be more optimized.

For Chromebooks, performance remained stable in 2024, driven by North American education tenders and emerging market demand. In 2025, growth momentum is expected to increase to 8% with contributions from Japan's GIGA School 2.0 program, maintaining strong growth trends.

The market is currently focused on the impact of Trump's 'America First' policy after taking office, particularly whether increased import tariffs will affect domestic market demand in the United States. This will require observation of the actual actions taken after the new administration takes office. Currently, China remains the primary production location for global notebooks, accounting for approximately 89% of global production capacity. Although some Original Design Manufacturers (ODMs) have actively deployed production lines in Vietnam, Thailand, India, Mexico, and other regions, establishing a complete supply chain ecosystem requires time, and there is typically a buffer period between the issuance and formal implementation of relevant regulations. Therefore, TrendForce's forecast for global notebook shipments in 2025 may still be subject to adjustment.



Sources : TrendForce, Nov. 2024

4.2.1.4 Competitive Advantages

The analysis of various competitive niche points is as follows:

(1) Consistent Production Process with High-Integration

Effectively grasping the key technology capabilities of new products by participating in projects and joint development discussion with end customers at the beginning stage of a product development; providing customers diversified services so as to effectively shorten the production cycle and reduce production costs.

(2) Production Scales and Best Equipment in the Industry

The high-speed precision mold processing equipment made in Switzerland and the development of design software have been introduced to greatly improve process precision and efficiency which satisfies the needs of customers in terms of product quality improvement and development time shortening. Industry-leading in the number of double injection equipment. Operating procedures including R&D design, mold making or production are carried out in the plant of the Company to improve production efficiency and reduce the production costs while at the same time satisfying the vast demand of customers. The Company has mold manufacturing plants and plastic molding plants in China, Taiwan and Hanoi, Vietnam. The Company also has crucial technical resources for plastic molding and R&D capabilities for molds which enable the completion of mold development and plastic injection production in the shortest time possible. In addition, since 2015, automation of the production process has been implemented gradually. Through product combination adjustment and acceleration of process automation, in addition to the significant reduction of manpower, the gross profit is also increased relatively.

(3) R&D technology leading others of the same industry; the Company is able to effectively manufacture products that are lighter and slimmer. With the already succeeded double injection combination of silicone and plastic, the Company is proactively developing new markets hoping to bring the double injection technology into products in the new field while being recognized by internationally known manufactures.

(4) Leading Others of the Same Industry with the Deployment in China and Vietnam markets

The Company's production bases are located in Taiwan, China and Vietnam. These 3 locations have substantial production scales and rapid capacity scheduling flexibility. Nearby customers are quickly served with the geographic advantage, offering high-quality and high-efficient supplying services. This robust production

resource has also become the Company's vital competitive advantage for receiving OEM orders from large internationally known manufacturers.

4.2.1.5 Advantages, Disadvantages and its Responsive Strategies Advantages

(1) Favorable Factors

A. Outstanding Technology Development and Manufacturing Process Innovation Capability

Since the establishment, the Company has been investing in double injection composite molding technology, therefore, the Company has the crucial technology to double injection plastic molding and precision mold design and development, and has successfully entered the supply chain systems such as Japanese, American and domestic well-known manufacturers. It is evident that the Company's R&D technology and product quality have reached international standards. Furthermore, the Company is persistent with investment of process improvement. The semi automated machine is used for process production with the leading process technology developed by our R&D team. The production time and work procedures are greatly reduced, improving production yield while reducing production costs.

B. Wide Range of Product End-Use Applications - A Promising Future is to be Expected

Plastic injection molding products can be applied to many daily necessities, including communications, information, electronics industry, home multimedia, medical, automotive, household appliances and office equipment. With a wide range of applications, not only management costs can be reduced, potential business opportunities can also be discovered to distribute management risks of market development for single products. In light of the consistent product growth in the application market, the demand of plastic injection molded products also continues to increase. Mold manufacturing and plastic injection molding sectors still have substantial growing room.

C. Consistent Manufacturing Process - Reaching Effective Production Scales with High Efficiency

The Company has adopted the "consistent" production method which means that all operations can be done within the plant from having joint discussions with end customers in the early stage of R&D to the precision of surface treatment technology, coating and assembly, reaching the goal of time control and the maintenance of quality. As a means to serve customers close-by to obtain more OEM business and reduce production costs, the Company has established

production bases in China and Hanoi, Vietnam, so as to provide customers the most comprehensive and timely services.

(2) Unfavorable Factors and Corresponding Measures

A. The life-cycle of products shortens

Corresponding Measures:

Due to the quick replacement of consumer electronic products and new products forever being launched, the product life-cycle is becoming shorter and shorter. For the past few years, the Company has been proactively developing businesses in terms of fields such as information products and automotive products, gradually achieving synergies of product economic scale.

B. Lowering of Product Price

Corresponding Measures:

(A) Research and develop the possibility of new technology and the use of new manufacturing processes. Continue to invest in the R&D of new products as a means

to improve product quality while at the same time providing products that are integrated and have high added values, allowing them to increase competitiveness.

(B) Expand production capabilities and increase yield to reach production economic scale that lowers the production costs of units.

C. Constant New Competitors

Corresponding Measures:

(A) Build strategic partnership with customers to maintain long-term yet stable cooperation.

(B) Self-develop technologies and apply for product patent rights to hold a competitive advantage.

(C) Keep a close eye on development trends in the market; develop customized products to meet customers' needs, further improving their satisfaction.

D. Rise of Labor Cost

Corresponding Measures:

(A) Aside from the continuous introduction of automated production equipment with high-precision, reasonable working hours will also be facilitated to reduce the dependence on labor and at the same time reducing production costs.

(B) Improve personnel's skills through adequate training.

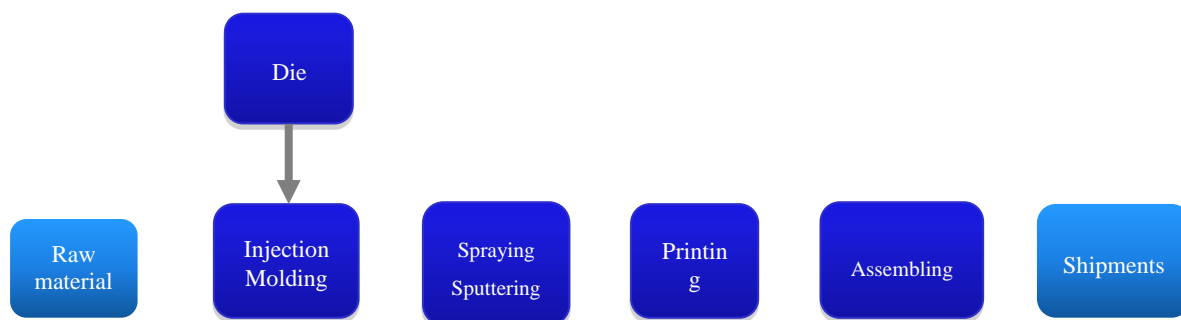
4.2.2 Application of Major Products

1. Important Purposes of Primary Products

Products	Product Purpose
Die	Including plastic parts such as: phone cases, MP3 cases, earphones and their parts, notebook components, household appliances parts, computer peripherals components, existing light housings, dashboards, central control panels, fan outlets and grips in automotive fields.
Plastic Components	

2. Manufacturing Process of Primary Products

The semi automated manufacturing process technology developed by the Company only requires one manufacturing process to complete production. The Company has more production efficiency compared with the production technology with others of the same industry.



4.2.3 Supply of Major Material

The Company's primary raw materials are billet steel and plastic particles such as PC (polycarbonate), ABS (acrylonitrile, butadiene and styrene), TPU (thermoplastic polyurethane). The raw material suppliers are mostly domestic and overseas well-known manufacturers that provide stable and quality supply. Meanwhile, not only the Company keeps a close eye on the market situation in order to stabilize the purchase price for key raw materials but also creates long-term strategic cooperation with manufacturers.

4.2.4 The names of the suppliers who have accounted for more than 10% of the total purchase (sales) amount in any of the previous 2 years, and the amount and proportion of the purchase (sales) amount, and explain the reasons for such increase or decrease:

1. The names of the suppliers who have accounted for more than 10% of the total purchase amount in any of the previous 2 years, and the amount and proportion of the purchase amount, and explain the reasons for such increase or decrease:

	2023				2024				First quarter of 2025			
Item	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net purchase as of the first quarter of the current year (%)	Relation to the issuer
1	Others	1,180,260	100	None	Others	1,515,988	100	None	Others	375,818	100	None
	Net purchase amount	1,180,260	100		Net purchase amount	1,515,988	100		Net purchase amount	375,818	100	

There have been no significant changes to supplier accounting for 10% or more of the net purchase amount in the past 2 years. The Company's procurement of other raw materials is based on the needs of customers' products, to purchase the most suitable raw materials for production, while being committed to raw material cost control. Other than procuring from the international renown manufacturers, the self-supply rate of domestic raw material is increased, and the raw material procurement costs are reduced.

- The names of the suppliers who have accounted for more than 10% of the total sales amount in any of the previous 2 years, and the amount and proportion of the sales amount, and explain the reasons for such increase or decrease:

Unit: NTD thousand

	2023				2024				First quarter of 2025			
Item	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net sales as of the first quarter of the current year (%)	Relation to the issuer
1	Customer A	675,429	19.25	None	Customer A	872,304	20.48	None	Customer D	455,866	37.58	None
2	Customer D	500,352	14.26	None	Customer D	785,465	18.44	None	Customer B	154,906	12.77	None
3	Customer C	377,986	10.77	None	Customer C	555,275	13.04	None	Customer A	131,727	10.86	None
4	Customer B	360,251	10.27	None	Customer B	432,075	10.14	None	Customer C	130,705	10.77	None
5	Other	1,594,711	45.45	-	Other	1,614,539	37.90	-	Other	339,992	28.02	-
	Net sales	3,508,729	100.00	-	Net sales	4,259,658	100.00	-	Net sales	1,213,196	100.00	-

There have been no significant changes to customers accounting for 10% or more of the net sales amount in the past 2 years. Aside from strengthening the existing customer base, the Company will proactively expand and develop all types of different applications in the future by using its outstanding double injection mold technology and molding R&D capabilities to further continue developing new customer groups to increase the market share.

4.3 Status of Employees

(1) Age distribution by position category

March 31, 2025 Unit: Persons

Year		2023 December 31, 2023	2024 December 31, 2024	During 2025 until the printing date of the annual report on March 31, 2025
Number of Employees	Managers	144	136	137
	Professional/assistants	237	841	862
	Technicians	2,016	2,266	1,913
	Total	2,442	3,243	2,912
Average age		38.7	35	35.9

Year		2023 December 31, 2023	2024 December 31, 2024	During 2025 until the printing date of the annual report on March 31, 2025
Average Years of Service		6.6	3.2	3.5
Academic qualification (%)	Ph.D.	0%	0%	0%
	Master's Degree	2%	3%	3%
	Bachelor's Degree	20%	24%	24%
	High School	26%	26%	24%
	Less than High School	52%	47%	49%

(2) Gender distribution by position category

Complying with the Act of Gender Equality in Employment, to protect the equal right of working regardless gender. For recruitment, examination, employment, appraisal, promotion, education and training, and benefit measures, the Company do not differ due to genders; provided, where the certain job is only suitable for certain gender, this shall not apply.

In 2024, the average weight of female employees was 49%, and 39% for the female managers

Year		SEX	2023 December 31, 2023	%	2024 December 31, 2024	%
Number of Employees	Managers	Male	82	57%	83	61%
		Female	62	43%	53	39%
	Managers Subtotal		144		136	
	Professional/assistants	Male	91	38%	510	61%
		Female	146	62%	331	39%
	Professional/assistants Subtotal		237		841	
	Technicians	Male	993	48%	1,045	46%
		Female	1,068	52%	1,221	54%
	Technicians Subtotal		2,061		2,266	
	Total	Male	1,166	48%	1,638	51%
		Female	1,276	52%	1,605	49%
Total			2,442		3,243	

4.4 Expenditure on Environmental Protection

As of the printing date of the annual report, the losses caused from environmental pollution (including compensation and an environmental audit outcome that resulted in a violation of the environmental laws and regulations - the date of penalty, penalty reference, the violation of provision, the content of the violation, penalty content). The current and future possible estimated amount and countermeasures shall also be disclosed. If it cannot be reasonably estimated, facts of the reason shall be given: None.

4.5 Employee Relations

4.5.1 Employee's Welfare and Benefit

4.5.1.1 Employee welfare and benefit

Aside from following the Labor Standards Act and other applicable acts and regulations, the Company has established the Staff Welfare Committee with a welfare fund set aside each month. Representatives are selected by both sides of the labor and the management to be in charge of matters in connection to employee welfare so as to reach the goal of a harmonious working environment as well as bringing all employees together. Welfare provided by the Company and the Welfare Committee:

- (1) The purchase of labor insurance, National Health Insurance and Group Insurance.
- (2) Periodic health examinations.
- (3) Employee canteen, providing meals for employees
- (4) Allowance for employee marriages, childbirths, three major festivals and birthdays , the wedding and childbirth incentives are paid additionally.
- (5) Funeral and hospital subsidies
- (6) Free car and motorbike parking spaces for colleagues.
- (7) Periodical employee trips
- (8) Year-end parties and lucky draws
- (9) Year-end parties and lucky draws °
- (10) Advanced health check for senior employees and managers
- (11) In addition to the pension fund issued in accordance with the Labor Standards Act, the Company also provides a pension fund for employees who apply for retirement in accordance with the Labor Standards Act, and organizes the retirement farewell party.
- (12) In addition to the menstruation leave that women are entitled to under the Labor Standards Act, the Company also provides the following support programs for female employees:

Pregnancy and childbirth: 56 days of maternity leave in accordance with the law, 7 days of maternity examination leave, and the leave of rest in accordance with the doctor's orders.

Childcare: The Company provides family care leave of 7 days/year, breastfeeding time, and a baby-sitting system, with a 100% return rate of parental leave without pay. The Company also provides post-natal staff with reinstatement assistance measures and appropriate work arrangements depending on needs.

Annual Employee Benefit Implementation in 2024

Unit: NTD

Item	The operation and implementation in 2024
(1) The purchase of labor insurance, National Health Insurance and Group Insurance.	Group insurance were fully purchased in May 2024
(2) Periodical health check for employees	In March 2024, Taipei Plant organized a regular health checkup for all employees, including advanced health checkup for senior employees. A total of 76 people were arranged. The Company also provides regular health consultation and care services at the factory site. A total of 50 people were arranged this year. In 2024, 336 and 893 employees from Kunshan Plant and Vietnam Plant have undergone the health checkup.
(3) Advanced health check for senior employees and managers.	10 people.
(4) Employees are given wedding, childbirth, holiday and birthday cash gifts, plus wedding and childbirth incentives.	Employees' wedding : 1 people / \$8,800 Holiday cash gifts : 164 people / \$229,600 Birthday cash gifts : 87 people / \$43,500
(5) Funeral and hospital subsidies	9 people / \$13,100
(6) Year-end parties and lucky draws	The year-end party was held on February 05, 2024
(7) Periodical employee trips	Two overseas employee trips were organized in September 2024
(8) Organize the Christmas celebration party for employees.	Organize the dinner party in December 2024
(9) Organization of the Charity Auction Event.	The income from the charity auction in December 2024 was completely donated to the Genesis Foundation.
(10) Typhoon Ygai ravaged Vietnam. The Company made donations to the victims and called on its employees to show love and support for the victims.	In September 2024 when Typhoon Ygai ravaged Vietnam, the Company, out of the intent to extend care and assistance, called on its employees to donate charity fund to the employees of Vietnam Plant who were victims. The Company also granted the corresponding fund, VND22,754,754.

4.5.1.2 Training program

“People are the Company’s valuable assets” - In order to improve employees’ knowledge and skills, we have planned a training and development system as well as the Educational Training Promotion Committee to ensure training needs and annual training plans. By continuous innovation and improvement, educational training is able to meet the organizational needs. At Nishoku, we improve employees’ professional skills and core competitiveness through providing them comprehensive training and further education channels and while cultivating professionals and corporate management talents.

2024 employees' further education training system and its actual execution (group)

Unit: NTD

Item	Total number of people	Total hours	Total expenses
1. New recruit training	1,441	1,443	106,690
2. Professional job skills training	14,729	32,737.5	
Total	16,170	34,180.5	106,690

Implementation of important professional competency training programs in the current year

Item	Detail
Project Name1	Internal audit training program
Descriptions of the project	<p>In order to strengthen the professional competence of internal auditors, so as to reasonably ensure the effective and continuous implementation of the internal control system and risk management mechanism.</p> <p>The target of the project is the personnel of the internal audit department. As of the end of 2024, the total number of hours of the internal audit training program courses have reached 90 hours. 3 people for the external training courses for a total of 54 hours; For the internal training courses, the personnel of the Headquarters' Audit Office provides the training session to 3 internal auditors of overseas subsidiaries for a total of 36 hours each month.</p>
Engagement	In 2024, the participation rate of employees in the Audit Office was 100%.
Project Name2	Internal promotion and preparation of the sustainability-related reports to disclose training plans
Descriptions of the project	<p>In order to improve the professional ability of the internal team in preparing the report on sustainability and ensure the reasonableness and integrity of the data on sustainability.</p> <p>The target of the project is the personnel of the financial accounting department. As of the end of 2024, the total number of hours of the internal promotion and preparation of sustainability-related report to disclose the training plans have reached 75 hours. 10 sessions for the external training courses for a total of 62 hours; The internal training courses are mainly contracted to professional consultants, and supervisors who complete external training, for a total of 3 sessions and 13 hours.</p>
Engagement	In 2024, the participation rate of employees from the financial accounting department was 100%.
Project Name4	Internal Cybersecurity Training Program
Descriptions of the project	In order to improve the information personnel's expertise, maintain the confidentiality, integrity and availability of the Company's information, and build a continuous and improved information security environment.

	<p>The target of the project is the personnel of the information department. As of the end of 2024, the total number of hours of the internal cybersecurity training program courses have reached 95.5 hours.</p> <p>The external training course for cybersecurity consists of 11 sessions for total 34 hours.</p> <p>6 sessions for the external/internal general education training courses on information for a total of 61.5 hours;</p>
Engagement	In 2024, the participation rate of employees from the information department was 100%.

4.5.1.3 Retirement system

The Company has established the Employee Retirement Management Measures in accordance with provisions stipulated in the Labor Standards Act and Labor Pension Act. The Measures regulate the retirement terms for employees and pension distribution standard as a means to implement the retirement system and at the same time looking after our employees after they retire. In accordance with the regulations stipulated in the “Labor Retirement Reserve Fund and Management Measures” published by Ministry of the Interior, a certain ratio of retirement reserve fund is allocated on a monthly basis from employees’ salaries and wages to be deposited into Bank of Taiwan for safekeeping; or according to the provisions of the labor retirement pension system, no less than 6% of the monthly salaries and wages of employees shall be allocated to be deposited into employees’ labor pension account; if there is a voluntary contribution to the retirement pension, the voluntary contribution will be debited from the employee's monthly salary to the individual retirement pension account of the Labor Insurance Bureau ; recently, group annuity insurance and retirement award fund have been planned to achieve the goal of providing our employees with a retirement long-term plan that is more diverse and comprehensive.

Meanwhile, for other foreign subsidiaries included in the main body of the consolidated financial statements, pension contributions shall be made according to the labor laws and regulations of the respective countries of incorporation and shall be recognized based on the pension amount that should be contributed in the current period. The pension expenses of the consolidated company under the pension allocation policy for 2024 are NT\$41,855 thousand.

Retirement age extended upon the negotiation: According to local labor laws, Kunshan Plant may negotiate with employees who are over 50 years old for their agreement to continue working until 55 years old.

4.5.1.4 Employee rights

The Company keeps a harmonious labor-management relationship. Employees may communicate with the Company through labor-management meetings regarding issues of the various system and working environment so as to maintain healthy interaction between the labor and management. In addition, the Company's Staff Welfare Committee is responsible for matters in relation to the welfare of employees and organizes various events from time to time so as to reach the goal of a harmonious working environment as well as bringing all employees together.

(1) Implementation of personal data protection

The Company complies with the "Personal Data Protection Act" to establish the "Personal Data Security Management Regulations" and strictly protect the personal data privacy security management and protection measures. The Company has also established a data governance system, implemented data access authority control and data owner's review mechanism, ensured that data access and sharing are properly governed and protected, and data availability, integrity and confidentiality. The application scope covers all subsidiaries, customers, and suppliers. The Company's human resources department is responsible for the implementation and supervision of privacy-related risks for more effective management. The Company's personal data protection management measures are as follows:

To ensure the protection and management of personal data, the collection, processing or use of personal data must respect the rights and interests of the concerned party, be done in good faith and credibility, and refrain from exceeding the necessary scope of the specific purposes, and reasonable association with the purpose of collection.

In order to improve the personal data and file information system access security, prevent the access without authorization, manage the privacy of personal data, and manage the relevant management matters such as account number, password, access control, and access records of the personal data file information system, the Company's "Information Security Policy" shall apply.

The quantitative data and management indicators related to the personal data protection policy in 2024 are as follows

◎Employee Personal Data Protection Training Course

4 employees have completed the training at the Kunshan Factory, for a total of 4 hours.

The pass rate of the final exam was 100%.

◎Response to incidents and risk management

No relevant incidents occurred in 2024.

(2) Employment policy and training program of senior employees, and employment status

The Company upholds the people-oriented philosophy as its core value. In the face of an aging society and low birth rate, the employment of middle-age and senior employees is an inevitable trend. For this the Company builds a friendly and happy workplace.

The Company's policy in the workplace does not allow differential treatment based on age. For recruitment, promotion, performance evaluation, training, salaries or retirement, the Company creates a friendly working and welfare measure such as barrier-free working area, barrier-free environment, friendly toilets, and the easy-to-read versions of various work guidances.

For the senior employees' training plan, the Company provides flexible and free work arrangement, such as flexible employment and working hours arrangement, and diverse selection plans based on the job requirements, and diverse training to improve the work skills of the employees.

Employment of senior employees: One senior employee was employed by Taipei Plant in 2024.

(3) Execution of the collective bargaining agreements

Taipei Plant has not yet established a labor union, so it has not signed the collective bargaining agreement with the Company.

Kunshan Plant and Vietnam Plant have established labor unions, but the labor unions of the two plants have not yet proposed to the Company for collective agreement negotiation. Therefore, they have not yet signed the collective bargaining agreement with the Company.

4.5.1.5 Employees Code of Conduct: To regulate employees conduct and ethics

The Company's "Regulations of Professional Ethics and Conducts" have been promulgated as a means to regulate professional conduct and ethics of all employees; it has been disclosed on the Company's website/Investor Relations/Governance/Organizational Operations Regulations. The Company's website: <http://www.nishoku.com.tw/Investor/Investor/Company>.

4.5.2 Any current or potential loss resulting from labor disputes and prevention actions for the past year and as of the date of this annual report.

1 Any violation of the Labor Standards Act found in labor inspection

Date of disposition	Reference No. of the penalty document	Provisions of law violated	Content of law violation	Content of the punishment	Current Losses	Estimated amount of future loss
2025/02/10	New Taipei City Labor Inspection No. 1144663061	Article 24 of the Labor Standards Act	The employer failed to pay overtime wages for employees who worked beyond normal working	The fine was reduced to NT\$50,000 and the name and responsible person were	NT\$50,000	None

			hours.	announced.		
2025/02/10	New Taipei City Labor Inspection No. 11446630611	Paragraph 2, Article 32 of the Labor Standards Act	The work hours of the employees exceeded 12 hours in one day and the work hours of the employees exceeded 46 hours in one month.	The fine was reduced to NT\$50,000 and the name and responsible person were announced.	NT\$50,000	None
2025/02/10	New Taipei City Labor Inspection No. 11446630612	Paragraph 1, Article 36 of the Labor Standards Act	The employer failed to provide workers with at least one rest day in a seven-day period.	The fine was reduced to NT\$50,000 and the name and responsible person were announced.	NT\$50,000	None
Countermeasures: (1) Thoroughly comply with the working hours defined under the labor laws and regulations. (2) Establish the correct work efficiency and attitude of employees. (3) Combine the supervisors' care for colleagues and reasonable adjustment of the workload.						

2. Estimated amount of the current and future losses, and countermeasures: None.

4.5.3 Work environment and personal safety protection

As a means to protect the safety of employees, we insure labor and health insurance for all our employees. We also provide group insurance and business travel insurance and carry out periodical employee health examinations in accordance with acts and regulations. Company associates also enjoy health examinations specifically for associates to ensure the health of all employees.

We also have public accident liability insurance covered on working places such as the Company and the plant. Public safety equipment checks of buildings and fire equipment are reported to the competent authority in accordance with acts and regulations. The Company also selects employees who have obtained fire management personnel qualification certificate to maintain the safety of fire equipment in the workplace.

In order to prevent occupational accidents and protect the safety and health of employees, the Company has established the "Labor Safety And Health Code" required by the Occupational Safety and Health Act and applicable acts and regulations. Safety and health management personnel and first-aid personnel for Labors have also been set up in accordance with laws. A safety and health educational training is organized on an

annual basis.

In 2024, there were 6 occupational disasters, with 6 people involved (accounting for 0.19% of the total employees at the end of 2024), and the goal of zero-disaster was not achieved. For occupational hazard improvement measures, the department will conduct internal training for relevant employees, and require the implementation of occupational safety and health, to ensure the safety of colleagues in the work environment and continue to achieve zero occupational hazards.

Region	Taipei Plant		Kunshan Plant		Vietnam Plant		Improvement measures
	Times	people	Times	people	Times	people	
Onsite	0	0	5	5	1	1	The department will conduct internal training for relevant employees, and require the implementation of occupational safety and health.

Given the importance of protection measures for workplace and personal safety, the Company carries out related educational training on an unscheduled basis. The “Safety and Health Education for Labors” educational training is performed on employees containing courses such as: general safety and health educational training, how to enhance awareness of safety, fire safety and hygiene, occupational health promotion and how to prevent sexual harassment in the workplace. Learning evaluation is also carried out in the process of educational training to ensure the correctness of the learning direction of employees while at the same time confirming the implementation of the working environment and personal safety.

The number of safety and health training sessions held at each plant and the number of participants in 2024 are as follows:

Plant	Number of Training Sessions	Times	Total number of people
Kunshan Plant	53	24,807	18,332
Taipei Plant	50	155	30
Vietnam Plant	22	19,480	7,257
Total	125	44,442	25,619

The Company has implemented the monitoring of the work environment for the protection of the employees from hazards in the workplace, and provide them with a healthy and comfortable working environment. The Company also conducts the monitoring of the work environment twice a year to gradually understand the exposure of the employees. The environmental monitoring activities at Taipei Plant was performed on June 14, 2024 and December 13, 2024. The Company has reported the same to the

Ministry of Labor on July 12 of the same year and January 14 of following year.

All the Company's overseas production sites have obtained ISO 45001 certification.

Item		Kunshan Plant	Vietnam Plant
ISO 45001 Occupational health and safety management system	Date of first issuance	2020/8/14	2011/8/5
	Date of this issuance From to	2023/8/14~2026/8/13	2023/3/6~2026/3/6

4.6. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

In 2023, the Company has established a dedicated unit for information security, appointing an Information Security Supervisor and Information Security Personnel.; they are in charge of establishing the information security policies for the Company, planning the information security measures, and implementing the related information security operations.

Due to the importance of the information security, the accountable unit reports the information security governance and implementation of the Company to the board of directors. The Company has completed the three courses of "Information Security and Cybersecurity Course for TWSE/TPEX Listed Companies in 2024, including "Information Security Awareness, Necessary Knowledge and Responsibilities," "Information Security Incident and Prevention Measures" and "Information Security Control and Management Guide for TWSE/TPEX Listed Companies." Additionally, the audit team, consisting of auditors certified with ISO 27001 Information Security Auditor certification, conducts regular audits on the control operations of information security checks.

I. Targets of the information security policy:

1. Maintain the continuous operations of various information systems.
2. Prevent hackers and various viruses from invading and destructing.
3. Prevent intentional improper and illegal use by humans.
4. Prevent the leakage of confidential and sensitive data.
5. Avoid negligence and incidents made by humans.
6. Maintain security in the physical environment.

II. information security control measures

1. Computer device security management

- (1) The Company's computer mainframes and various application servers, as well as other equipment are installed in the dedicated data centers. The access control of the data centers adopts the induction card for entrance and exit, and the access are logged for reference.
- (2) The air conditioners in the data centers have the backup mechanism, to keep the computer equipment running in an environment with appropriate temperature and humidity; the HFC-23 environmental gas automatic computer fire extinguishing system is placed, which can be applied to fires caused by general factors or appliances.
- (3) The mainframes in data centers are equipped with uninterruptible power supply and voltage stabilization equipment, and are connected to the power supply system of generators provided by the Company's building, to avoid crash caused by sudden power failure from Taipower, or to ensure that the operation of the computer application systems will not be interrupted during a temporary power failure.

2. Network security management

- (1) The entrance to connect the external network is installed with the enterprise-level firewalls to prevent illegal intrusion by hackers.
- (2) Taipei Group Headquarter and overseas plants: the connection operation of Kunshan, Shenzhen and Vietnam plants uses MPLS VPN to prevent illegal capture during data transmission.
- (3) When logging into the Company's intranet remotely to access the ERP system, an SSLVPN account must be applied for. Login is only valid for use through the secure method of SSLVPN, and the use records are left for audit.
- (4) The internet conduct management and filtering equipment are configured to control the internet access, block access to harmful or network addresses and content prohibited by policy, to strengthen network security and prevent bandwidth resources from being improperly occupied.
- (5) The Company's corporate website is maintained by a third party contracted by the Company, and the Company's cloud server is protected by a comprehensive information security protection mechanism.

In addition to the IDS and IPS, in order to prevent the DDoS attack, the Cloud WAF network application program is adopted to set up a firewall. Based on the realization of the big data capability of cloud security, the Company has set

up a defense mechanism for OWAS attacks such as SQL injection, cross-site scripting xss, common Web server add-on bugs, trojan horses uploading, and unauthorized core resource access, to prevent malicious traffic from intruding into the website by filtering massive malicious CC attacks. In the face of the threat of DDoS attacks, the Company has established traffic monitoring, static page switching, traffic cleaning and other defense mechanisms to ensure the normal operation of the website.

3. Antivirus and management

- (1) Endpoint protection software is installed in the server and the terminal computer devices, and the virus codes are automatically updated to ensure that the latest viruses would be blocked, while detecting and preventing the installation of potentially threatening system execution files.
- (2) The email server is equipped with email anti-virus and spam filtering mechanisms, to prevent viruses or spam from entering the user's PC.

4. Access control

- (1) For using of each application system, the system access application procedure stipulated by the Company must be followed; upon the approval of the accountable officer, the information department will establish a system account, and each system administrator will authorize the access based on the applied functions before the access is granted.
- (2) The password setting of an account requires appropriate strength and digits; the password must contain alphabets, numbers, and symbols for being valid.
- (3) When implementing the resignation (leave) procedures, the Information Department must be informed to delete the accounts at each system.

5. Ensuring the sustainable operation of systems

- (1) System backup: a cloud-based backup system is built, and a daily backup mechanism is adopted. In addition to uploading a copy to the cloud-based storage service, Microsoft OneDrive, another set of copy is stored in the data center, to ensure the security of the system and data.
- (2) Disaster recovery drills: the drill is conducted for each system annually. After the restoration datum point is selected, the data are sent from the backup media to be restored in the system mainframe, and the user unit will confirm the accuracy of the restored data in writing, to ensure the accuracy and validity of the backup media.

(3) Two data lines are leased from the telecommunication provider. Through the bandwidth management equipment, the two lines are used in parallel to backup each other, to ensure that the network communication is not interrupted.

6. Promotion, education, and training of information security

- (1) Reminding promotion: the employees are required to change password regularly, to keep the account secure.
- (2) Seminar promotion: the information security related trainings are conducted for the internal employees every year.

III. Implementation in 2024.

Implementation of information security has been reported to the board of directors on December 26, 2024.

- Remote backup has been synchronized daily.
- One disaster recovery drill was conducted in the year.
- The dedicated personnel of the Information Security Unit participate in relevant education and training courses from time to time to continuously improve their professional knowledge and timely adjust information security prevention measures and hardware upgrade plans in response to the advancement of information technology. The external training courses attended by the dedicated personnel in 2023 included two sessions of “iPAS Industry Smart Transformation Practice Workshop - Intermediate Information Security Planning and Protection Practice,” “Taiwan Information Security Reporting and Response Annual Meeting” and other information security education and training courses, for a total of 19.5 training hours and attended by a total of 3 persons.
- The Company organized 18 information security training courses, including "VMware Basic Concept," "Corporate Network Basic Concept and Practice," "Mail Filter Software and E-mail System Operation Training," "How to Judge the Social Engineering and Prevention Measures of E-mail," "AI Development Trend and Cybersecurity Risks," "Security Prevention of Website and Browser," for a total of 96 hours.
- All new employees shall complete an information security and protection training course.
- Promotion, and education of information security has been conducted monthly.

The cumulative promotion hours were 792 hours, with total 396 attendees.

month	Topic of advocacy
Jan	The five most concerning Internet security news topics in 2023. How many tricks have you caught?
Feb	Is your password easy to guess? Information security experts point out "15 super common combinations": vulnerable to hackers
Mar	ASRC 2023 Email Security Trends Review
Apr	Google urgently launches high-risk 0-day update for Chrome browser
May	"World Password Day" Nine of the top ten passwords commonly used by Taiwanese people can be cracked in less than a second! Desktop passwords like "ji394su3" are not safe either
Jun	ASRC Email Security Watch Q2 2024
Jul	The largest scale in history! Hackers exposed nearly 10 billion passwords, learn 4 anti-theft methods quickly
Aug	The three major enterprise information security risks in the first half of 2024: ransomware, APT and AI-related threats
Sep	On September 3, hackers targeted the SSL VPN systems of security vendors as bait, intending to spread malicious programs.
Oct	ASRC Email Security Watch Q3 2024
Nov	Hackers hide in ZIP files, be careful of emails hiding killers
Dec	Ranking of the 10 Worst Passwords of 2024

- Impacts of material information security incidents on the Company and countermeasures

In accordance with Article 4, Paragraph 26 of the "Procedures for the Verification and Disclosure of Material Information of Companies with Listed Securities" of Taiwan Stock Exchange, in the event of a material information security incident, apart from following the Company's information security emergency reporting and response measures, a significant announcement should be issued. If the estimated loss, after deducting the compensation amount calculated according to insurance contracts in Article 11, exceeds 20% of the Company's equity of NTD 300 million, the incident should be reported by the Information Security Unit to the convener of the Board of Directors and approved by the Company's spokesperson system before convening a press conference to explain the material information. In 2024, the Company's information security unit not only provides routine monthly information security promotion, but also sends mail with hidden QR Code links to the mail box, or embeds QR Code in encrypted attachments, so that the Company's information security equipment detection or personnel identification methods can be linked to the hidden equipment, and the Company's information security promotion and education training can be strengthened to effectively prevent employees from falling into the social engineering circle and hitting the risk of the mail of phishing emails. There were no material information security incidents in 2024.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: no such circumstance. °

4.7 Important Contracts

Sales contract, technical cooperation contracts, engineering contracts, long term loans contracts and other significant contracts that are active or ending within a year which are sufficient to affect the interests of shareholders as of the end of the printing date of the annual report: None.

5. Review of Financial Position, Management Performance and Risk Management

5.1 Financial Status

5.1.1 Analysis of Financial Status – Consolidated

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	5,687,690	5,177,670	510,020	9.9%
Property, plant and equipment	1,574,471	1,420,753	153,718	10.8%
Non-current assets	1,669,800	1,931,084	(261,284)	(13.5%)
Total Assets	8,931,961	8,529,507	402,454	4.7%
Current Liabilities	2,363,691	2,470,922	(107,231)	(4.3%)
Long-term liabilities	800,000	850,000	(50,000)	(5.9%)
Other liabilities	784,603	758,285	26,318	3.5%
Total Liabilities	3,948,294	4,079,207	(130,913)	(3.2%)
Capital stock	630,222	630,402	(180)	0.0%
Capital Surplus	940,899	973,549	(32,650)	(3.4%)
Retained earnings	3,614,031	3,186,194	427,837	13.4%
Total Stockholders' Equity	4,983,667	4,450,300	533,367	12.0%
The reasons of the material change (significant current variations amounting to 20% and the amount of changes reached NTD 10 million) of assets, liabilities and equity above in the later period and within 2 years and the responses of the Company. Please specify the future countermeasures if the effects are significant:None Future countermeasures: None.				

5.1.2 Analysis of Financial Status - Individual

Unit: NTD thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	1,418,571	957,541	461,030	48.1%
Refers to investments accounted for under equity method.	4,852,756	4,507,183	345,573	7.7%
Property, plant and equipment	291,223	295,608	(4,385)	(1.5%)
Non-current assets	1,533,730	1,776,809	(243,079)	(13.7%)
Total Assets	8,096,280	7,537,141	559,139	7.4%
Current Liabilities	1,528,011	1,514,272	13,739	0.9%
Long-term liabilities	800,000	850,000	(50,000)	(5.9%)
Other liabilities	784,602	722,569	62,033	8.6%
Total Liabilities	3,112,613	3,086,841	25,772	0.8%
Capital stock	630,222	630,402	(180)	0.0%
Capital Surplus	940,899	973,549	(32,650)	(3.4%)
Retained earnings	3,614,031	3,186,194	427,837	13.4%
Total Stockholders' Equity	4,983,667	4,450,300	533,367	12.0%
The reasons of the material change (significant current variations amounting to 20% and the amount of changes reached NTD 10 million) of assets, liabilities and equity above in the later period and within 2 years and the responses of the Company. Please specify the future countermeasures if the effects are significant:				

(1) Increase in current assets: Mainly due to the transfer of non-current assets "financial assets at fair value through profit or loss - non-current" to financial assets due within one year, which was reclassified as current, and then the current assets increased.
Future countermeasures: None.

5.2 Operating Results

5.2.1 Analysis of Operating Results - Consolidated

Unit: NTD thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Net Sales	4,259,658	3,508,729	750,929	21.4%
Cost of Sales	2,944,014	2,592,872	351,142	13.5%
Gross Profit	1,315,644	915,857	399,787	43.7%
Operating Expense	492,789	444,597	48,192	10.8%
Results from operating activities	822,855	471,260	351,595	74.6%
Non-operating Income and Expenses	425,255	199,541	225,714	113.1%
Profit Before Tax	1,248,110	670,801	577,309	86.1%
Income Tax Expense	378,991	183,704	195,287	106.3%
Profit for the year	869,119	487,097	382,022	78.4%

The main reasons and expected sales volume of the significant changes (significant current variations amounting to 20% and the amount of changes reached NTD 10 million) in operating income, operating net profit and net profit before tax in the last two years that may affect the company's future financial business and plan for the response:

Increase in operating revenue/gross profit/net operating profit:

Mainly due to the increase in the customer demand in 2024 resulting in the increase in the consolidated operating revenue from the previous year.

Increase in non-operating revenue and expenses:

Mainly due to the depreciation of NTD and CNY against USD in 2024 from 2023, resulting in the increase in the foreign exchange gains from the previous year.

Increase in net income before tax/income tax expenses/net income for the current period:

Mainly due to the increase in the net operating profit and foreign exchange gains in 2024 from the previous year.

5.2.2 Analysis of Operating Results - Individual

Unit: NTD thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Net Sales	1,218,099	955,752	262,347	27.4%
Cost of Sales	874,776	687,628	187,148	27.2%
Gross Profit	329,877	283,670	46,207	16.3%
Operating Expense	170,481	161,340	9,141	5.7%
Results from operating activities	159,396	122,330	37,066	30.3%
Non-operating Income and Expenses	967,095	492,899	474,196	96.2%

Profit Before Tax	1,126,491	615,229	511,262	83.1%
Income Tax Expense	257,372	128,132	129,240	100.9%
Profit for the year	869,119	487,097	382,022	78.4%
<p>The main reasons and expected sales volume of the significant changes (significant current variations amounting to 20% and the amount of changes reached NTD 10 million) in operating income, operating net profit and net profit before tax in the last two years that may affect the company's future financial business and plan for the response:</p> <p>Increase in operating revenue/cost of sales /net operating profit: Mainly due to the increase in the operating revenue from the previous year.</p> <p>Increase in non-operating revenue and expenses: Mainly due to the depreciation of NTD against USD in 2024 from 2023, resulting in the increase in the foreign exchange gains from the previous year.</p> <p>Increase in net income before tax/income tax expenses/net income for the current period: Mainly due to the increase in the net operating profit and foreign exchange gains in 2024 from the previous year.</p>				

5.2.3 The possible impact and response plans regarding the expected sales volume and their basis:

The Company's sales in 2024 was based on the condition of overall supply and demand of the industry, and used the production capacity planning and past operating performance as basis which shall not pose any effect on the Company's future financial business.

5.3 Analysis of Cash Flow

5.3.1 Analysis of cash flows in the most recent year:

1. Consolidated Financial Statements

Unit: NTD thousand					
Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Annual Cash Outflows	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Plan
3,535,076	1,091,946	(1,275,102)	3,351,920	None	None
<p>1. Analysis of changes in cash flows</p> <p>(1) Operating business: Net cash inflows of NTD 1,091,946 thousand was mainly due to operating profits.</p> <p>(2) Investment activities: Net cash outflows of NTD 529,798 thousand was mainly due to acquisitions property, plant, and equipment.</p> <p>(3) Financing activities: Net cash outflows of NTD 854,632 thousand was mainly due to the distribution of cash dividends and repaid the bank borrowings.</p> <p>(4) Impact on cash and cash equivalents : NTD 109,328 thousand °</p> <p>2. Expected remedies for cash deficits and liquidity analysis:</p> <p>No occurrence of cash deficits and liquidity.</p>					

2. Non-Consolidated Financial Statements

Unit: NTD thousand

Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Annual Cash inflows	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Plan
493,857	155,989	(323,125)	326,721	None	None
<p>1. Analysis of changes in cash flows</p> <p>(1) Operating business: Net cash inflows of NTD 155,989 thousand was mainly due to operating profits.</p> <p>(2) Investment activities: Net cash inflows of NTD 318,497 thousand was mainly due to the profit repatriation from subsidiaries.</p> <p>(3) Financing activities: Net cash outflows of NTD 641,622 thousand was mainly due to the distribution of cash dividends and repaid the bank borrowings.</p> <p>2. Expected remedies for cash deficits and liquidity analysis: No occurrence of cash deficits and liquidity.</p>					

5.3.2 Remedy for Cash Deficit and Liquidity Analysis: Not applicable.

5.3.3 Cash Flow Analysis for the Coming Year:

1. Consolidated Financial Statements

Unit: NT\$ thousand

Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Annual Cash Outflows	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Plan
3,351,920	1,053,511	(979,355)	3,426,076	None	None
<p>1. Analysis of changes in cash flows</p> <p>(1) Operating business: Mainly due to the estimated stable coming year that generates cash inflows.</p> <p>(2) Investment activities: purchase of machinery and equipment.</p> <p>(3) Financing activities: Mainly due to the estimated cash dividends being distributed.</p> <p>2. Expected remedies for cash deficits and liquidity analysis: No occurrence of cash deficits and liquidity.</p>					

2. Non-Consolidated Financial Statements

Unit: NTD thousand

Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Annual Cash Outflows	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Plan
326,721	654,573	(639,722)	341,572	None	None
<p>1. Analysis of changes in cash flows</p> <p>(1) Operating activities: Mainly due to the return of earnings from offshore subsidiary in the coming year.</p> <p>(2) Investment activities: Mainly due to the expected repatriation of surplus of overseas</p>					

subsidiaries in the coming year.

(3) Financing activities: Mainly due to the estimated distribution of cash dividends.

2. Expected remedies for cash deficits and liquidity analysis: No occurrence of cash deficits and liquidity.

5.4 Major Capital Expenditure Items:

The Company does not have material capital expenditure plans, it is therefore not applicable.

5.5 Investment Policy in the Last year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

5.5.1 Investment policy

The Company's decision-making authority makes investments in consideration of operational needs or Company's future growth. Professional information is first provided by related units and after the Finance Unit compiles information and makes suggestions to the Authorization Manager, a motion of investment suggestion is produced. The investee Company's history and future prospects, market situation and management shall be evaluated to be used as the basis for decision-making authority to proceed with the investment.

5.5.2 Investment policies, main reasons for investment gains or losses, improvement plans in the most recent year

Unit: NTD thousand

Name of Subsidiary	Recognized in 2024 Amount of gains or losses (Note 1)	Main reason for gains or losses	Improvement plan
SUN NICE Ltd. (SAMOA)	587,364	Due to the profit from the investment company.	None
NISHOKU BOUEKI CO., LTD.	491	Operational status is acceptable.	None
Nishoku Technology Vietnam Co.,Ltd.	127,819	The operating conditions are good and profits are stable.	None
SAME START Ltd. (Anguilla)	(36)	Operational status is acceptable.	None
NISHOKU HONG KONG HOLDING LIMITED	415,684	The operations of the subsidiaries invested	None

Name of Subsidiary	Recognized in 2024 Amount of gains or losses (Note 1)	Main reason for gains or losses	Improvement plan
		in mainland China are good and their profits are stable.	
SUN NICE Ltd. (B.V.I)	163,977	The operations of the subsidiaries invested in mainland China are good and their profits are stable.	None
NISHOKU PLASTIC MOLD (SHENZHEN) CO., LTD.	(24,930)	Not applicable.	Not applicable.
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	578,349	The operating conditions are good and profits are stable.	None

Note 1: The amounts stated in the 2024 financial report were certified by the CPAs.

Note2: The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024.

5.5.3 Investment plan for the coming year: The Company does not have new investment plans for the coming year.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation of Corporate Finance, and Future Response Measures

1. Impact of interest rate changes

Unit: NTD thousand

Item	2024 Consolidated		
	Amount	As a percentage of operating income	As a percentage of pre-tax net profit
Interest expenses	51,561	1.21%	4.13%

A. The balance of the Group's consolidated long-term and short-term borrowings was NT\$2,048,925 thousand and interest expenses was NT\$51,561 thousand at the end of 2024. The above table shows that the ratio of interest expenses to the Company's profit and loss is relatively small. The Company also regularly evaluates bank borrowing rates and maintains good relations with banks in order to obtain a more favorable interest rate and at the same time reducing interest expenses.

B. If the interest rate had increased / decreased by 1 basis points, the Group's net

income would have decreased / increased by \$1,207 thousand and \$1637 thousand for the year ended December 31, 2024 and 2023, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates and bank deposits in variable-rate bills. °

2. Impact of exchange rate changes

- A. For years 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$208,712thousand, respectively., 4.90% of net operating income , The overall exchange rate factor has a certain degree of risk burden of profitability ° exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, accounts payable and other payables that are denominated in foreign currency °
- B. A weakening (strengthening) of 1% of the NTD against the USD 、 JPY 、 EUR and VND at December 31, 2024 and 2023, would have increased or decreased the net profit before tax by \$45,871thousand and \$38,621 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.
- C. Future countermeasures: In order to respond to external complex changes, the Company uses its basic strategy and aims to offset assets and liabilities to reduce its exposure to net positions of exchange rate fluctuations. Hedging operation: The main principle is to flatten the above net positions.

3. Impact on inflation

According to the increase rate of 2.10% of Consumer Price Index (CPI) in 2024 released by the Directorate General of Budget, Accounting and Statistics, the inflation situation does not impose material impact on the Company's profit or loss. The Company keeps a close eye on the fluctuation of market prices, and makes adjustments of sales prices, raw materials and inventory amount accordingly. The Company currently does not have any immediate material impact due to inflation.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leverage Investment, Loaning or Endorsement Guarantees and Derivatives Transactions

1. Engagement of high-risk and highly-leveraged investments

The Company and its subsidiaries focus on the management of the industry and do not make any investment in high-leveraged industry.

2. Engagement of lending fund to others or endorsement guarantees, and derivatives

transactions:

The Company's lending fund to others or endorsement guarantees, and derivatives transactions are handled according to policies and countermeasures in the Company's "Operating Procedures for Lending Funds to Others", "Operating Procedures for Endorsements/Guarantees", and "Acquisition or Disposal of Assets". Related operations are executed in the consideration of risk situation and applicable regulations.

(1) Lending funds to others in the end of 2024:

December 31, 2024, unit: NT\$ thousand

Creditor	Borrower	Whether the borrower is a related party	Balance of lending funds to others in the end of the period	Actually amount provided	Fund lending and its nature
Nishoku Technology Inc.	Nishoku Technology Vietnam Co., Ltd.	Yes	229,495	196,710	The necessity of short-term financing

The object who the Company loans funds to are all subsidiaries which the Company directly or indirectly holds 100% shares of, and there is no limit as to the amount of when providing a loan. However, the loaning of fund may not exceed the net worth of the Company's most recent financial statements.

(2) The status Of Endorsement And Guarantee of the company and its subsidiaries in 2024 is stated as follows:

December 31, 2024 Unit: NT\$ thousand

Company Name Of Endorser	Endorsees		Balance Of Endorsements -End	Accumulative Endorsement as a Percentage of current net worth (%)
	Company Name	Relation		
Nishoku Technology Inc.	Nishoku Technology Vietnam Co., Ltd.	Subsidiary, 100% owned by Nishoku Technology Inc.	1,550,731	31.12%
Total (the Company)			1,550,731	31.12%

The object of endorsement/guarantee of the Company and its subsidiaries are all subsidiaries to be directly or indirectly 100% owned by the Company. The purposes of endorsements and guarantees for subsidiaries are the derivative liabilities of guarantee resulting from group sharing of credit line of bank; the purpose of subsidiaries making endorsements and guarantees for affiliates is to be liable for the responsibility derived

from guarantee purchases

(3) Derivatives in the end of 2024:

The Company did not engage in derivatives in the end of 2024.

5.6.3 Future Research & Development Projects and Corresponding Budget

The Company's 2025 R&D plans include application products such as the development of IMF and OMD. The proportion of R&D expenses the Company and its subsidiaries expect to invest in is approximately 2 to 3% of the Company's operating income. With the growth of the future turnover, the annual R&D expenses may be gradually increased. By supporting our future R&D plans, we hope to improve the Company's competitiveness in the market.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

Under the issue of the trade war initiated by the USA and fierce product competition, the overall industrial competition is even more challenging. Aside from continuing to facilitate automation and process optimization of various operations, we will also accelerate the expansion of market development and production economic scales. We will make every effort to understand customer needs and try our utmost to develop strategically positioned star products while focusing on external competitions in order to make response measures according to the market change. We will strive to grasp the change of relevant laws and regulations in order to make preparation and adapt applicable countermeasures to reduce operational risks of future industry and the overall environment.

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

The Company and its subsidiaries also pay attention and collect and analysis the application market and technological development changes of various plastic products to reduce the impact brought with the change of technology. At the same time, we will also improve the R&D of high value-added and high-profit products, allowing the Company's products to be more diverse, stable and ensure the source of profit. With our outstanding manufacturing process technology, we will continue to expand our strategic alliance in terms of design, mass production, logistic support, distribution, and after-sales service to our existing customers to strengthen the relationship of co-existence and prosperity. As of now, technological changes and industrial changes have not yet posed

any impact on the Company's financial business.

To implement the cyber security management, the Company has established the “Information Security Policy and Regulations” and the enforcement rules pursuant to Article 8 and 9 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, requiring the establishment of the control activities for the management of personal information protection and computerized information processing system, to be implemented accordingly; the “Management Procedures for the Personal Information Protection” is established to manage the use of data and maintenance of security rigorously; and the “Management Procedures for E-Mail Accounts” is established to specify the rules of using email and the confidential and sensitive mails. As the information security is a emerging trend valued by corporates, the Company continues to enhance the implementation and mechanism of the information security protection policies. As of now, technological changes and industrial changes have not yet posed any impact on the Company's financial business.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

In recent years, the Company strives to strengthen corporate governance in order to respond to any possible corporate crisis. We also disclose various material information immediately in accordance with laws and regulations while continuing to invest in the environment and corporate responsibility, building a positive corporate image. In order to achieve the goal of environment and social responsibility, we integrate corporate social responsibility with our management strategy, including company policy, internal operation management, various business execution and education and training planning.

1. Environmental protection: Implement the Company's core value through the establishment of the ISO14001 system - "team, service, innovation, quality, and efficiency" to enhance the internal culture of the corporate, increase the quality of the workplace while being dedicated to the design and R&D of green products. Not only to meet the trend of environmental protection in the international market, we also treat the green concept as the basic obligation and duty as a corporate citizen.
2. Human rights protection: The Company implements human rights policies, On April 26, 2024, the Company amended some provisions of its "Labor Management Policy and Implementation Regulations" and

renamed it as "Group Human Rights and Employee Policy", including but not limited to prohibiting forced labor, child labor, discrimination, and ensuring occupational health and safety. We have established and regularly update relevant management regulations to safeguard human rights. In addition to the "Labor Management Policy and Implementation Regulations", we have established the "Employment Management Regulations", "Factory Rules and Working Codes", "Employee Care and Welfare Program Application Methods", and "Salary Management Methods" to ensure the rights of employees in terms of working hours and rest, wages and insurance benefits, and prevention of harassment.

Employees are the Company's most valuable assets, aside from the basic company rules; we also value our employees' opinions. We hope to provide the space that employees can make the most of. The Company's employees may express their views with respect to their personal rights, welfare, management and workplace environment through department managers, senior managers and Management Department at any time. The Management Department conducts a survey of the employee canteen each year, allowing opinions of employees regarding the canteen environment. The survey is also used as an important reference basis to the continuous improvement of the workplace.

3. Safety and health: In order to show the determination of protecting the environment and maintaining employees' safety and health, the Company has formulated the "Company Environmental Safety and Health Policy". The Company integrates the implementation of environmental management, green products, occupational safety and health management to achieve the goal of corporate sustainable development.

4. Caring for the local community: (1) The Group is headquartered in Xinzhuang, New Taipei City. Since the completion of the factory in

2011, the Group has participated in the "Xinzhuang District United Scholarship Program" through the Xinzhuang District Office (subsidy targets are mainly public/private universities and public/private high schools), to encourage the spirit of diligence and improvement of the outstanding, poor, and needy students in Xinzhuang District, and to cultivate talent for the country, society and the region. The Company has been supporting this talent cultivation program for 13 years. The cumulative sponsorship amounted to NTD 850 thousand, and a total of 128 people received scholarships.

(2) In order to implement community care, the Company's Vietnam Plant participated in the winter relief activities through the Taiwanese Chamber of Commerce in Haiphong, Vietnam, and donated fund to the temple fairs in 2 villages and 20 poverty-stricken villagers. In September 2024, Vietnam suffered from Typhoon Yagi. The Company, out of the intent to extend care and assistance, called on the employees to donate charity fund and also granted the corresponding amount VND 22,754,754 to provide the relief to the colleagues of Vietnam Plant who were victims in the disaster.

In addition, we make unscheduled visits to representatives of local groups and fire brigades adjacent to the plant to learn about material topics of concern to the local community. We also implement fire safety countermeasures and implement precautions for employees in the plant, hoping to keep the community safe and happy, and prevent risks of major hazards inside or outside the plant.

5. Rural community care: The Company adheres to its principle of “taking from the

society and using in the society” and is devoted to the promotion of a variety of welfare activities. We try our best to fulfill corporate society responsibility and continues to improve the Company’s environment and culture by promoting corporate sustainable development as a means to further inspire other people in the society to facilitate social care and take importance of their living quality. Aside from the efforts in terms of talent cultivation and technology R&D, the Company uploads the spirit of being a corporate citizen to maintain the social culture while making a contribution with respect to the education of the next generation. In line with our corporate social responsibility of taking care of disadvantaged groups and narrowing the gap between urban and rural areas, Nishoku Technology Inc., has participated in KPMG’s second-hand computer donation event for 17 years straight. We have donated a total of 413 second-hand computers to remote digital opportunity centers, schools, and welfare organizations. This not only provides more learning opportunities and resources for people in rural areas but also enhances the quality of care provided by welfare organizations to disadvantaged individuals. At the same time, through participating in this event, we hope we can lead by example and inspire other enterprises to join in effort to narrow the gap between urban and rural areas.

6. Donations to public welfare groups: In order to put together the power of the society, and the aim of caring for the lives of vulnerable groups, the Company proactively promotes welfare events in forms of money or donations, including facilitating environmental protection, caring for vulnerable groups, charitable events and development plans of communities. Each year, Nishoku allocates a certain amount of funds each year to regularly donate to charity, including official donation channels such as the Genesis Social Welfare Foundation, Mennonite

Social Welfare Foundation, Taiwan Fund for Children and Families, the Christian Home for the blind, affiliated with the Huiming Blind Children's Nursery in Taichung, World Vision Taiwan, and Children Are Us Foundation, etc. Additionally, in April 2024, in line with humanitarian spirit of helping those in need, we responded to the earthquake relief efforts in Hualien by donating funds. As of the end of 2024, the total amount of donation reached NTD 1.54 million.

5.6.7 Expected Benefits and Risks Relating to and Response to Merger and Acquisition Plans

As of the publication date of the annual report, the Company and its subsidiaries do not have any M&A plan. If evaluation and execution of relevant plans are in consideration, they shall be handled according to applicable laws and regulations, and applicable management measures established by the Company.

5.6.8 Expected Benefits and Risks Relating to and Response to Factory Expansion Plans

In order to meet the need for continuous expansion of the subsidiary's business in Vietnam, the subsidiary is expected to build the 4th-phase factory premises in Vietnam in 2025. The Company has evaluated the risk factors such as possible insufficient funds, delayed construction, and business orders before the investment, and formulated relevant countermeasures to mitigate the impact posed by various risks on the Company's operations.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Risks associated with concentration of purchases, and countermeasures:

The Company has established production base in China through investment and purchases products after the production is completed in China, so there is a concentration of purchases, a result of labor division between 2 countries in the industry. Other than the purchase of finished products, most of the raw materials purchased by the Company are designated by customers. The Company maintains 2 or more qualified suppliers for each raw material, ensuring uninterrupted supply while at the same time

posing an advantage of negotiating the price, reaching the goal of reducing costs. In summary, the Company should not have any risk with respect to purchase concentration or interruption of materials.

2. Risks associated with concentration of sales, and countermeasures:

The Company will proactively expand and develop all types of different applications in the future by using its outstanding double injection die technology and die R&D capabilities to further continue developing different customer groups. The risk of concentration of sales is therefore very low.

5.6.10 Effects of Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%

In the most recent year and as of the publication date of the annual report, there are no events of large shares transfer or changes by directors, supervisors, and shareholders with 10% shareholdings or more to cause the operating risk.

5.6.11 Effects of Risks Relating to and Response to Changes in Control over the Company

In the most recent year and as of the publication date of the annual report, the structure of directors and supervisors remains stable; there are no events for the change of management.

5.6.12 For all litigious and non-litigious events, please expressly enumerate the involved facts, target amounts, starting dates of the litigation, major parties involved and the progress as of the printing date of this Annual Report for the cases where the Company, the Company's directors and supervisors, general manager, substantial responsible persons, key shareholders holding over 10% of the total outstanding shares and the auxiliary firms in the major litigious, non-litigious or administrative events the outcome of which might have a significant impact upon the shareholders' equity or stock prices:

1. For litigations and non-litigations with conclusive judgment or proceedings litigations, non-litigations, or administrative disputes with outcomes that might have major influence on the interest of shareholder or price of securities, the disputed facts, subject-matter amount, initial date of litigation, main litigants, and the status on current proceedings in the past 2 years and as of the publication date of the public report: None.
2. The directors, supervisors, managerial officers and substantial principals of the company, the major shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non litigation or administrative litigation results may have a significant effect on the company's shareholders' equity or securities price in the past 2 years and as of the publication date

of the public report: None.

3. The directors, supervisors, managerial officers of the company, the major shareholders with a shareholding ratio of more than 10%, any occurrence of events stipulated in Article 157 of the Securities and Exchange Act in the past 2 years and as of the publication date of the public report: None.

5.6.13 Other important risks : None.

5.7 Other Major Risks: None.

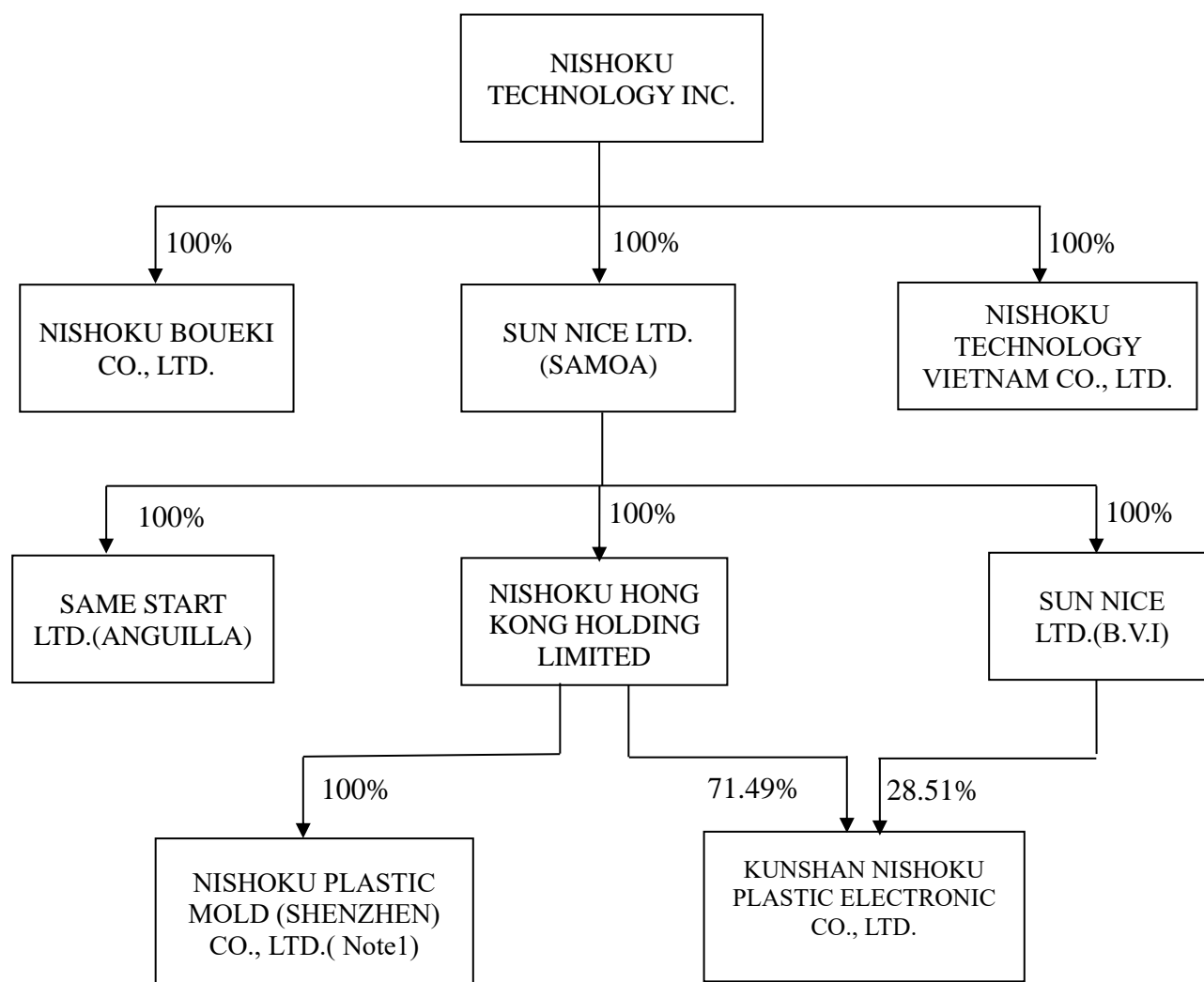
6. Other Special Notes

6.1 Summary of Affiliated Companies

6.1.1 Consolidated Business Report of Affiliated Companies

請參閱公開資訊觀測站 <https://mops.twse.com.tw/mops/web/t111sb02>

6.1.1.1 Affiliated Companies Chart



Note1 : The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024.

6.1.1.2Basic Information on Affiliates

December 31, 2024 Unit: NT\$ thousand					
Name of subsidiary	Relation to the Company	Principal Activities	Location	Amount of paid-in capital	Percentage of shareholding
SUN NICE LTD. (SAMOA)	The Company's subsidiary	Holdng Company	Samoa	427,214	100%
NISHOKU BOUEKI CO., LTD.	The Company's subsidiary	Trading Company	Taiwan	3,000	100%
NISHOKU TECHNOLOGY VIETNAM CO.,LTD.	The Company's subsidiary	Produces dies and plastic products	Vietnam	822,634	100%
SAME START LTD.(ANGUILLA)	Subsidiary invested by the Company through SUN NICE (SAMOA)	Trading Company	Anguilla	29	100%
NISHOKU HONG KONG HOLDING LIMITED	Subsidiary invested by the Company through SUN NICE (SAMOA)	Holdng Company	HongKong	1,131,381	100%
SUN NICE LTD.(B.V.I)	Subsidiary invested by the Company through SUN NICE (SAMOA)	Holdng Company	British Virgin Islands	585,292	100%
NISHOKU PLASTIC MOLD (SHENZHEN) CO., LTD.(Note1)	Subsidiary invested by SUN NICE (SAMOA) NISHOKU HONG KONG HOLDING LIMITED	Manufacturing and sales of plastic products and dies	SHENZHEN, China	0	100%
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Subsidiary invested by SUN NICE (SAMOA) NISHOKU HONG KONG HOLDING LIMITED	Manufacturing and sales of plastic products and dies	Kunshan, China	1,674,270	100%

Note1 : The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024. Therefore, the relevant information is no longer disclosed in said table.

6.1.1.3 Shareholders presumed to have control and subordinate relationship with the same information: None.

6.1.1.4 Industries in which the affiliates operate

- (1) CQ01010 Die Manufacturing.
- (2) F106030 Wholesale of Die.
- (3) F206030 Retail Sale of Die.
- (4) C805990 Other Plastic Products Manufacturing.
- (5) F401010 International Trade.
- (6) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

6.1.1.5 Information on Directors, Supervisors, and President of Affiliates

December 31, 2024, unit: thousand shares, %

Company Name	Title	Name or Representative	Shares Held	
			Shares	%
NISHOKU BOUEKI CO., LTD.	Director	Nishoku Technology Inc. Rep.: Wu, Ying-Lan	300	100.00%
	Director	Nishoku Technology Inc. Rep.: Chen, Piao-Fu	300	100.00%
	Director	Nishoku Technology Inc. Rep.: Tsai, Chien-Sheng	300	100.00%
	Supervisor	Nishoku Technology Inc. Rep.: Chang, Wen-Hsien	300	100.00%
SUN NICE LTD.(SAMOA)	Director	Nishoku Technology Inc. Rep.: Chen, Piao-Fu	12,469	100.00%
	Director	Nishoku Technology Inc. Rep.: Tsai, Chien-Sheng	12,469	100.00%
	Director	Nishoku Technology Inc. Rep.: Chang, Wen-Hsien	12,469	100.00%
NISHOKU TECHNOLOGY VIETNAMCO. LTD.	Director	Nishoku Technology Inc. Rep.: Chen, Piao-Fu	0	100.00%
	Director	Nishoku Technology Inc. Rep.: Tsai, Chien-Sheng	0	100.00%
	Director	Nishoku Technology Inc. Rep.: Chang, Wen-Hsien	0	100.00%
SAME START LTD. (ANGUILLA)	Director	SUN NICE LTD. (SAMOA) Rep.: Chen, Piao-Fu	0	100.00%
	Director	SUN NICE LTD. (SAMOA) Rep.: Tsai, Chien-Sheng	0	100.00%
	Director	SUN NICE LTD. (SAMOA) Rep.: Chang, Wen-Hsien	0	100.00%
NISHOKU HONG KONG HOLDING LIMITED	Director	SUN NICE LTD. (SAMOA) Rep.: Chen, Piao-Fu	40,298	100.00%
	Director	SUN NICE LTD. (SAMOA) Rep.: Tsai, Chien-Sheng	40,298	100.00%
	Director	SUN NICE LTD. (SAMOA) Rep.: Chang, Wen-Hsien	40,298	100.00%

Company Name	Title	Name or Representative	Shares Held	
			Shares	%
SUN NICE LTD.(B.V.I)	Director	SUN NICE LTD. (SAMOA) Rep.: Tsai, Chien-Sheng	15,697	100.00%
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	Director	NISHOKU HONG KONG HOLDING LIMITED Rep.: Chen, Piao-Fu	0	100.00%
	Director	NISHOKU HONG KONG HOLDING LIMITED Rep.: Tsai, Chien-Sheng	0	100.00%
	Director	NISHOKU HONG KONG HOLDING LIMITED Rep.: Chang, Wen-Hsien	0	100.00%
	Supervisor	NISHOKU HONG KONG HOLDING LIMITED Rep.:Zheng, Qing-Wen	0	100.00%

Note1 : The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024. Therefore, the relevant information is no longer disclosed in said table.

6.1.1.6 Operational Overview of Affiliates

December 31, 2024, Unit: NT\$ thousand; (net earnings per shares \$)

Company Name	Capital	Total Assest	Total Liabilitties	Net Value	Revenues	OPerting Incomes	Net Incomes	EPS
NISHOKU BOUEKI CO., LTD.	3,000	10,643	60	10,583	0	(60)	491	(Note 1)
SUN NICE LTD.(SAMOA)	427,214	4,285,640	0	4,285,640	0	(123)	587,364	(Note 1)
NISHOKU TECHNOLOGY VIETNAM CO. LTD.	822,634	1,302,560	675,347	627,213	1,146,145	169,239	127,819	(Note 1)
SAME START LTD. (ANGUILLA)	29	93,452	92,136	1,316	174,470	(55)	(36)	(Note 1)
NISHOKU HONG KONG HOLDING LIMITED	1,131,381	3,111,113	0	3,111,113	77	(96)	415,684	(Note 1)
SUN NICE LTD. (B.V.I)	585,292	1,176,245	0	1,176,245	0	(193)	585,292	(Note 1)
NISHOKU PLASTIC MOLD (SHENZHEN) CO., LTD.(Note2)	0	0	0	0	39,712	(33,901)	0	(Note 1)
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD.	1,674,270	4,966,070	791,800	4,174,270	3,084,311	505,291	1,674,270	(Note 1)

Note 1: Refers to unlisted and limited companies, profit (loss) per share is therefore not calculated.

Note 2: The liquidation and cancellation of the subsidiary (Shenzhen) has been completed on December 10, 2024.

Note 3: The foreign exchange rate is based on the exchange rate on December 31, 2024. The exchange rate for balance sheet: USD32.785, income statement rate: 32.1121

Representation Letter

The entities that are required to be included in the combined financial statements of NISHOKU TECHNOLOGY INC. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, NISHOKU TECHNOLOGY INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: NISHOKU TECHNOLOGY INC.

Chairman: Chen, Piao-Fu

Date: February 27, 2025

6.1.3 Affiliation Reports : NA °

6.2 Private Placement Securities in the Most Recent year:

In 2023, the Company's Board of Directors resolved to conduct a cash capital increase through private placement of common shares, which was discussed and approved in the shareholders' meeting on June 15, 2023. However, no private placement of securities had been conducted after the resolution of the annual shareholders' meeting as the deadline was about to expire. The private placement plan has been approved by the Audit Committee and the Board of Directors, and will be reported to the General shareholders' meeting on June 13, 2024.

6.3 Any Other Special Notes to be specify: None.

Nishoku Technology Inc.

Chairman: Chen, Piao-Fu