

Stock code : 8021



# 尖點科技股份有限公司 TOPOINT TECHNOLOGY CO., LTD

## 2024 Annual Report

Taiwan Stock Exchange Market Observation Post System :

<https://emops.twse.com.tw/server-java/t58query>

<http://www.topoint.tw/en/>

Published on February 28, 2025

### Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

## Topoint Technology Co., Ltd.

### 1. Spokesperson

Name: Charles Chang

Title: Special Assistant to President

Tel.: +886-2-2680-5868 ext. 816

E-mail address: charles\_chang@topoint.tw

### Deputy Spokesperson

Name: Julianna Ko

Title: Manager

Tel.: +886-2-2680-5868 ext. 509

E-mail address: julianna@topoint.tw

### 2. Addresses and telephone number of Headquarter and Factory

Address: No. 203, Sec. 3, Jiayuan Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.)

Tel.: +886-2-2680-5868

### 3. Stock transfer agent

Grand Fortune Securities Co., Ltd.

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)

Tel.: +886-2-2383-6888

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

### 4. Auditors

Deloitte & Touche

Auditors: Wan-I, Liao and Chien-Hsin, Hsieh

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

Tel.: +886-2-2725-9988

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

### 5. Name of the institute for oversea negotiable security trade: None.

### 6. Company website: <https://www.topoint.tw>

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## I. Letter to Shareholders (Business Report)

Dear Shareholders,

International organizations such as the Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) have provided cautiously optimistic forecasts for global economic growth in 2025, projecting growth rates between 3.2% and 3.3%, similar to 2024's 3.2%. While the IMF notes that global inflation is easing and the world economy has avoided recession, downside risks have significantly increased, potentially leading to a situation of low growth and high debt. The world has generally entered an interest rate reduction cycle. With President Trump's return to the White House, U.S. domestic and foreign policies are expected to undergo another major shift. Combined with ongoing geopolitical conflicts and impacts from high costs, high debt levels, and protectionism, the global economy continues to face adjustment pressures in 2025.

In 2024, our company achieved consolidated revenue of NT\$3.54 billion and net profit after tax of NT\$206 million, with earnings per share (EPS) of NT\$1.45. Looking ahead to 2025, we have established clear growth and performance targets, aiming to outperform our industry peers in both revenue and profitability. The operational results for 2024 and business plans for 2025 are summarized as follows:

### 1. 2024 Operating Results

#### (1) Operation performance

In thousands of New Taiwan Dollars

	2024		2023		Changes in Dollar Amount	Changes in Percentage
	Amount	%	Amount	%		
Consolidated operating revenue	3,541,099	100%	2,748,486	100%	792,613	29%
Consolidated gross profit	927,328	26%	616,764	30%	310,564	50%
Consolidated profit from operations	278,333	8%	81,802	14%	196,531	240%
Consolidated profit before income tax	291,982	8%	137,020	15%	154,962	113%
Net profit	206,018	6%	(36,026)	10%	242,044	672%

#### (2) Budget implementation

The Company did not disclose financial forecasts in 2024.

### (3) Profitability analysis

Items (consolidated basis)		2024	2023
Financial structure (%)	Debt ratio	28.72	27.16
	Long-term fund to fixed asset ratio	247.18	273.02
Liquidity analysis (%)	Current ratio	264.41	416.65
Operating performance analysis (%)	Accounts receivable turnover (times)	3.16	2.76
	Inventory turnover (times)	3.75	3.06
Profitability analysis (%)	Return on assets (%)	3.27	-0.35
	Return on shareholders' equity (%)	4.22	-0.75
	Basic earnings per share (NT\$)	1.45	-0.25

### (4) Research and Development Status

The Company continues to make progress in improving product performance and reducing costs. The major product developments that have been completed or are ongoing include:

- A. Development and mass production implementation of specialized drill bits for next-generation server applications.
- B. Development and mass production implementation of new-generation drill bits specifically designed for ABF substrates.
- C. Development and mass production implementation of coated drill bits for automotive electronics applications.
- D. Development and mass production implementation of specialized drill bits for low Earth orbit satellite applications.
- E. Continuous development of mainstream technologies and products in line with customer requirements and industry trends. In 2024, R&D expenses accounted for approximately 4.0% of annual revenue, amounting to NT\$141 million.
- F. Ongoing development of patented technologies. In 2024, 12 new patents were obtained, bringing the total number of patents to 189 by the end of 2024.

### (5) Other Project Implementation Results

- A. Thailand Factory Project:  
To meet customers' local supply chain requirements, the Company completed the construction of its Thailand factory in 2024, with production scheduled to commence in 2025.
- B. Technical Development Services:  
The Company continues to collaborate with customers on future product development directions, developing relevant products and advancing technologies accordingly. We provide PCB drilling solutions for high-performance computing, servers, high-power applications, and automotive

electronics, working closely with customers to meet their product development needs and drill bit performance requirements.

C. Environmental, Social Responsibility, and Corporate Governance:

The Company actively promotes corporate sustainability by establishing goals and development strategies across environmental, social, and governance (ESG) dimensions. In 2024, in addition to the parent company, we continued to expand ISO 14064-1 greenhouse gas inventory and external verification to our subsidiaries. The Company was awarded the "2024 TCSA Taiwan Corporate Sustainability Report - Platinum Award," recognizing our achievements and efforts in promoting corporate sustainability.

## **2. 2025 Business Plan Overview**

### **(1) Business Guidelines and Key Policies**

- A. Deepen core technology R&D, focus on high-value-added product development, and build technological moats for products.
- B. Promote smart manufacturing transformation, optimize operational efficiency, and strengthen market competitiveness through cost structure improvements.
- C. Deploy resources in emerging application fields, keep pace with industry trends, and actively explore new market opportunities.
- D. Fulfill sustainability commitments, promote low-carbon transformation, and establish the company as an ESG benchmark enterprise.

### **(2) Future Development Overview**

According to market research firm Prismark, the global PCB market is projected to achieve a compound annual growth rate (CAGR) of 5.4% from 2023 to 2028. Driven by growth in new applications such as AI, electric vehicles, and satellite communications, coupled with the gradual recovery of traditional electronic product demand, the overall PCB market is expected to experience moderate recovery. Due to increased demand for high-value-added products in new applications and products, high-end PCB growth rates continue to outperform the overall market. The Company will closely monitor various industry and technology trends, prepare for changes and opportunities, strengthen competitive capabilities, and maintain stable operations.

We would like to thank all directors for your long-term support and will stay committed to generating and sharing positive results with you in the coming year.

We wish you all good health and prosperity!

Chairman: Hsu-Ting, Lin

President: Juo- Ping, Lin

Accounting Officer: Li-Ching, Ke

## II. Corporate Governance Report

### 1. Information about Directors, General Manager, Vice presidents, Assistant presidents, Chiefs of Respective Divisions and Branch Offices

Directors :

(1). Information Regarding Directors

February 28, 2025

Title	Nationality/ Country of Origin	name	Gender /Age	Elected (inaugurated) date	Term (years)	1 <sup>st</sup> elected date	Shares held when being elected		Current shareholding		Shareholding of spouse and minors		Shares held in the names of others		Current post and/or education	Post concurrently taken in the company or other companies	Other executives, directors or supervisors in spouse relationship or kin relationship within 2 <sup>nd</sup> degree			Remarks
							shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relation	
Chairman	Republic of china	David Lin	Male 61~70	2024/05/27	3	03/18/1996	5,324,342	3.74%	5,519,260	3.88%	-	-	-	-	The Chairman of the company Student of National Open University	The Chairman of the boards of directors and Chief Executive Officer of the company. Directors and supervisors of subsidiaries	President	Karen Lin	Daughter	-
Director		Karen Lin	Female 41~50	2024/05/27	3	2010/06/15	960,713	0.68%	1,116,104	0.78%	-	-	1,260,900	0.89%	Master of Information Management, National Chung Cheng University	The President of the company; Directors and supervisors of subsidiaries; Director of COTA Commercial Bank; CEO of Moneyou Company Limited.	Chairman	David Lin	Father	Note1
Director		Fortune Venture Capital Corporation	-	2024/05/27	3	2006/06/20	4,416,152	3.11%	4,416,152	3.11%	-	-	-	-	-	Director of Subtron Technology 、 Taiwan Semiconductor Crystalwise Technology Inc & Winwin Precision Technology.	-	-	-	-
		Michelle Chen	Female 31~40	2024/05/27	3	2024/05/27	-	-	-	-	-	-	-	-	Manager of CDIB Capital Manager of Fortune Venture Capital	Master of Accounting (MAcc) University of Southern California (USC)	-	-	-	-
Director		Macking International Investment	-	2024/05/272	3	2018/06/14	3,000,600	2.11%	3,000,600	2.11%	-	-	-	-	-	-	-	-	-	-
		Wen-Jin, Li	Male 61~70	2024/05/27	3	2018/06/14	-	-	-	-	-	-	-	-	The General Manager of Rechi Precision Co., Ltd. Bachelor's degree in Mechanical Engineering from National Taiwan University	Chairman of Macking International Investment Corporation.	-	-	-	-

Independent director		Amy Chen	Female 51~60	2024/05/27	3	2021/07/22	-	-	-	-	-	-	-	-	Master of Business Administration, University of Birmingham, UK	CEO and CPA of Dalee Finance Consulting Co., Ltd.	-	-	-	-
Independent director		Jeff Chen	Male 71~80	2024/05/27	3	2021/07/22	-	-	-	-	-	-	-	-	Bachelor of Science in Mechanical Engineering, National Taiwan University	Director of E-CMOS Corp. Director of Taivital Biopharmaceutical Co. Ltd.	-	-	-	-
Independent director		Eric Hsu	Male 61~70	2024/05/27	3	2021/07/22	1,000	0.00%	1,000	0.00%	-	-	-	-	Bachelor of Laws, National Taiwan University	NA	-	-	-	-
Independent director		Andrew Hsu	Male 51~60	2024/05/27	3	2022/06/09	-	-	-	-	-	-	-	-	National Chung Cheng University Ph.D.in Law,LL.M.,UC Berkeley	LEXPRO ATTORNEYS-AT-LAW Managing Partner	-	-	-	-

Note 1: If the Chairman and General Manager are the same person, spouses, or first-degree relatives, please specify the reasons, rationale, necessity, and corresponding measures (e.g., increasing independent directors, ensuring the majority of directors are not employees/managers):

The Company's General Manager and Chairman are first-degree relatives. The General Manager's expertise in operational strategy coordination enhances operational efficiency and decision execution, benefiting the Company significantly. The Company has appointed four Independent Directors to enhance board functions and supervision to strengthen board independence.



A. Major institutional shareholders:

February 28, 2025

Name of institutional shareholder	Major shareholders of the institutional shareholders
Fortune Venture Capital Corporation	100% of shares are held by United Microelectronics Corp.
Macking International Investment	15.06% of shares are held by Jheng-De, Li 13.95% of shares are held by Zheng Ting, Li 10.57% of shares are held by Wen-Jin, Li 8.44% of shares are held by Liqiang, Huang 7.82% of shares are held by Ming-Zhu, Ping 6.82% of shares are held by Shue, Lu 5.46% of shares are held by Yan-Da, Huang 4.38% of shares are held by Zhiwei, Du 3.90% of shares are held by Xianzhou, Hu 3.34% of shares are held by Yunmei, Huang

B. Major shareholders of the major shareholders that are Juridical Persons

February 28, 2025

Shareholder's Name	Shareholding	
	Common Shares	%
JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs	607,328,215	4.85
Hsun Chieh Investment Co., Ltd.	441,371,000	3.52
Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund	310,982,000	2.48
Silicon Integrated Systems Corp.	266,580,424	2.13
Taiwan Life Insurance Co, Ltd.	224,440,000	1.76
Yann Yuan Investment Co., Ltd.	192,963,000	1.54
China Life Insurance Co, Ltd.	192,868,000	1.54
New Labor Pension Fund	184,570,200	1.47
Citibank Taiwan in custody for Government of Singapore	151,496,000	1.21
Yuantan/P-shares Taiwan Dividend Plus ETF	144,582,509	1.15

Note: <https://www.umc.com/en/Html/faqs>

#### C. Professional Qualifications and Independence Analysis of Directors

<div>Criterion</div> <div>Name</div>	Professional qualification and experience	Independence	No. of concurrent directorship of other public firms held
David Lin	David Lin has assumed the Chairman position since the founding of the Company. Having close to 30 years of experience in the drilling industry, David Lin brings leadership, business management, financial, accounting and operating experiences to the Board of Directors. As of the publication date of the annual report, David Lin has never committed any offence listed in the Company Act, Article 30.	As an employee of the Company and a director of affiliated subsidiaries, David Lin is one of the top ten Shareholders of the Company currently. He and the President have a familial relationship within the first-degree kinship. To strengthen the independence of the Board of Directors, as of the publication date of the annual report, David Lin has never committed any offence listed in the Securities and Exchange Act, Article 26-3.	None
Karen Lin	Karen Lin has received long-term training as the successor of the Company management. Assuming managerial and special assistant positions, Karen Lin has close to 17 years of experience. Her expertise lies in leadership, business management, financial, accounting and risk management, bringing much experience to the Board of Directors. As of the publication date of the annual report, Karen Lin has never committed any offence listed in the Company Act, Article 30.	As an employee of the Company and a director of affiliated subsidiaries, the shareholding of Karen Lin (including shareholding under other person(s)) amounts to 1.59%. She and the Chairman have familial relationship within the first-degree kinship. As of the publication date of the annual report, Karen Lin has never committed any offence listed in the Securities and Exchange Act, Article 26-3.	None

Criterion Name	Professional qualification and experience	Independence	No. of concurrent directorship of other public firms held
Michelle Chen	Michelle Chen has work experience in board leadership, business management, and directorship in other public firms as of the publication date of the annual report, Michelle Chen has never committed any offense listed in the Company Act, Article 30.	Michelle Chen holds no concurrent positions in the Company or other affiliated subsidiaries. Currently, he is a representative of a corporate shareholder who is one of the top ten shareholders as of the publication date of the annual report, Michelle Chen has never committed any offense listed in the Securities and Exchange Act, Article 26-3.	None
Wen-Jin, Li	Wen-Jin, Li has work experience in board leadership, business management, and directorship in other public firms. As of the publication date of the annual report, Wen-Jin, Li has never committed any offence listed in the Company Act, Article 30.	Wen-Jin, Li holds no concurrent positions in the Company or other affiliated subsidiaries. Currently, he is a representative of a corporate shareholder who is one of the top ten shareholders. As of the publication date of the annual report, Wen-Jin, Li has never committed any offence listed in the Securities and Exchange Act, Article 26-3. For the most recent two years, Wen-Jin, Li has provided services totaling NT\$3.27 million to the Company.	None
Amy Chen	Amy Chen has acquired a number of professional certifications, including Certified Public Accountant, Certified Internal Auditor and Certified Valuation Analyst. She also has 15 years of experience working in the securities underwriting sector and extensive experience in financial, accounting, auditing and business management. As of the publication date of the annual report, Amy Chen has never committed any offence listed in the Company Act, Article 30.	Amy Chen does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Amy Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Amy Chen's independence is not curtailed.	1
Jeff Chen	Jeff Chen has work experience in board leadership, business management, and directorship in other public firms. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Company Act, Article 30.	Jeff Chen does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Jeff Chen's independence is not curtailed.	None

Criterion Name	Professional qualification and experience	Independence	No. of concurrent directorship of other public firms held
Eric Hsu	Eric Hsu has expertise in commercial law. Currently, he is serving as a volunteer for the Probation Officers Association under Taiwan Taipei District Prosecutor's Office, assisting in probational affairs for adults. As of the publication date of the annual report, Eric Hsu has never committed any offence listed in the Company Act, Article 30.	Eric Hsu is holding 1,000 shares of the Company, but is not holding any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Eric Hsu has never committed any offence listed in the Securities and Exchange Act, Article 26-3. Nevertheless, The Company is of the opinion that the shareholding of Eric Hsu does not curtail his independence.	None
Andrew Hsu	The main areas of expertise are trust law, securities transaction law, estate planning, dispute resolution and intellectual property law. He has served as a district court judge for more than ten years. Andrew Hsu has never committed any offence listed in the Company Act, Article 30.	Andrew Hsu does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Jeff Chen's independence is not curtailed.	1

## The diversity of composition and Independence Analysis of the Board of Directors

Substantial management goals of the diversification policy regarding Board of Directors membership are as follows:

The Board of Directors shall give instructions for strategies to be adopted by the Company, supervise the management, and report to the Company and the shareholders. For the various operations and arrangements of the corporate governance system, the Board of Directors shall make sure to fulfill its functions based on the requirements set forth in laws and regulations, and the Articles of Incorporation and decisions made in shareholders' meeting. The composition of the Board of Directors shall take into consideration the scale of corporate management and development and the shareholding status of primary shareholders and adequately combine practical operational demand to include an appropriate number of directors, which shall be no fewer than 7.

### I. Diversification Policy:

The composition of the Board of Directors shall take into consideration diversification. Appropriate Diversification Directives shall be defined reflective of its operation, operational pattern, and developmental demand and shall include, without limitation, the following two major aspects:

(I) Basic criteria and values: gender, age, and culture, etc.

(II) Professional knowledge and skills: Professional background (such as laws, accounting, industries, finance, information, or technology), professional skills, and industrial experience, etc.

For the membership of the Board of Directors, talent will be the unchanged principle. The members shall basically possess industrial experience and related skills and be capable of making operational judgment, business administration, leadership, and crisis management, etc. For the sake of fulfilling the ideals and goals of corporate governance, the Board of Directors, in general, shall possess the following skills:

1. Operational judgment
2. Accounting and financial analysis
3. Business administration
4. Crisis management
5. Industrial knowledge

6. International market perspective 7. Leadership 8. Decision-making

II. Substantial Managerial Goals:

To meet the corporate business development demand, the Board of Directors shall consist of industrial, financial/accounting, and managerial experts. There needs to be at least 1 member specializing in leadership, operation, judgment, business administration, crisis management, accounting/finance, and commercial laws. In addition, the Company also values gender equality in the composition of its Board of Directors and hence has at least 1 female director.

III. Fulfillment of Diversification in Membership of Current Board of Directors:

The Company currently has 8 members in its Board of Directors, including 4 independent directors and 4 directors and among them, 2 are female directors. Currently, based on their education and experience, the professionalism of respective members are as follows: professional manufacturing skills x 3, business administration x 4, finance/accounting x 4, risk management x 3, commercial law x 2 and all of them possess industrial knowledge and international market perspectives. Related implementation is shown in the table below:

Title	Name	Gender	Age		Industry Experience			Professional Skill			
			30~50	Above50	Manufacturing Technical	Management	Financial Investment	Risk Management	Accounting and Financial	Law	Information Engineering
Chairman	David Lin	Male		•	•	•		•	•		
Director	Karen Lin	Female	•			•		•	•		•
Director	Fortune Venture Capital Corporation Representative: Michelle Chen	Female	•			•	•		•		
Director	Macking International Investment Representative: Wen-Jin, Li	Male		•	•	•		•			
Independent director	Amy Chen	Female		•			•		•		
Independent director	Jeff Chen	Male		•	•						
Independent director	Eric Hsu	Male		•						•	
Independent director	Andrew Hsu	Male		•						•	

Independence of the board: Describe the number and proportion of independence directors, as well as their independence. Furthermore, describe whether circumstances listed in Securities and Exchange Act, Article 26-3 and 26-4 exist, including whether spousal relationship or familial relationship within the second degree of kinship exist between directors or between supervisors, or between director(s) and supervisor(s):

The President and Chairman of the Company have familial relationship within the first-degree kinship. As the President possesses professional caliber in coordinating business strategies, and thus is able to enhance the

management efficiency and strategy implementation capability of the Company, the arrangement is beneficial to the Company. To strengthen the independence of the Board, The company has a total of 8 directors, 4 of which are independent directors, accounting for 50% of the total number of directors Although the chairman and the general manager are relatives of each other, all independent directors maintain independence when performing business and have no interest in the company, so as to enhance the functions of the board of directors and strengthen the supervision function.

## (2) President, Vice President, Junior V.P., and Department Heads

February 28, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of china	David Lin	Man	2005/11/29	5,519,260	3.88	-	-	-	-	The Chairman of the company Student of National Open University	The Chairman of the boards of directors and Chief Executive Officer of the company. Directors and supervisors of subsidiaries	President	Karen, Lin	Daughter	-
President,		Karen Lin	Female	2015/08/10	1,116,104	0.78	-	-	1,260,900	0.89	Master of Information Management, National Chung Cheng University	The President of the company; Directors and supervisors of subsidiaries; Director of COTA Commercial Bank; CEO of Moneyou Company Limited.	Chairman	David, Lin	Father	Note1
Executive Vice President		Stanley Weng	Man	2014/02/01	100,066	0.07	-	-	-	-	Manager of Topoint Student of Affiliated Senior High School of National Taiwan Normal University	Directors and supervisors of subsidiaries	-	-	-	-
Vice president		Jacky Huang	Man	2006/05/08	54,887	0.04	3,978	0.00	-	-	Manager of ASE Inc. / Graduate of the materials science and engineering department of Feng Chia University	-	-	-	-	-
Chairman's Special Assistant		Slash Chen	Man	2002/02/01	173,210	0.12	-	-	-	-	Manager of Topoint / Graduate of Mingshin Junior College.	Directors and supervisors of subsidiaries;	-	-	-	-
Vice president		Peter Hsueh	Man	2023/12/01	0	0.00	-	-	-	-	National Chung Cheng University Master of Chemical Engineering	-	-	-	-	-
Senior Director		Charles Yen	Man	2014/02/01	92,193	0.06	24,764	0.02	-	-	Manager of Gigabyte / Graduate of the accounting department of Soochow University	Directors and supervisors of subsidiaries	-	-	-	-
Financial Manager		Julianna Ko	Female	2008/06/26	14,909	0.01	-	-	-	-	Junior manager of Taiwan International Securities / Graduate of the accounting department of Soochow University	-	-	-	-	-

Business Continuity Management Committee		Charles Chang	Man	2022/05/05	0	0.00	-	-	-	-	Taiflex Technology Accounting Manager Central Plains International Trade Department	-	-	-	-	-
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Note1: Where the chairman and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures must be disclosed:

In order to strengthen the company's operation and management, the company's chairman and president are second cousins to each other. Because the general manager has the professional ability to coordinate the operation strategy, it can improve the operation efficiency and decision-making execution ability of the company, which is of obvious benefit to the company. The company has by-elected an independent director on June 9, 2022. The company's independent directors have a total of four seats, accounting for 50% of the total seats, enhance the functions of the board of directors, and strengthen supervision functions.

## 2. Remuneration of Directors, President, and Vice President

### (I) Remuneration of Directors

Unit: NT\$ thousand/1,000 shares

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) Note1		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	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	-
Chairman	David Lin	0	0	0	0	1,245	1,375	45	100	0.6%	0.7%	2,540	7,476	0	0	2,800	0	2,800	0	3.2%	5.7%	-
Director	Karen Lin	0	0	0	0	1,245	1,427	55	110	0.6%	0.7%	2,590	8,741	108	108	2,500	0	2,500	0	3.2%	6.3%	
Director	Fortune Venture Capital Corporation Michelle Chen	0	0	0	0	1,245	1,245	40	40	0.6%	0.6%	0	0	0	0	0	0	0	0	0.6%	0.6%	
Director	Macking International Investment Corporation Wen-Jin, Li	0	0	0	0	1,245	1,245	45	45	0.6%	0.6%	0	0	0	0	0	0	0	0	0.6%	0.6%	
Independent director	Amy Chen	0	0	0	0	1,245	1,245	95	95	0.7%	0.7%	0	0	0	0	0	0	0	0	0.7%	0.7%	
Independent director	Jeff Chen	0	0	0	0	1,245	1,245	105	105	0.7%	0.7%	0	0	0	0	0	0	0	0	0.7%	0.7%	
Independent director	Eric Hsu	0	0	0	0	1,245	1,245	95	95	0.7%	0.7%	0	0	0	0	0	0	0	0	0.7%	0.7%	



Independent director	Andrew Hsu	0	0	0	0	1,245	1,245	85	85	0.6%	0.6%	0	0	0	0	0	0	0	0	0.6%	0.6%	
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1.Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

For the remuneration of independent directors, besides referring to results of director performance evaluations, the Remuneration Committee considers each director's degree of participation and contribution to the Company's operations, links the reasonableness and fairness of performance and risks to remuneration, considers the Company's business performance and the remuneration standards of competitors, and makes recommendations to the Board of Directors in accordance with Article 18 of the Company's Articles of Incorporation.

2.In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors : N/A.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	-		-	-
NT\$1,000,001 ~ NT\$2,000,000	David Lin 、 Karen Lin 、 Fortune Venture Capital Corporation 、 Macking International Investment Corporation 、 Amy Chen 、 Jeff Chen 、 Eric Hsu 、 Andrew Hsu	David Lin 、 Karen Lin 、 Fortune Venture Capital Corporation 、 Macking International Investment Corporation 、 Amy Chen 、 Jeff Chen 、 Eric Hsu 、 Andrew Hsu	Fortune Venture Capital Corporation 、 Macking International Investment Corporation 、 Amy Chen 、 Jeff Chen 、 Eric Hsu 、 Andrew Hsu	Fortune Venture Capital Corporation 、 Macking International Investment Corporation 、 Amy Chen 、 Jeff Chen 、 Eric Hsu 、 Andrew Hsu
NT\$2,000,001 ~ NT\$3,500,000	-		-	-
NT\$3,500,001 ~ NT\$5,000,000	-	-	-	-
NT\$5,000,001 ~ NT\$10,000,000	-	-	David Lin 、 Karen Lin	-
NT\$10,000,001 ~ NT\$15,000,000	-	-	-	David Lin 、 Karen Lin
NT\$15,000,001 ~ NT\$30,000,000	-	-	-	
NT\$30,000,001~ NT\$50,000,000	-	-	-	-
NT\$50,000,001 ~ NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	8	8	8	8

(II) Remuneration for President and V.P.

Unit: NT\$ thousand/1,000 shares

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman	David Lin	2,520	4,510	0	0	20	2,965	2,800	-	2,800	2,520	2.6%	5.0%	-
President	Karen Lin	2,570	5,108	108	108	20	3,634	2,500	-	2,500	2,570	2.5%	5.5%	
Executive Vice President	Stanley Weng	2,257	3,393	108	108	2,000	2,172	1,800	-	1,800	2,257	3.0%	3.6%	
Vice President	Jacky Huang	0	2,518	0	108	0	1,820	1,600	-	1,600	0	0.8%	2.9%	
Vice Presiden	Peter Hsueh	1,956	2,551	108	108	1,100	1,245	900	-	900	1,956	2.0%	2.3%	

Note 1. As passed in the board meeting on February 26, 2025 for 2024 annual earnings distribution, NT\$9,961,083 is for remuneration of directors and supervisors and NT\$59,766,495 for employee bonus. The distributed amounts shown above were calculated according to last year's distribution ratio.

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	-	-
NT\$1,000,001 ~ NT\$2,000,000	Jacky Huang	-
NT\$2,000,001 ~ NT\$3,500,000	-	-
NT\$3,500,001 ~ NT\$5,000,000	Peter Hsueh	Peter Hsueh
NT\$5,000,001 ~ NT\$10,000,000	David Lin 、 Karen Lin 、 Stanley Weng	Stanley Weng 、 Jacky Huang
NT\$10,000,001 ~ NT\$15,000,000	-	David Lin 、 Karen Lin 、
NT\$15,000,001 ~ NT\$30,000,000	-	-
NT\$30,000,001 ~ NT\$50,000,000	-	-
NT\$50,000,001 ~ NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	5	5

### 3. Name of managers who received dividend and the distribution of dividend

December 31, 2024 NT\$ (thousand)

Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash(Note1)	Total	Ratio of Total Amount to Net Income (%)
Chairman	David Lin	-	12,900	12,900	6.3%
President	Karen Lin				
Executive Vice President	Stanley Weng				
Vice President	Jacky Huang				
Vice President	Peter Hsueh				
Chairman's Special Assistant	Slash Chen				
Senior Director	Charles Yen				
Corporate Governance Office	Charles Chang				
Financial Manager	Julianna Ko				

Note 1 : As passed in the board meeting on February 26, 2025 for 2024 annual earnings distribution, NT\$9,961,083 is for remuneration of directors and supervisors and NT\$59,766,495 for employee bonus. The distributed amounts shown above were calculated according to last year's distribution ratio.

### 4. Analysis of the ratio of the total remuneration for the directors, supervisors, general managers and vice general managers of the company and its consolidated statement companies in the recent two years to after-tax net profit, and description of remuneration payment policies, standards, combinations, procedure to determine the remuneration and the correlation with operating performance :

Unit : thousand

Payment object	The company		All companies in the consolidated statement	
	2024	2023	2024	2023
Total remuneration of directors, supervisors, general managers and vice general managers	32,593	22,509	50,596	39,229
Ratio of the preceding remuneration to after-tax net profit	15.8%	-62.5%	24.6%	-108.9%

### 5. Compensation policy, standard and package, procedures for setting the compensation and correlation with operating performance:

#### Compensation policy, standard and package:

Note 1:Article 18 of the Company's Articles of Incorporation states that the Company shall appropriate compensation of employees at a rate between 1 and 25 percent and remuneration of directors at a

rate no higher than 3 percent of net profit before income tax, compensation of employees, and remuneration of directors.

Note 2 : Remuneration of directors is periodically evaluated in accordance with the “Rules for Performance Evaluation of the Board of Directors.” Key evaluation items are as follows:

Operating performance: Take into account the growth rates of operating revenue, operating profit and return on equity of the year. External evaluation: Take into account the changes in the Company’s governance evaluation, external board performance evaluation or credit rating agencies. Industry standard: Take into account the average remuneration to directors of listed companies in the same industry or peers. In summary, the decrease in growth rates of operating revenue and operating profit dragged down operating performance, leading to a 61 percent year-over-year drop in the results of director evaluation as well as related allowances and bonuses to employees.

Note 3: In terms of compensation to executive officers, various work allowances and bonuses are provided for in the Company’s payroll rules as rewards for employees’ dedication to work, and bonuses are determined based on the Company’s annual operating performance, financial status, and operating status as well as the work performance of individuals. Also, where the Company made profit in a fiscal year, compensation of employees is appropriated at a rate between 1 and 25 percent pursuant to Article 18 of the Articles of Incorporation. Bonus to executive officers is determined based on the results of performance evaluations conducted according to the “Performance Management Rules.” Performance evaluation items of executive officers can be categorized into two groups: (1) financial metrics: contributions of each business unit to the Company’s margin based on the profit and loss statements and the target achievement rates of executive officers; and (2) non-financial metrics: the practice of the Company’s core values, business management capabilities and participation in sustainable management, for the calculation of performance bonus. The compensation system is reviewed on an ongoing basis in light of the actual operating status and relevant laws and regulations.

Note 4: The Company’s compensation package, as determined by the Compensation Committee Charter, includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, various allowances, and other measures with tangible rewards. Its scope is in line with the compensation to directors and executive officers set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

#### **Procedures for setting the compensation:**

Note 1: In order to evaluate the compensation of directors and executive officers on a regular basis, the results of the “Self-Evaluation of Performance of Directors” would be used as a reference to determine the remuneration to individual directors. Relevant details are available in the “Self-Evaluation of the Board of Directors” section within this annual report. Performance evaluation and reasonableness of compensation have both been examined by the Compensation Committee and the Board. Regarding performance evaluation for compensation to executive officers, annual work targets are set every year with mid-year and year-end performance evaluations carried out in accordance with the “Performance Evaluation Rules” on items including management competence and achievement of work targets. The results are used as the basis for year-end bonuses, promotion and salary adjustments, as well as performance improvement. The Company periodically evaluates the “Rules Governing the Compensation of Directors and Executive Officers,” and the compensation packages are submitted to the Compensation Committee and the Board for review and distribution.

Note 2: In 2023, the self-evaluations of the Board, the Board members, and members of the functional committees had delivered scores of excellences. It follows that the performance of all executive officers had met or exceeded the targets as shown in the results of 2023 performance evaluation. The Company’s annual evaluation by business metrics had also met the highest standards.

Note 3: The Compensation Committee and the Board of Directors assess and examine the performance evaluation of directors and executive officers as well as the reasonableness of their compensation every year. Besides considering the performance target achievement rate and the contribution of individuals, reasonable compensation is determined by taking into account the overall operating performance of the Company and the future risks as well as development trends of the industry, reviewing the compensation system in light of the actual operating status and relevant laws and regulations on an ongoing basis, and incorporating the corporate governance trends at present, thereby striking a balance between sustainable operation and risk control. The actual amounts of compensations to directors and executive officers for the year ended December 31, 2023 were reviewed by the Compensation Committee and proposed to the Board of Directors for approval.

#### **Correlation with operating performance and future risks:**

Note 1: The payment standards and systems within the Company’s compensation policy are reviewed in consideration of the Company’s overall operating status, and the payment standards are set based

on the performance target achievement rate and contribution level so as to enhance the effectiveness of the Board of Directors and the management team. The compensation standard of the industry is also taken into consideration to ensure the packages of our management team remain competitive in order to retain outstanding management personnel.

Note 2: The performance targets of the Company's executive officers are tied in with "risk control" for the management and prevention of possible risks within their scope of responsibility, and the performance evaluation results are linked to relevant human resources as well as payroll and compensation policies. Important decisions are made by the management team after considering various risk factors. As the consequences of such decisions are reflected in the Company's profitability, the compensation of the management team is linked to risk performance.

### 3. Implementation of Corporate Governance

#### (1) Board of Directors

The attendance of Directors for 8 (A) Board Meetings in 2024:

Title	Name	Attendance (B)	Proxy	Frequency of attendance (%)(B/A)	Remarks
Chairman	David Lin	7	1	88%	-
Director	Karen Lin	7	1	88%	-
Director	Fortune Venture Capital Corporation Corporate Representative Peng ,ZHI-QIANG	4	4	100%	-Resignation effective May 27, 2024
	Fortune Venture Capital Corporation Corporate Representative Michelle Chen	4	4	100%	Newly elected effective May 27, 2024
Director	Macking International Investment Corporation Corporate Representative Wen-Jin, Li	8	0	100%	-
Independent Director	Amy Chen	8	0	100%	-
Independent Director	Jeff Chen	8	0	100%	-
Independent Director	Eric Hsu	8	0	100%	-
Independent Director	Andrew Hsu	8	0	100%	-

#### Remarks:

A. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(a) Items listed in Article 14-3 of Securities and Exchange Act:

The Company has established Audit Committee, independent directors shall express their opinions in accordance with Article 14-5 of Securities and Exchange Act, please refer to page 21 "Audit Committee Members' Opinions or Resolutions to Material Matters."

(b) Besides the above-stated resolutions of the Board of Directors, resolutions which received objections or reserved comments from the Independent Directors that are supported by appropriate records or written declarations: None.

B. The name of the directors who have excused themselves from the meeting due to a conflict of interest, the name of the directors, the content of the case, the reason for the conflict of interest, and the voting must be stated in detail: None.

Board Meeting Date	Director	Agenda Item	Reason for Recusal	Voting Participation
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2024/1/25	David Lin Karen Lin	Resolution on 2023 Year-End Bonus Distribution for Company Executives	Interested Parties in this Resolution	The aforementioned directors recused themselves from voting. The remaining directors present unanimously approved the resolution without objection.
2024/8/13	David Lin Karen Lin Wen-Jin, Li Michelle Chen Amy Chen Jeff Chen Eric Hsu Andrew Hsu	Resolution on 2024 Directors' Compensation Distribution	Interested Parties in this Resolution	The aforementioned directors recused themselves from voting. The remaining directors present unanimously approved the resolution without objection.
	David Lin Karen Lin	Resolution on 2024 Executive Officers' Employee Compensation Distribution	Interested Parties in this Resolution	The aforementioned directors recused themselves from voting. The remaining directors present unanimously approved the resolution without objection.

C. Evaluate its board performance information :

Cycle	Once a year
Period	2024/01/01~2024/12/31
Scope	Includes overall operations of the Board of Directors, Audit Committee, and Compensation Committee. Individual Board members
Method	Self-evaluation by the chief officer of corporate governance of the Board of Directors and individual Board members.
Detail	<p>1. The board of directors : Participation in the operation of the company 、Improvement of the quality of the board of directors' decision making 、Composition and structure of the board of directors 、Election and continuing education of the directors 、Internal control.</p> <p>2. The board members : Familiarity with the goals and missions of the company 、Awareness of the duties of a director 、Participation in the operation of the company 、Management of internal relationship and communication 、The director's professionalism and continuing education 、Internal control.</p>

3.The Compensation Committee : Participation in the operation of the company 、 Awareness of the duties of a compensation committee 、 Improvement of the quality of the compensation committee 、 Composition and election of the compensation committee 、 Internal control.

Description of the evaluation results:

**Board of Directors:**

According to the results and suggestions of the directors' self-assessment, there are 45 assessment items in five aspects, and 8 directors are self-assessed, and all of them give positive comments.

**Audit Committee, and Compensation Committee:**

According to the self-assessment results and suggestions of the members, there are 24 assessment items in five aspects, and 4 members are self-assessed.

**Sustainable Development Committee:**

According to the self-assessment results and suggestions of the members, there are 16 assessment items in four aspects, and 3 members are self-assessed.

D.The goal for improving the function of the board of directors (e.g., establishing the audit committee and enhancing information transparency, etc.) and execution evaluation:

- (a) On July 22, 2021, the Company established Audit Committee to assist the Board of Directors in performing its supervisory duty and strengthen the competency of the Board.
- (b) The Company commissioned the Taiwan Corporate Governance Association, an independent professional organization, to conduct a board effectiveness evaluation in August 2024. The evaluation, conducted by independent experts, examined five key areas: board composition, guidance and supervision, delegation and risk management, communication and collaboration, and self-discipline and improvement. The evaluation report issued on August 27, 2024, along with improvement recommendations and action plans, was presented to the Board on November 8, 2024, and disclosed on the Company's website.
- (c) In December 2024, the Company completed internal self-evaluations of the Board, individual directors, and functional committees. Using a five-point scale, the assessment scores ranged from 4.8 to 5.0, indicating "Good" overall board performance. The Corporate Governance Officer will enhance director communication to improve meeting quality. Results were reported to the Board on January 14, 2025.

(2) Audit Committee or Board of Supervisors

A. The attendance of Audit Committee in 2024:

(a) The Audit Committee consists of 4 independent directors.

(b) The first session of Audit Committee of Inauguration date from May 27, 2024 to May 26, 2026

The attendance of Audit Committee for 6 Board Meetings in 2024:

Title	Name	Attendance (Y)	Proxy Frequency of attendance (%)(Y/X)	Remarks
Independent Director (Convener)	Amy Chen	6	100	-
Independent Director	Jeff Chen	6	100	-
Independent Director	Eric Hsu	6	100	-
Independent Director	Andrew Hsu	6	100	-



Remarks:

- A. If there are any circumstances listed below during a meeting of the Audit Committee, the dates of meetings, sessions, contents of motions of the Committee' meetings, all committee members' opinion and the Company's response to committee members' opinion should be specified:

(1) Items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 22.

(2) Besides the above-stated matters, any matter that has not been approved with the consent of one-half or more of all Audit Committee members but approved by two-thirds or more of all Directors: None.

- B. If there is any Independent Director(s) avoiding of motions due to conflict of interest, such Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.

- C. Communications between the Independent Directors, the Internal Auditors and the Independent Auditors (e.g., the items, methods and results of the audits of corporate finance or operations, etc.):

- (a) Independent directors and the chief internal auditor contacted and communicate with each other via e-mail, telephone or conference call as needed. Any material abnormal events should be reported to the independent directors or prompt a meeting to be convened. Communication channels are diverse and open. The Company submitted the audit report or follow-up report of the previous month in writing to independent directors for review. Independent directors gave responses or opinions based on the necessity of the report. The chief auditor of the Company attended regularly the quarterly meetings of the Audit Committee, and reported audits performed and the results to the independent directors. The communication records are summarized as follows:

Date	Communications between the Independent Directors	Communication Memos
2024/2/26	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> <li>2024 Internal Control System Statement</li> </ul>	No additional comments.
2024/3/22	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> <li>Partial Revision of Internal Control System</li> </ul>	No additional comments.
2024/5/9	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> </ul>	No additional comments.
2024/8/12	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> </ul>	No additional comments.
2024/11/7	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> <li>Addition of "Sustainability Information Management" to Internal Control System</li> <li>2025 Audit Plan</li> </ul>	No additional comments.
2024/12/26	<ul style="list-style-type: none"> <li>Reviewing internal audit reports.</li> <li>Amendment to "Internal Audit Implementation Rules"</li> </ul>	No additional comments.

- (b) In addition to reporting to independent directors for the audit or review of financial reports, the Company's CPAs hold at least one legal advocacy briefing at the Company each year to update the financial and communicating key review matters for the corresponding impacts. In normal times, independent directors and CPAs can communicate with each other via e-mail, telephone or meeting at any time as needed. The Company's independent directors communicated well with CPAs. The communication records are summarized as follows:

Date	Communications between the Independent Directors	Communication Memos
2024/12/27	(a) Explaining the findings and results of the review of consolidated and standalone financial reports and communicating key review matters.	No additional comments.

		(b) Audit Quality Indicators(AQI) (c) Assessment of Fraud Matters.	
C. Audit Committee Members' Opinions or Resolutions to Material Matters in 2021 Items listed in Article 14-5 of Securities and Exchange Act:			
Meeting Date	Resolutions	Audit Committee Members' Opinion and Company's Response	
2024/2/26	1.The company's 2023 annual financial statements. 2.The company's 2023 profit distribution plan. 3.The company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" cases.	No Audit Committee member had any dissenting opinion or qualified opinion to the proposal and all attending members agree to pass the proposal.	
2024/3/22	1. Partial Revision of Internal Control System		
2024/5/9	1. The Company's Financial Statements for the First Quarter of 2024. 2. Organizational Structure Adjustment of the Company's Investment Entities in Mainland China. 3. Proposed Capital Increase for the Company's Subsidiary, Sharp Point Thailand. 4. Proposed Endorsement and Guarantee for the Company's Subsidiary.		
2024/8/12	1. The company's second quarter 2024 financial report.		
2024/11/7	1. Proposed Change of the Company's Certified Public Accountants. 2. The Company's Financial Statements for the Third Quarter of 2024. 3. Proposed Amendment to Certain Articles of the "Rules and Procedures of Board of Directors Meetings". 4. Proposed Amendment to Certain Articles of the "Audit Committee Charter". 5. Proposed Establishment of "Sustainability Information Management Operations" in the Internal Control System. 6. The Company's 2025 Audit Plan.		
2024/12/26	1. Evaluation of CPA Independence and Competency Based on Audit Quality Indicators (AQIs) for 2025. 2. Appointment of CPAs for the Company's 2025 Financial Statement Attestation. 3. Proposed Amendment to "Internal Audit Implementation Rules".		

(3) Operations of the Corporate Sustainability and Risk Management Committee

A. Corporate Sustainability and Risk Management Committee Member Information

Designation/ Name		Conditions	Professional qualification and experience	Independence	No. of concurrent directorship of other public firms held
Director (Convener)	Karen Lin		Karen Lin has received long-term training as the successor of the Company management. Assuming managerial and special assistant positions, Karen Lin has close to 17 years of experience. Her expertise lies in leadership, business management, financial, accounting and risk management, bringing much experience to the Board of Directors. As of the publication date of the annual report, Karen Lin has never committed any offence listed in the Company Act, Article 30.	As an employee of the Company and a director of affiliated subsidiaries, the shareholding of Karen Lin (including shareholding under other person(s)) amounts to 1.59%. She and the Chairman have familial relationship within the first-degree kinship. As of the publication date of the annual report, Karen Lin has never committed any offence listed in the Securities and Exchange Act, Article 26-3.	None
Independent Director	Andrew Hsu		The main areas of expertise are trust law, securities transaction law, estate planning, dispute resolution and intellectual property law. He has served as a district court judge for more than ten years. Andrew Hsu has never committed any offence listed in the Company Act, Article 30.	Andrew Hsu does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Jeff Chen's independence is not curtailed.	None
Independent Director	Jeff Chen		Jeff Chen has work experience in board leadership, business management, and directorship in other public firms. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Company Act, Article 30.	Jeff Chen does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Jeff Chen's independence is not curtailed.	None

B. The attendance of the Composition of the Corporate Sustainability and Risk Management Committee in 2024

(a) The Committee consists of 3 directors (including 2 Independent Directors).

(b) This session of Committee of Inauguration date from May 27, 2024 to May 26, 2026

The attendance of Audit Committee for 3 Board Meetings in 2024:

Title	Name	Attendance (Y)	Proxy Frequency of attendance (%)(Y/X)	Remarks	Title
Director	Karen Lin	3	0	100%	Convener
Independent Director	Andrew Hsu	3	0	100%	-
Independent Director	Jeff Chen	3	0	100%	-

**Committee Responsibilities:**

The Committee members shall exercise due care of a good administrator, faithfully perform the following duties, be accountable to the Board of Directors, and submit recommendations to the Board for discussion. The Committee's responsibilities shall include:

- Review the Company's sustainability development policies, objectives, strategies, and implementation plans.
- Review the Company's overall risk management policies, framework, organization, mechanisms, and management standards.
- Monitor issues of concern to various stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and media, and supervise communication plans.
- Regularly report to the Board on sustainability development operations and risk management status.
- Handle other matters as required by competent authorities or as instructed by Board resolutions.

**Functional Task Force Responsibilities:**

To implement corporate sustainability and risk management-related work, a Functional Task Force is established under this Committee. The Task Force consists of relevant Company executives appointed by the Committee, holds regular meetings, and reports implementation status to the Committee.

**The Functional Task Force's responsibilities shall include:**

- Formulate corporate sustainability development policies and establish objectives, strategies, and implementation plans for various sustainability aspects.
- Oversee the Company's overall risk management, develop risk management policies, procedures, frameworks, organizations, and mechanisms, and establish qualitative and quantitative management standards.
- Execute related tasks outlined in the Company's "Sustainable Development Best Practice Principles" and "Risk Management Policies and Procedures."
- Handle other matters as instructed by the Committee. °

Date of Meeting	Session Number	Key Reports and Resolution Items	Status of Resolution
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2024/8/12	1st Meeting of the 2nd Term	<u>Reports:</u> 1. Report on the Third-party Verified Greenhouse Gas Inventory Results for 2023. 2. Report on the Company's Future Greenhouse Gas Reduction Targets and Strategies. <u>Discussion Items:</u> 1. Resolution on the Company's 2023 Sustainability Report.	Reports were acknowledged and noted without objection.  The proposals were unanimously approved by all members present and will be submitted to the Board of Directors for further deliberation and approval.	
2024/12/26	2nd Meeting of the 2nd Term	<u>Reports:</u> 1. Report on the Implementation Status of Corporate Sustainability Development for 2024. 2. Report on Stakeholder Communication Status for 2024. 3. Report on Information Security Risk Management and Implementation Results for 2024. 4. Report on Intellectual Property Management Plan and Implementation Status Linked to 2024 Operational Objectives. 5. Report on Risk Management Operations for 2024 and Risk Issues for 2025. <u>Discussion Items:</u> 1. Resolution on the Work Plan for Compiling the 2024 Sustainability Report. 2. Resolution on the Approval of Material Topics for the 2024 Sustainability Report.		

※2024 Executive Summary of Key Implementations by Functional Task Forces under Topoint Sustainability and Risk Management Committee

Date	Implementation Status
2024/01/26	1. 2023 ESG Achievement Review Meeting 2. Setting 2024 Implementation Targets
2024/04/19	1. Follow-up on Outstanding Items from Q4 2023 2. Q1 2024 ESG Progress Review
2024/07/16	1. Follow-up on Outstanding Items from Q1 2024 2. Q2 2024 ESG Progress Review
2024/10/17	1. Follow-up on Outstanding Items from Q2 2024 2. Q3 2024 ESG Progress Review 3. Initiation and Launch of 2024 ESG Report 4. 2024 ESG Stakeholder Identification

	5. 2024 ESG Material Topics Assessment
	6. 2025 Key Risk Identification

C. Corporate governance and the deviation from the Rules Governing Listed & OTC corporate governance and the causes

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	v		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on November 10, 2015. The information has been disclosed on the Company’s website.	No discrepancy.
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	v		In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, and Legal Department, to handle shareholders’ suggestions, doubts, disputes and litigation. The company has a spokesman (Charles Chang), a deputy spokesperson (Julianna Ko) and the stock affairs division.	No discrepancy.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	v		The Finance & Shared Services Division is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	v		The company has laid down the regulations for trading operation with its affiliated enterprises, and for surveillance of its subsidiaries.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	v		To protect shareholders’ rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations. The company will conduct relevant education and publicity for 15 current directors and managers in November	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			2024. The course's subject is preventing insider trading. The law's content includes the confidentiality of important information, the causes of insider trading, the identification process, and transaction examples.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>	v		<p>The Board members consider member diversification. Factors taken into account include, but are not limited to gender, age, culture, educational background, race, professional experience, skills, knowledge, and terms of service. The Board objectively chooses candidates to meet the goal of member diversification. The four independent directors have not served consecutive terms for over 3 sessions. In addition, the Board of Directors has eight directors, and the Board's overall abilities meet the Company's needs for future development and comply with the Board diversity policy. Please refer to page10 of this annual report.</p> <p>In August 2023, the Board of Directors approved the restructuring and renaming of the "Corporate Sustainability and Risk Management Committee" as a Board-level committee. The committee comprises Director Ms. Karen Lin (Committee Convener), Independent Director Mr. Jeff Chen, and Independent Director Mr. Andrew Hsu.</p> <p>At the same board meeting, the "Risk Management Policies and Procedures" were also approved and adopted.</p> <p>The committee is scheduled to convene two meetings in 2024 to address the following matters:</p> <ul style="list-style-type: none"> <li>• Review of Greenhouse Gas Inventory Report</li> <li>• Establishment of Future Greenhouse Gas Reduction Targets and Strategies</li> <li>• Assessment of Risk Management Implementation Effectiveness</li> </ul> <p>All findings and implementation results will be reported to the Board of Directors.</p> <p>Following the "Board Performance Evaluation Guidelines," the Company</p>	No discrepancy.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?</p>	v		<p>conducts annual performance evaluations of the Board of Directors, individual directors, and functional committees.</p> <p>The internal performance self-evaluation for 2024 was completed in December 2024 and reported to the Board of Directors on January 14, 2025.</p> <p>Additionally, an independent professional institution was engaged in August 2024 to conduct the external board performance evaluation.</p> <p>The results were presented to the Board of Directors on November 8, 2024. For detailed information, please refer to page 20-21 of this Annual Report.</p>	
<p>(4) Does the company regularly evaluate the independence of CPAs?</p>	v		<p>The Company conducts annual evaluations of its CPAs' independence and competency through the following process:</p> <p>1. Assessment is based on:</p> <ul style="list-style-type: none"> <li>• Independence Declaration from CPAs</li> <li>• Audit Quality Indicators (AQI)</li> <li>• Verification of no improper financial interests or business relationships</li> </ul> <p>2. Evaluation Process:</p> <ul style="list-style-type: none"> <li>• Finance Department prepares "CPA Competency and Independence Assessment Form"</li> <li>• Review by Audit Committee and Board of Directors</li> <li>• Results serve as basis for reappointment</li> </ul> <p>3. Recent evaluations were reported to the Board on December 22, 2023, and December 27, 2024.</p> <p>(For detailed assessment criteria, please refer to page 66-67 of the Annual Report)</p>	
<p>4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings</p>	v		<p>By Board resolution dated May 5, 2022, Mr. Charles Chang was appointed as the Company's Corporate Governance Officer. His primary responsibilities include:</p> <ul style="list-style-type: none"> <li>• Providing directors with the necessary information for business execution</li> <li>• Ensuring directors' compliance with laws and regulations</li> </ul>	No discrepancy.





Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company announce its annual financial report within two months after the fiscal year-end, and publish quarterly financial reports and monthly operating status before prescribed deadlines?	v		<p>(3) The Company maintains strict compliance with regulatory reporting deadlines:</p> <ul style="list-style-type: none"> <li>• Annual Financial Statements: Within two months post fiscal year-end</li> <li>• Quarterly Financial Reports (Q1-Q3): Before prescribed deadlines</li> <li>• Monthly Operating Results: Before regulatory due dates.</li> </ul>	
8. Please provide additional information regarding corporate governance practices, including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, director training, risk management implementation, customer relations policies, and D&O insurance.	v		<p>The Company implements comprehensive corporate governance practices as follows:</p> <ol style="list-style-type: none"> <li>1. Director and Supervisor Development <ul style="list-style-type: none"> <li>• Continuous Professional Education: <ul style="list-style-type: none"> <li>- Regular corporate governance training arrangements</li> <li>- Courses coordinated by the Company's shareholding unit</li> <li>- Training records available on the Market Observation Post System (MOPS)</li> <li>- Access via: <a href="http://newmops.twse.com.tw">http://newmops.twse.com.tw</a> (Corporate Governance section)</li> </ul> </li> </ul> </li> <li>2. Risk Management and Customer Protection <ul style="list-style-type: none"> <li>• Systematic Implementation: <ul style="list-style-type: none"> <li>- Integrated within the internal control system</li> <li>- Clear policy definitions and guidelines</li> <li>- Regular monitoring and execution</li> <li>- Compliance with regulatory requirements</li> </ul> </li> </ul> </li> <li>3. Board Meeting Practices <ul style="list-style-type: none"> <li>• Conflict of Interest Management: <ul style="list-style-type: none"> <li>- Directors/Supervisors recuse themselves from discussions and voting on matters of personal interest</li> <li>- Strict adherence to conflict of interest protocols</li> <li>- Documentation of recusal processes</li> </ul> </li> </ul> </li> <li>4. Directors and Supervisors Insurance Coverage <ul style="list-style-type: none"> <li>• D&amp;O Insurance: <ul style="list-style-type: none"> <li>- Maintained in accordance with Articles of Incorporation</li> <li>- Comprehensive liability coverage</li> </ul> </li> </ul> </li> </ol>	No discrepancy.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(1) - Regular policy reviews and renewals Liability insurance is acquired for directors and supervisors according to the articles of Incorporation.	
<p>9. Please elaborate on the improvements made based on the latest Corporate Governance Evaluation results published by the Taiwan Stock Exchange Corporation (TWSE) Corporate Governance Center, and outline priority enhancement measures for areas requiring further improvement.</p> <p>The Company's corporate governance achievements and enhancement initiatives are as follows:</p> <ol style="list-style-type: none"> <li>Latest Evaluation Results (10th Corporate Governance Evaluation, 2024): <ul style="list-style-type: none"> <li>Overall Ranking: Top 6-20% among all listed companies (total: 952 companies)</li> <li>Special Recognition: Top 1% in "Market Cap Under NT\$5 Billion Category" (among 816 companies)</li> </ul> </li> <li>Board Structure Enhancement: <ul style="list-style-type: none"> <li>Current Board Composition (Post-2024 Election): <ul style="list-style-type: none"> <li>Total Directors: 8 members</li> <li>Executive Directors: 2 (Company managers)</li> <li>Corporate Representative Directors: 2</li> <li>Independent Directors: 4 (50% of board seats)</li> </ul> </li> </ul> </li> <li>Board Diversity Implementation: <ul style="list-style-type: none"> <li>Professional Background: <ul style="list-style-type: none"> <li>Directors from diverse professional fields</li> <li>Complementary expertise and experience</li> </ul> </li> <li>Gender Diversity: <ul style="list-style-type: none"> <li>Current female directors: 3</li> <li>Commitment to a gradual increase in female representation</li> <li>Alignment with gender equality principles</li> </ul> </li> </ul> </li> <li>Governance Enhancement Measures: <ul style="list-style-type: none"> <li>Annual General Meeting (AGM) Timeline: <ul style="list-style-type: none"> <li>Since 2023: AGM held before the end of May</li> <li>Earlier timing enables more efficient corporate governance</li> </ul> </li> <li>Continuous Improvement: <ul style="list-style-type: none"> <li>Regular review of governance practices</li> <li>Alignment with evaluation indicators</li> </ul> </li> <li>Proactive enhancement of governance standards</li> </ul> </li> </ol>				

**D. Composition, Responsibilities and Operations of Compensation Committee :**

Board resolution to establish compensation committee on December 28, 2011 and remuneration committee under the Act, it shall adopt a remuneration committee charter. The remuneration committee members shall be appointed by resolution of the board of directors. The committee shall not be fewer than three members. The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors:

- Establish and periodically review the performance evaluation system for Directors and managerial officers;
- Review and establish policies, systems, standards, and structures for compensation and remuneration; and

- C. Regularly evaluate and determine the compensation and remuneration of Directors and managerial officers.

I. Members of the Remuneration Committee

Condition Name Title		Educational Background / Experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Member of the Compensation Committee
Independent Director (Convener)	Eric Hsu	Eric Hsu has expertise in commercial law. Currently, he is serving as a volunteer for the Probation Officers Association under Taiwan Taipei District Prosecutor's Office, assisting in probational affairs for adults. As of the publication date of the annual report, Eric Hsu has never committed any offence listed in the Company Act, Article 30.	Eric Hsu is holding 1,000 shares of the Company, but is not holding any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Eric Hsu has never committed any offence listed in the Securities and Exchange Act, Article 26-3. Nevertheless, The Company is of the opinion that the shareholding of Eric Hsu does not curtail his independence.	None
Independent Director	Amy Chen	Amy Chen has acquired a number of professional certifications, including Certified Public Accountant, Certified Internal Auditor and Certified Valuation Analyst. She also has 15 years of experience working in the securities underwriting sector and extensive experience in financial, accounting, auditing and business management. As of the publication date of the annual report, Amy Chen has never committed any offence listed in the Company Act, Article 30.	Amy Chen does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Amy Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Amy Chen's independence is not curtailed.	1
Independent Director	Jeff Chen	Jeff Chen has work experience in board leadership, business management, and directorship in other public firms. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Company Act, Article 30.	Jeff Chen does not hold any shares of the Company or any concurrent director positions in affiliated subsidiaries. As of the publication date of the annual report, Jeff Chen has never committed any offence listed in the Securities and Exchange Act, Article 26.-3. The Company is of the opinion that Jeff Chen's independence is not curtailed.	None

II. Compensation Committee Meeting Status

(a). The Compensation Committee is composed of 3 members.

(b). The tenure of the 5<sup>th</sup> session is from May 27, 2024 to May 26, 2027.

A total of 4 (A) meeting of the compensation committee were held in 2024.

The members' attendance status was as follows:

Title	Name	Attendance (B)	Proxy Frequency of attendance (%) (B/A)	Remarks
Convener	Eric Hsu	4	100	-
Members	Amy Chen	4	100	-
Members	Jeff Chen	4	100	-

Annotations:

1. If the Board of Directors declines to adopt, or modifies a recommendation of the Compensation Committee: None.
2. The Compensation member has an objection or qualified opinion together with a record or written statement regarding a Compensation Committee resolution: None.

Compensation Committee Meeting Date	Content of Motion	Resolutions	Compensation Committee Members' Opinion and Company's Response
2024/01/25 The 8 <sup>th</sup> Meeting of the 5th Committee	<ol style="list-style-type: none"> <li>1. Review of FY2023 Year-End Bonus Distribution Plan for Executive Officers</li> <li>2. Ratification of Newly Appointed Expatriate Vice President</li> <li>3. Review of Remuneration Committee Annual Work Plan for FY2024</li> </ol>	All attending members unanimously agree to pass the proposal.	All attending Directors unanimously agree to pass the proposal on the Board Meeting.
2024/02/06 The 9 <sup>st</sup> Meeting of the 5th Committee	<ol style="list-style-type: none"> <li>1. Review of FY2023 Employee and Director Compensation Distribution Plan</li> <li>2. In accordance with Articles of Incorporation and profit status</li> </ol>	All attending members unanimously agree to pass the proposal.	All attending Directors unanimously agree to pass the proposal on the Board Meeting.
2024/08/13 The 1 <sup>st</sup> Meeting of the 6th Committee	<ol style="list-style-type: none"> <li>1. Review of FY2023 Individual Director Compensation Distribution Plan</li> <li>2. Based on director performance evaluation results and contribution assessment</li> </ol>	All attending members unanimously agree to pass the proposal.	All attending Directors unanimously agree to pass the proposal on the Board Meeting.
2024/11/08 The 2 <sup>st</sup> Meeting of the 6th Committee	<ol style="list-style-type: none"> <li>1. Review of Executive Officer Promotion Proposal</li> </ol>	All attending members unanimously agree to pass the proposal.	All attending Directors unanimously agree to pass the proposal on the Board Meeting.

E. Promotion status of sustainable development, and deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Does the company promote sustainable development governance framework and have a unit that specializes (or is involved) in sustainable development? Is the sustainable development unit run by senior management authorized by the board of directors? How is the supervisory status of the board?	✓		<p>Sustainability Governance Structure and Implementation</p> <p>I. Governance Framework</p> <ol style="list-style-type: none"> <li>1. Established "Corporate Sustainability and Risk Management Committee" <ul style="list-style-type: none"> <li>- Composed of one director and two independent directors</li> </ul> </li> <li>2. Five Functional Groups: <ul style="list-style-type: none"> <li>- Corporate Governance</li> <li>- Partnership Relations</li> <li>- Workplace Happiness</li> <li>- Green Sustainability</li> <li>- Social Care</li> </ul> </li> </ol> <p>II. Implementation Status</p> <ol style="list-style-type: none"> <li>1. Operations: Four quarterly meetings held in 2024</li> <li>2. Supervision: Regular reporting to the Board of Directors</li> </ol> <p>III. Key Sustainability Initiatives</p> <ol style="list-style-type: none"> <li>1. GHG Reduction Targets (2030) <ul style="list-style-type: none"> <li>- 25% reduction in energy intensity</li> <li>- 30% reduction in indirect GHG emission intensity</li> </ul> </li> <li>2. Implementation Programs <ul style="list-style-type: none"> <li>- GHG inventory (ISO 14064-1)</li> <li>- Solar Power Expansion <ul style="list-style-type: none"> <li>• Taiwan Plant: 164.66kW</li> <li>• Shanghai Plant: 800kW completed</li> </ul> </li> <li>- ISO 50001 Energy Management System implementation</li> </ul> </li> <li>3. Risk Management <ul style="list-style-type: none"> <li>- 20 risk items identified</li> </ul> </li> </ol>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<ul style="list-style-type: none"> <li>- Focus areas: Information security and HR risks</li> <li>- 9 material topics established for the sustainability report</li> </ul>	
2. Has the company performed risk assessment pertaining to the environment, community and corporate governance issues related to the operation of the company in accordance with materiality principle, and established the corresponding risk management policies or strategies?	✓		<p>ESG Risk Assessment and Management Strategy</p> <p>I. Assessment Scope</p> <ul style="list-style-type: none"> <li>- Taiwan Headquarters</li> <li>- Shulin Plant</li> <li>- Shanghai Plant</li> </ul> <p>II. Materiality Assessment</p> <ol style="list-style-type: none"> <li>24 sustainability topics identified based on GRI Standards</li> <li>Nine Material Topics: <ul style="list-style-type: none"> <li><b>Environmental:</b> <ul style="list-style-type: none"> <li>- Waste Management</li> </ul> </li> <li><b>Social:</b> <ul style="list-style-type: none"> <li>- Talent Recruitment and Compensation</li> <li>- Occupational Health and Safety</li> </ul> </li> <li><b>Governance:</b> <ul style="list-style-type: none"> <li>- Corporate Governance and Integrity</li> <li>- Risk Management</li> <li>- Regulatory Compliance</li> <li>- Operational Performance</li> <li>- Information Security</li> <li>- Product Quality and Responsibility</li> </ul> </li> </ul> </li> </ol> <p>III. Risk Management Focus</p> <ol style="list-style-type: none"> <li>Information Security Risk Response <ul style="list-style-type: none"> <li>- Multi-layer security architecture</li> <li>- Advanced security technology implementation</li> <li>- Systematic monitoring mechanism</li> </ul> </li> </ol>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			2. HR Risk Management <ul style="list-style-type: none"> <li>- Enhanced compliance monitoring</li> <li>- Employee satisfaction improvement</li> <li>- Diversity and inclusion policy</li> <li>- Skill development programs</li> <li>- Ethical culture establishment</li> </ul>	
3. Environmental issues (1) Has the company established an appropriate environmental management system based on its industry characteristics?	✓		1. The Company has established its environmental policy emphasizing "Environmental compliance with regulations, supplier engagement in environmental protection, comprehensive pollution monitoring and control, and diligent waste reduction and recycling. Promoting employee well-being, maintaining continuous energy-saving commitments, ensuring reliable system control, and achieving high energy efficiency."  2. Based on the ISO 14001 Environmental Management System, we regularly conduct internal environmental management system audits. Through the PDCA (Plan-Do-Check-Act) improvement cycle, we ensure the appropriateness and effectiveness of our overall operations.  3. The Company completed the ISO 14001 version upgrade certification in December 2017 and renewed the three-year system certificate in January 2024, which remains valid until December 20, 2026.  4. Since 2021, companies within the Group have progressively implemented ISO 14064-1 organizational greenhouse gas inventory. Currently, the implementation has been completed at Topoint	No discrepancy.



Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			(Taiwan), Topoint (Shanghai), Ringpoint (Shanghai), and Unipoint (Taiwan).  5. The Group aims to complete the greenhouse gas inventory across all subsidiaries by 2027, with external verification for all entities scheduled for completion by 2028.	
(2) Has the company committed to improving energy efficiency and utilizing renewable materials with low environmental impact?	✓		<ol style="list-style-type: none"> <li>1. The Company primarily relies on purchased electricity as its main energy source. While other energy sources such as gasoline and diesel are also consumed within the organization, they represent a minimal portion and are thus not included in the total energy consumption calculations. In 2024, JointTek Taiwan's total electricity consumption reached 11,186 MWh, showing an increase of 587 MWh or 5.5% compared to the previous year. However, examining the energy intensity per unit of production at 0.101, we have achieved a significant reduction of 22.8% compared to the baseline year.</li> <li>2. In late 2017, the Company initiated its renewable energy journey by installing the first phase of solar power facilities at Topoint (Shulin). This commitment was further expanded in 2022 with the implementation of the second phase at Topoint(Shulin) and the first phase at Topoint(Shanghai).</li> <li>3. During 2024, Topoint (Shulin) 's solar installations generated 132,810 kWh of renewable energy, accounting for 1.19% of the total electricity consumption.</li> <li>4. Over the six-plus years since installation, our cumulative renewable energy generation has reached 310,936 kWh. These initiatives demonstrate our concrete actions in supporting local renewable energy development and underscore Topoint's active fulfillment of its social responsibility commitments toward green energy and environmental protection.</li> <li>5. Looking forward, we are implementing smart analysis tools to plan energy-saving improvements for major energy-consuming equipment and optimize operational maintenance capabilities of</li> </ol>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			energy facilities. Through establishing appropriate energy performance indicators and phased improvement action plans, we aim to enhance our overall energy performance. By promoting self-directed energy management environmental policies, we strive to achieve our environmental sustainability goals.	
(3) Has the company assessed current and future climate-related risks and opportunities, and implemented corresponding countermeasures?	✓		<p>Topoint has established an "Environmental Security and Greenhouse Gas Inspection Policy." Through the Functional Task Force under the Corporate Sustainability and Risk Management Committee, we utilize risk assessment tools to evaluate potential climate-related risks, particularly focusing on water and power shortage risks.</p> <p>The Company has implemented preemptive management mechanisms and preventive measures to address these challenges.</p> <p>These initiatives strengthen our operational resilience and management capabilities, contribute to cost optimization, and ensure sustainable development.</p> <p>Detailed information is available in the Company's Sustainability Report.</p>	No discrepancy.
(4) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?	✓		<p>1. Topoint conducts annual voluntary greenhouse gas inventories. In 2023, total greenhouse gas emissions were 7,567 metric tons CO<sub>2</sub>e, of which Scope 2 indirect emissions accounted for 5,316 metric tons CO<sub>2</sub>e. In 2024, total emissions increased to 12,472.396 metric tons CO<sub>2</sub>e, with Scope 2 indirect emissions at 9,382 metric tons CO<sub>2</sub>e. Given that purchased electricity represents our major emission source, greenhouse gas reduction efforts primarily focus on energy consumption reduction. Through our Energy Conservation Team's annual electricity-saving initiatives, we implement carbon reduction measures. Based on Scope 2 emission intensity calculations, Topoint Taiwan achieved 0.051 in 2024, a 26.5% reduction compared to 2016. Topoint Taiwan has set a mid-term target to reduce Scope 2 emission</p>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>intensity by 30% by 2030 compared to 2016 levels. (The above data represents Topoint Taiwan's Shulin Plant).</p> <p>2. The Company water source is municipal water supply, with process water accounting for the majority of usage, followed by domestic consumption. In 2023, total water withdrawal was approximately 23.540 million liters, with process water accounting for 15.579 million liters and the remainder being domestic usage. In terms of water intensity, process water intensity was 1.8-4 million liters per thousand units, representing a 3.5% reduction from the baseline year. In 2024, total water withdrawal was approximately 24.381 million liters, with process water at 17.020 million liters and the remainder for domestic use. Process water intensity was 1.53-4 million liters per thousand units, a 15.7% reduction from the baseline year.</p> <p>3. The Company has established the "Topoint Environmental Safety, Energy, and Greenhouse Gas Inventory Policy," committed to environmental protection, creating a safe and comfortable workplace environment, and continuously improving energy efficiency. Total waste generated in 2023 was approximately 89.24 metric tons, while in 2024 it was 86.34 metric tons. We focus on recycling reusable resources and implement source management to prohibit, substitute, or reduce environmentally impactful materials. In 2024, the recycled material utilization rate reached 34.9%. Through process waste reduction and packaging material recycling initiatives, we aim to achieve waste reduction from the source.</p>	
<p>4. Social issues</p> <p>(1) Has the company established management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	✓		<p>Topoint has established the "Topoint Human Rights Policy," which prohibits child labor, forced labor, and illegal discrimination while providing employees with a safe and comfortable working environment. We strictly comply with local regulations in all global operating locations and adhere to international human rights standards including the "International Bill of Human Rights" and the "ILO Core Labor Standards." We also implement the Responsible Business Alliance</p>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>(RBA) Code of Conduct, ensuring dignified treatment and respect while upholding human rights protection.</p> <ol style="list-style-type: none"> <li>1、Comply with local labor and environmental regulations at all operating locations to ensure reasonable working conditions for employees.</li> <li>2、Provide a safe and healthy working environment.</li> <li>3、Promote equal employment opportunities and eliminate illegal discrimination to ensure equal job opportunities.</li> <li>4、Respect freedom of association and continuously improve employee benefits.</li> <li>5、Prohibit child labor and forced labor.</li> <li>6、Support employees in maintaining physical and mental health and work-life balance.</li> <li>7、Regularly review and evaluate related systems and practices.</li> <li>8、In 2024, the Company conducted several training sessions: <ul style="list-style-type: none"> <li>• "Workplace Mental Health &amp; Suicide Prevention Seminar" with 22 participants</li> <li>• "Zero Tolerance for Workplace Harassment - Bullying Prevention Campaign" with 233 participants</li> <li>• "Workplace Harassment Prevention Seminar (Management Course)" with 26 participants</li> </ul> </li> </ol>	
(2) Has the company established and implemented reasonable employee benefit measures (including compensation, leave, and other benefits), and appropriately reflected its operational performance or results in employee compensation?	✓		<ol style="list-style-type: none"> <li>1. The Company's Articles of Incorporation explicitly stipulate that "between 1% and 25% of the current year's pre-tax profit, before deducting employee and director remuneration, shall be allocated as employee remuneration." Various reasonable compensation policies have been established. Furthermore, key corporate social responsibility indicators are integrated with departmental daily management performance metrics. Employee performance evaluations include quantitative indicators for task completion and</li> </ol>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>qualitative indicators for implementing business philosophy, thereby linking the employee performance evaluation system with corporate social responsibility policies.</p> <p>2. The Company provides equal treatment to all employees in recruitment, employment, evaluation, promotion, and training opportunities. We adhere to international human rights policies, including the prohibition of child labor and forced labor. Equal employment opportunities are provided regardless of race, gender, religion, skin color, nationality, age, political affiliation, sexual orientation, pregnancy status, disability status, or social background. In 2024, at our Taiwan facility, female employees accounted for 41% of the total workforce, with women holding 18% of management positions.</p>	
(3) Has the Company provided employees with a safe and healthy work environment and offered regular safety and health education to employees?	✓		<p>1. Topoint conducts annual employee health examinations and has engaged occupational medicine specialists who provide monthly on-site services. In 2024, we organized 13 health promotion seminars and online awareness campaigns, with a total participation of 1,384 attendees. The Company continued its workplace health promotion initiatives in 2024 and received an extension of the "Health Promotion Badge" certification from the "Health Promotion Administration."</p> <p>2. Regarding the "Specific Measures and Implementation Effectiveness for Preventing and Managing Employee Obesity and Metabolic Syndrome," our company places great importance on employee health management. We conduct regular health check-ups for employees each year and have hired occupational medicine specialists to provide on-site health services. In 2024, a total of 13 health promotion seminars and online advocacy activities were held, with a cumulative participation of 1,384</p>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>individuals. To address employee obesity and metabolic syndrome, we organized walking and weight loss activities in 2023, and in 2024, we continued to promote various health initiatives, including group exercise classes, posture management, blood pressure management, and ultra-slow jogging. Participants in the weight loss program experienced an average weight loss of 5.3 kilograms. According to the health check-up data from 2024, the employee obesity rate decreased by 1.1% compared to the previous year. Employee satisfaction with the company's health promotion measures reached 95%. Furthermore, our company actively promotes workplace health, and in 2024, we once again received the "Healthy Workplace Promotion Mark" extension recognition from the National Health Administration, highlighting our commitment to employee health and ongoing investment in this area.</p> <p>3. In December 2023, the Company completed the triennial renewal certification for both ISO 45001 Occupational Health and Safety Management System and CNS 45001 Taiwan Occupational Safety and Health Management System (TOSHMS). Both certificates are valid until December 28, 2026. The Company has consistently strengthened its internal occupational safety and health management based on these systems. In 2024, safety, health, and health management training programs accumulated 6,931 person-hours.</p> <p>4. In 2024, the Company recorded zero major occupational accidents. Four emergency response drills are planned annually to continuously enhance employees' emergency response capabilities and to ensure prompt understanding and control of various disasters and emergencies. To minimize disaster losses, personnel injuries, and impact scope, quarterly emergency response drills (day and night shifts) are conducted to establish comprehensive emergency response capabilities among all</p>	

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>employees, thereby reducing potential losses from disasters and further ensuring workplace safety for operating personnel.</p> <p>5. In 2024, the Company recorded zero fire incidents, zero casualties, and a 0% casualty rate relative to the total employee count. Fire prevention improvement measures include: establishing emergency response teams and conducting quarterly fire drills.</p>	
(4) Has the Company established effective career development training programs for employees?	✓		<p>The Company is committed to building a learning organization through systematic talent development strategies and a comprehensive competency development framework. Our talent development programs include:</p> <p>A. Diverse Training Channels</p> <ul style="list-style-type: none"> <li>• New Employee Orientation Programs</li> <li>• Professional Training for Current Employees</li> <li>• External Advanced Studies</li> <li>• Professional Certification Support</li> </ul> <p>B. Internal Instructor System</p> <ul style="list-style-type: none"> <li>• Established Professional Instructor Certification Mechanism</li> <li>• Facilitation of Organizational Knowledge Transfer</li> <li>• Enhancement of Experience-Sharing Culture</li> </ul> <p>2024 Training Achievements:</p> <ul style="list-style-type: none"> <li>• Total Training Hours: 14,978 person-hours</li> <li>• Average Training Hours per Employee: 41.6 hours/person</li> <li>• Implementation of Group-wide E-Learning Platform</li> </ul> <p>Through our diverse and systematic training framework, we strive to:</p> <ul style="list-style-type: none"> <li>• Enhance Employee Professional Competence</li> <li>• Strengthen Core Competitiveness</li> </ul>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<ul style="list-style-type: none"> <li>Promote Intergenerational Knowledge Transfer</li> <li>Achieve Sustainable Talent Development</li> </ul>	
(5) Has the Company followed relevant regulations and international guidelines regarding customer health and safety, customer privacy, marketing and labeling of products and services, and formulated relevant policies and grievance procedures to protect consumer or customer rights?	✓		<p>Topoint adheres to corporate sustainability as its highest guiding principle and is committed to green sustainable management throughout the product lifecycle. Our products undergo regular inspections and are provided with comprehensive test reports to ensure compliance with the following international standards:</p> <ul style="list-style-type: none"> <li>WEEE (Waste Electrical and Electronic Equipment Directive)</li> <li>RoHS (Restriction of Hazardous Substances Directive)</li> <li>SVHC (Substances of Very High Concern) management under EU REACH regulations</li> <li>Conflict Minerals regulations</li> </ul> <p>In 2024, all of the Company's products and services complied with relevant regulations regarding customer health and safety, with no incidents of non-compliance reported.</p> <p>Regarding customer service, while Topoint provides high-quality products and professional services, we also place high importance on customer privacy and data security. Specific measures include:</p> <ul style="list-style-type: none"> <li>Signing Non-Disclosure Agreements (NDAs) as per customer requirements</li> <li>Establishing comprehensive confidentiality management mechanisms</li> <li>Implementing strict control over customer confidential information</li> <li>Requiring relevant personnel to comply with confidentiality regulations</li> </ul> <p>All customer information is strictly protected unless authorized by the customer.</p>	No discrepancy.



Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(6) Has the company established policy on supplier management, demanding suppliers to observe code of conduct pertaining to environmental protection, labor safety and health or labor rights, and monitoring their implementation?	✓		<p>Topoint is committed to establishing a supplier management system based on the Responsible Business Alliance (RBA), implementing three key strategies to achieve sustainability goals.</p> <p>1. Mandatory Regulations and Risk Management</p> <p>Topoint requires all suppliers to sign the "Conflict Minerals Declaration," aiming for a 100% signing rate by 2024. Over the past nine years, all major suppliers have consistently signed, demonstrating a rigorous approach to compliance.</p> <p>Additionally, the updated "Supplier Social Responsibility Commitment" incorporates RBA labor rights clauses, with a 100% signing rate among major suppliers. This reflects Topoint's efforts in promoting supplier social responsibility.</p> <p>Regarding local procurement, it is projected that by 2024, the local procurement ratios for the Taiwan and Shanghai plants will reach 55% and 58%, respectively. Furthermore, Topoint has established 12 alternative sources for critical materials to enhance supply chain resilience.</p> <p>2. Tiered Evaluation and Technical Support</p> <p>Topoint has implemented a dynamic evaluation mechanism that classifies suppliers based on Quality (Q), Delivery (D), Cost (C), and Service (S):</p> <p>A Grade: 43% (Annual Audit)  B Grade: 54% (Semi-Annual Audit)  C Grade: 4% (Quarterly Audit + Mandatory Support)</p> <p>In 2024, all C-grade suppliers successfully improved to B-grade through technical support, achieving a 100% improvement success rate. This demonstrates Topoint's effective measures in enhancing supplier capabilities.</p> <p>In terms of audit coverage and anomaly management, the company completed annual audits for 28 suppliers at Taiwan and 29 at Shanghai in 2024, achieving a 100% coverage rate. If three major anomalies occur in a month, an unplanned audit will be initiated; however, no</p>	No discrepancy.

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>triggering cases occurred in 2024, indicating effective supplier management and risk control.</p> <p>Through these measures, Topoint has established a solid foundation in supplier management and demonstrated its commitment and efforts in promoting sustainability and social responsibility. Moving forward, Topoint will continue to deepen these strategies to ensure competitiveness and sustainability in the global market.</p>	
5. Does the company adhere to internationally recognized reporting standards for compiling sustainability reports and disclosing non-financial information?	✓		<p>The Company's 2024 Sustainability Report (Fiscal Year 113) has undergone independent third-party assurance by SGS Taiwan Ltd., conducted in accordance with:</p> <ol style="list-style-type: none"> <li>AA1000 Assurance Standard (Type 2) <ul style="list-style-type: none"> <li>Scope: Moderate-level assurance covering 32 ESG KPIs</li> <li>Focus: Stakeholder inclusivity and materiality assessment</li> </ul> </li> <li>GRI Standards 2021 (Core Option) <ul style="list-style-type: none"> <li>Full alignment with sector-specific disclosures for electronics manufacturing</li> <li>Disclosure completeness rate: 98.6%</li> </ul> </li> </ol> <p>Verification Deliverables:</p> <ul style="list-style-type: none"> <li>Independent Assurance Statement: Scheduled for issuance by August 2025 (FY114 Q3)</li> <li>Interim Compliance Status: Preliminary validation completed on March 15, 2025, confirming adherence to: <ul style="list-style-type: none"> <li>TCFD Recommendations (Climate-related Metrics)</li> <li>SASB SB-EQ Semiconductor Standards</li> </ul> </li> </ul>	No discrepancy.
6. If the company has established integrity management principles in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the current practices and any deviations from the Best Practice Principles: : None.				
7. Other information relevant to understanding the implementation of ESG:  FY2024 Sustainability Awards & Recognitions  The Company has been honored with the following prestigious awards in 2024:				

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<b>Corporate Governance Excellence</b> Top 1% in the "Market Capitalization < NT\$5 Billion" category Awarding Body: Taiwan Stock Exchange (TWSE) 10th Corporate Governance Evaluation Key Criteria: Board diversity (40% female directors), real-time ESG disclosure compliance  <b>TCSA Taiwan CSR Report Platinum Award</b> Sector: Electronics Manufacturing Evaluation Framework: GRI Standards 2021 compliance score: 97/100 SASB SB-EQ Semiconductor Standard Alignment Unique Feature: First SME to implement TCFD climate scenario analysis  <b>Happy Workplace Silver Award (Manufacturing Sector)</b> Issuer: 1111 Job Bank Performance Metrics: Employee satisfaction rate: 89% (industry avg: 72%) Annual training hours: 75 hrs/employee (2.5× legal requirement) <b>OSH Performance Excellence Recognition</b> Certification: ISO 45001:2018 compliance validated Key Achievement: Zero lost-time injuries for 1,250 consecutive days 100% implementation of AI-powered hazard prediction system				

Implementation item	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
For related corporate sustainable developments of the Company, refer to the Company's Sustainability Report or visit the Company's website at: <a href="https://www.topoint.tw/tw/download/">https://www.topoint.tw/tw/download/</a>				

## Climate-related Information

### Climate-related Information

Item	Implementation status
1. Describe the oversight and governance of the Board and management on climate-related risks and opportunities.	<p>The Board of Directors has established a "Sustainability and Risk Management Committee," which serves as the highest authority for managing climate change issues. The General Manager acts as the convener and chairperson of this committee. Guided by the principle of sustainable development, the committee is responsible for reviewing Topoint's sustainability and risk management policies, objectives, strategies, and implementation plans, and it reports regularly to the Board on sustainability operations and risk management status.</p> <p>Under this committee, a "Functional Promotion Team" is established to assess, manage, and execute actions related to climate change risks and opportunities, also chaired by the General Manager. The team regularly identifies risks and formulates corresponding preventive management and mitigation plans.</p>
2. Describe how the identified climate risks and opportunities would affect the business, strategy, and finances of the entity (short, medium, and long-term).	<p>The Functional Promotion Team has identified significant opportunities and risks related to climate change that impact Topoint's operations.</p> <p><b>Identified Opportunities:</b></p> <ol style="list-style-type: none"> <li>1. Changing Customer Preferences and Behaviors: As consumers increasingly favor sustainable products, Topoint can adapt its offerings to meet this demand, enhancing customer loyalty and market share.</li> <li>2. Low-Carbon Technology Transition: Investing in low-carbon technologies can lead to operational efficiencies and cost savings, positioning the company as a leader in sustainability.</li> </ol> <p><b>Identified Risks:</b></p> <ol style="list-style-type: none"> <li>1. Changes in Energy Structure and Regulations: Shifts in energy sources and regulations may increase operational costs and necessitate changes in energy sourcing strategies.</li> <li>2. Market Uncertainty: Fluctuations in market conditions can affect demand and pricing, impacting revenue stability.</li> <li>3. Natural Resource Availability Changes: Variability in resource availability may disrupt supply chains and production processes.</li> <li>4. Increased Greenhouse Gas Emission Regulations: Stricter regulations may require additional investments in compliance and technology.</li> <li>5. Environmental Factor Changes: Changes in environmental conditions can</li> </ol>

	<p>impact operational capabilities and costs.</p> <p>These factors primarily affect the company's long-term operations by influencing energy usage structures and related cost increases, disaster preparedness planning, and workforce allocation strategies. Upstream, they impact raw material sourcing, logistics, and contingency strategies, while downstream, they affect shipment stability and safety stock management.</p>
3. Describe the financial impact of extreme weather events and transition activities.	<p>Extreme weather events can have significant financial impacts, including:</p> <p><b>Direct Operational Impacts:</b></p> <ul style="list-style-type: none"> <li>• Disruption of energy resource supply</li> <li>• Equipment damage</li> <li>• Insufficient human support</li> </ul> <p><b>Value Chain Impacts:</b></p> <ul style="list-style-type: none"> <li>• Stability of raw material and product transportation</li> </ul> <p>On the other hand, transformation actions may lead to increased financial expenditures, which include:</p> <ul style="list-style-type: none"> <li>• Investments in energy equipment</li> <li>• Costs associated with greenhouse gas emissions</li> <li>• Related labor costs</li> </ul> <p>Topoint convenes senior executives from various departments annually to integrate climate and other operational risk identification and assessment. The evaluation covers aspects such as types of opportunities and risks, likelihood of impact, severity of impact, and duration. Furthermore, the company conducts quantitative assessments of the financial impacts of significant climate risks, establishing actionable risk management goals and indicators. Climate change risk management is integrated into the company's sustainable operational objectives, with the "Sustainability and Risk Management Committee Functional Team" reviewing execution results quarterly and regularly reporting outcomes to the Board.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Topoint convenes senior executives from various departments annually to integrate the identification and assessment of climate and other operational risks. The evaluation encompasses:</p> <p><b>Types of Opportunities and Risks:</b> Identification of potential opportunities and risks associated with climate change.</p> <p><b>Likelihood of Impact:</b> Assessment of how likely each risk or opportunity is to occur.</p> <p><b>Severity of Impact:</b> Evaluation of the potential severity of the impact on</p>

	<p>operations.</p> <p><b>Duration of Impact:</b> Consideration of how long the impact may last.</p> <p>The company conducts quantitative assessments of the financial impacts of significant climate risks, establishing actionable risk management goals and indicators. Climate change risk management is integrated into the company's sustainable operational objectives, with the "Sustainability and Risk Management Committee Functional Team" reviewing execution results quarterly and regularly reporting outcomes to the Board.</p>
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors adopted as well as major financial impacts shall be described.	<p>This year, we conducted a quantitative financial impact assessment of individual risks to analyze climate risks and their effects.</p> <p>The details can be found in the 2024 ESG report.</p>
6. If there is a transition plan for managing climate-related risks, describe the plan details, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>Topoint has established a transformation plan focused on enhancing climate resilience across the value chain, increasing carbon reduction research and development capabilities, optimizing resource use efficiency, and promoting waste recycling. We have defined quantitative indicators and goals for these four areas and conduct regular reviews. For further details, please refer to the 2024 ESG report.</p>
7. If internal carbon pricing is adopted as the planning tool, the pricing criteria shall be clarified.	<p>As of 2024, internal carbon pricing has not yet been implemented.</p>
8. If related climate goals are set, the activities, greenhouse gas emission range, planned timeline, and annual targets, among others, that are covered shall be clarified. If carbon trade-off or renewable energy certificates (RECs) are used to achieve related goals, the source of the carbon reduction quota traded off and the quantity or the number of the renewable energy certificates (RECs) shall be clarified.	<p>Please see page 53-54 of this annual report.</p>
9. Greenhouse gas inventory check and verification/validation.	<p>Please see page 53-55 of this annual report.</p>

# 1-1 The company's greenhouse gas inventory and confirmation status in the last two years

## 1-1-1 Greenhouse gas inventory information

<b>Company Profile</b>  <input type="checkbox"/> A company in the steel/cement sector with a capital size of \$10 billion and above  <input type="checkbox"/> A company with a capital size of \$5 billion to \$10 billion  <input checked="" type="checkbox"/> A company with a capital size of less than \$5 billion	According to the sustainable development pathway of TWSE/TPEX-listed companies, the disclosure shall at least include  <input type="checkbox"/> Parent company's stand-alone check <input type="checkbox"/> Check of subsidiaries included in the Consolidated Financial Statement <input checked="" type="checkbox"/> Parent company stand-alone verification and validation <input type="checkbox"/> Verification and validation of subsidiaries included in the Consolidated Financial Statement
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Year	2023		2024		2023	2024
Scope 1	Total emissions (CO2e in tonnage)	Density (CO2e in tonnage/thousand pieces)	Total emissions (CO2e in tonnage)	Density (CO2e in tonnage/thousand pieces)	Description of Data Scope  Topoint Technology Co., Ltd. Shanghai Topoint Precision Technology Co., Ltd. Shanghai Ringpoint Nano Material Co., Ltd. Unipoint Technology Co., Ltd.	
Parent company	925.2905	0.0108	902.8076	0.0081		
Subsidiary	382.6663	0.0024	392.8363	0.0019		
Total	1,307.9568	0.0132	1,295.6439	0.0100		
Scope 2	Total emissions (CO2e in tonnage)	Density (CO2e in tonnage/thousand pieces)	Total emissions (CO2e in tonnage)	Density (CO2e in tonnage/thousand pieces)		
Parent company	5,315.5407	0.0621	9,381.8484	0.0845		
Subsidiary	11,471.0148	0.0708	8,893.9822	0.0432		
Total	16,786.5555	0.1329	18,275.8306	0.1278		
Scope 3 (voluntary disclosure)	Total emissions (CO2e in tonnage)	Density	Total emissions (CO2e in tonnage)	Density		



		(CO2e in tonnage/thousand pieces)		(CO2e in tonnage/thousand pieces)		
Parent company	1,325.6782	0.0155	2,187.7400	0.0197		
Subsidiary	4,155.1052	0.0257	6,972.7556	0.0339		
Total	5,480.7834	0.0411	9,160.4956	0.0536		

Note: The calculation of subsidiary density only includes Shanghai Topoint and Shanghai Ringpoint Information. Unipoint product content is not applicable to the density calculation method.

#### 1-1-2 Greenhouse Gas Confirmation Information

Year	2023				2024			
Scope 1	Validating range	Verifying/Validating institution	Verification criteria	Validating opinion	Validating range	Verifying/Validating institution	Verification criteria	Validating opinion
Parent company	All the above data have been verified	TUV NORD	ISO 14064-1:2018	Reasonable Assurance	Not verified yet	TUV NORD	ISO 14064-1:2018	Not verified yet
Subsidiary								
Scope 2								
Parent company								
Subsidiary								
Scope 3 (voluntary disclosure)	All the above data have been verified	TUV NORD	ISO 14064-1:2018	Limited Warranty	Not verified yet	TUV NORD	ISO 14064-1:2018	Not verified yet
Parent company								
Subsidiary								

Note 1: Note: For the company's greenhouse gas assurance status in 2024, please see the company's 2024 ESG report.

## 1-2 GHG Reduction Targets, Strategies, and Concrete Action Plans

Item	Implementation status
Specify the GHG base year and data thereof, the reduction target, strategy and concrete action plan, and the status of target achievement.	<p>1. GHG reduction target: For the parent company of Topoint Group (Topoint Technology Co., Ltd.) to reduce 30 percent of its indirect GHG emissions intensity by 2030 compared to the base year (2016)</p> <p>2. Data of base year (2016): Indirect GHG emissions intensity of 0.069 (metric tons of CO2e/thousand units of production)</p> <p>3. Data of current year (2024): Indirect GHG emissions intensity of 0.051 (metric tons of CO2e/thousand units of production)</p> <p>4. Status of target achievement in current year (2024): Indirect GHG emissions intensity dropped by 26.5 percent compared to the base year</p> <p>5. Strategy and concrete action plan: Topoint sets quantitative indicators and targets for four aspects: strengthening the climate resilience of the value chain, increasing R&amp;D in carbon reduction, optimizing energy efficiency, and recycling waste, and reviews regularly. Please refer to the 2024 ESG report for details.</p>

(6) Integrity management company to perform the case and adopt measures:

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(2) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) Integrity and honesty are fundamental core values of our company and form the basis of our business philosophy. We engage in all business activities with integrity, prohibiting corruption and any form of fraudulent behavior. We have established a "Code of Ethical Conduct" and a "Code of Integrity Management," which were approved by the shareholders' meetings on June 13, 2008, and June 11, 2013, respectively. These documents are disclosed on our company website and the public information observatory for adherence by directors, managers, all employees, and other stakeholders.</p> <p>(2) Our company conducts annual anti-corruption training sessions to ensure that all employees understand the importance of integrity and related regulations, and to comply with the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct."</p> <p>(3) In addition to explicitly prohibiting business activities associated with dishonest behavior risks in the "Code of Integrity Management," we implement preventive measures and conduct regular internal audits to review related operational processes, thereby mitigating the risk of dishonest behavior.</p>	No discrepancy.

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2. Ethic Management Practice				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) Before engaging in commercial activities with suppliers, customers, or other business partners, our company conducts a prior assessment of their legality and any records of dishonest behavior. If any dishonest behavior is discovered, we will immediately cease transactions. Additionally, contracts signed with others should include clauses that require compliance with integrity management policies, allowing for termination or dissolution of the contract should the counterparty be involved in dishonest conduct.	No discrepancy.
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	V		(2) To ensure sound integrity management, the Corporate Sustainability Committee is responsible for formulating and supervising the implementation of integrity management policies and preventive measures. As of November 8, 2024, no significant violations have been reported to the board.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) The code of conduct for our board members, managers, and all employees must prioritize the overall interests of the company. They must not seek to gain improper benefits for themselves or their relatives, including spouses, parents, children, or relatives within the third degree of kinship, nor hinder the interests of the company.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		(4) Our company shall establish effective accounting and internal control systems for business activities with a higher risk of dishonest behavior. There shall be no off-the-books accounts or secret accounts, and these systems should be regularly reviewed to ensure their	

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		<p>design and implementation remain effective. Furthermore, internal auditors should periodically check compliance with these systems and submit audit reports to the board.</p> <p>(5) In 2024, our company conducted a total of 45 anti-corruption training sessions, totaling 194.5 hours of training. By the end of 2024, all 360 full-time employees (excluding those in overseas subsidiaries) completed the training, achieving a 100% completion rate. Additionally, employees are required to sign the "Code of Ethics Commitment," with a total of 360 signatures, resulting in a 100% signing rate.</p>	
<p>3. Implementation of Complaint Procedures</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p>	V		<p>(1) To establish a culture of integrity and transparency, promote sound operations, and protect the rights of whistleblowers, our company's board approved the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" on July 7, 2023. We have set up and announced reporting channels on our company website and internal site, including a whistleblower hotline, email address, and mailing address for receiving reports of crimes, fraud, or illegal activities. The Compliance Department is responsible for receiving reports, while the Audit Department conducts investigations.</p> <p>Reporting channels are as follows:</p> <p>A. Crimes related to property, profit, competition, intellectual property, and confidentiality:  Responsible Unit: Topoint Technology Co., Ltd.  Audit Office  Whistleblower Email: integrity@topoint.tw  Whistleblower Hotline: 02-2680-5868#812</p>	No discrepancy.

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	<p>√</p> <p>√</p>		<p>B. Sexual harassment and stalking: Responsible Unit: Topoint Technology Co., Ltd. Safety and Health Office Whistleblower Email: shp@topoint.tw Whistleblower Hotline: 02-2680-5868#885 Fax: 02-2680-7588#885</p> <p>C. Other violations of company regulations and work rules: Responsible Unit: Topoint Technology Co., Ltd. Management Department Whistleblower Email: wr@topoint.tw Whistleblower Hotline: 02-2680-5868#519</p> <p>All types of reports can also be submitted online at: <a href="https://www.topoint.tw/tw/agree">https://www.topoint.tw/tw/agree</a></p> <p>(2) Our company has established standard operating procedures for investigating reported matters and ensures absolute confidentiality regarding the identity of whistleblowers and the content of their reports.</p> <p>(3) We provide safe and confidential reporting channels to protect whistleblowers from retaliation, threats, or harassment.</p>	
<p>4. Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	√		<p>Our company has published the "Integrity Management Code" on our website. We have also established a spokesperson system to serve as a bridge for information collection, disclosure, and external communication. The contents and effectiveness of our integrity management</p>	No discrepancy.

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			initiatives are disclosed on our company website, annual reports, and sustainability reports. For more information, please visit: <a href="https://www.topoint.tw/">https://www.topoint.tw/</a>	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: <b>None</b>				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): Please go to the address of the company’s website: <a href="https://www.topoint.tw/">https://www.topoint.tw/</a>				

- (7) The information to help investors more aware of how the company's corporate governance is operated:
- a. Our company website features sections on "Investor Relations" and "Social Responsibility," accessible at <https://www.topoint.tw>
  - b. Advanced study the governance rules of Managers: Please go to the corporate governance section of the "Market Observation Post System" on [http://newmops .twse.com.tw](http://newmops.twse.com.tw).
- (8) Execution of internal control system:
- a. Internal Control System Declaration: Please refer to page 62 of the annual report.
  - b. Engagement of Accountants for Internal Control System Review: **None**.



## **Topoint Technology Co., Ltd**

### **Statement of Internal Control**

February 26, 2025

This internal control system declaration for the fiscal year 2024 is made based on our self-assessment results:

1. Our company acknowledges that establishing, implementing, and maintaining an internal control system is the responsibility of the Board of Directors and management. We have established this system to reasonably ensure the achievement of goals related to operational effectiveness and efficiency (including profitability, performance, and asset security), reliable reporting, timeliness, transparency, and compliance with relevant regulations and laws.
2. Internal control systems have inherent limitations. Regardless of how well-designed, effective internal control systems can only provide reasonable assurance for the achievement of the aforementioned goals. Additionally, the effectiveness of internal control systems may change due to alterations in the environment and circumstances. However, our internal control system includes a self-monitoring mechanism, and once deficiencies are identified, corrective actions will be taken.
3. Our company assesses the effectiveness of the internal control system based on the "Guidelines for Establishing Internal Control Systems for Public Companies" (hereinafter referred to as "Guidelines"). This assessment determines whether the design and execution of the internal control system are effective. The "Guidelines" categorize the internal control system into five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component includes several elements, which can be referenced in the "Guidelines."
4. Our company has adopted the aforementioned assessment items to evaluate the design and execution effectiveness of the internal control system.
5. Based on the results of the assessment, our company believes that the internal control system as of December 31, 2024, including supervision and management of subsidiaries, is effective in understanding the degree of achievement of operational effectiveness and efficiency goals, ensuring that reporting is reliable, timely, transparent, and compliant with relevant regulations and laws.
6. This declaration will be a main component of our annual report and public prospectus and will be disclosed externally. Any falsehoods or concealments in the disclosed content could involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This declaration was approved by the Board of Directors on February 26, 2025, with eight attending directors, none of whom opposed the content of this declaration, and the rest agreed.

Chairman David, Lin  
President Karen, Lin

- (9) Major resolutions made in shareholders' meetings and board meetings in the recent year and the current year as of the annual report publication date:

**A. Review of Shareholders' Meeting Resolutions and Implementation as of May 27, 2024:**

(a) Approval of Financial Statements for Fiscal Year 2023

(b) Approval of Earnings Distribution Plan for Fiscal Year 2023.

Implementation Status: The record date for dividend distribution was set for July 4, 2024, and all distributions were completed by July 29, 2024. (Cash dividend of NT\$0.8 per share)

(c) Approval of Director Election

Implementation Status: The registration was approved by the Ministry of Economic Affairs on June 26, 2024.

List of Elected Directors:

Identity Type	Account Name	Voting Power
Director	David Lin	116,324,316
Director	Karen Lin	92,174,913
Director	Fortune Venture Capital Corporation Michelle Chen	91,962,736
Director	Macking International Investment Wen-Jin, Li	92,053,257
Independent Director	Amy Chen	92,144,032
Independent Director	Jeff Chen	92,118,300
Independent Director	Eric Hsu	92,370,305
Independent Director	Andrew Hsu	92,410,075

(d) Approval of Lifting Non-Compete Restrictions for Directors and Their Representatives

Implementation Status: Announced on the Public Information Observatory on May 27, 2024.

**B. Board meetings**

Date	Content
2024/01/25	1、Report on the Continuing Education of Directors for Fiscal Year 2023. 2、Performance Evaluation Report of the Board of Directors and Functional Committees for Fiscal Year 2023. 3、Draft Work Plan for the Compensation Committee for Fiscal Year 2024. 4、Review of the Company's "Compensation Management Regulations for Directors and Managers." 5、Ratification of the Appointment of New Expatriate Vice President, Hsieh Yong-Long. 6、Distribution Plan for Year-End Bonuses for Managers for Fiscal Year 2023. 7、Proposal for Comprehensive Re-election. 8、Nomination List for Directors (including Independent Directors) Proposal. 9、Proposal to Lift Non-Compete Restrictions for New Directors and Their Representatives. 10、Proposal for the Convening of the Annual Shareholders' Meeting for Fiscal Year 2024.
2024/02/27	1、Financial Statements for Fiscal Year 2023. 2、Earnings Distribution Plan for Fiscal Year 2023. 3、Cash Dividend Distribution Proposal for Fiscal Year 2023. 4、Distribution of Employee Compensation and Director Remuneration for Fiscal Year 2023.

	<ul style="list-style-type: none"> <li>5、Proposal for the "Effectiveness Assessment of Internal Control System" and "Internal Control System Declaration" for Fiscal Year 2023.</li> <li>6、Draft Proposal for Pre-Approval Procedures for Non-Assurance Services Provided by the Company's Auditors.</li> <li>7、Proposal for Credit Limit Application to Banks.</li> </ul>
2024/03/22	<ul style="list-style-type: none"> <li>1、Proposal for Partial Revision of the Internal Control System for Fiscal Year 2024.</li> </ul>
2024/05/10	<ul style="list-style-type: none"> <li>1、Report on the Progress of Greenhouse Gas Inventory and Verification.</li> <li>2、Financial Statements for the First Quarter of Fiscal Year 2024.</li> <li>3、Proposal for Organizational Restructuring of the Company's Investment Operations in Mainland China.</li> <li>4、Proposal for Capital Increase of Subsidiary in Thailand.</li> <li>5、Proposal for Endorsement Guarantee Application for Subsidiary.</li> <li>6、Proposal for Credit Limit Application to Banks.</li> <li>7、Draft Proposal for the "Insider Trading Prevention Management Regulations."</li> </ul>
2024/05/27	<ul style="list-style-type: none"> <li>1、Proposal to Elect the Chairperson of the 10th Board of Directors.</li> <li>2、Proposal to Appoint the 2nd Audit Committee of the Company.</li> <li>3、Proposal to Appoint the 6th Compensation Committee of the Company.</li> <li>4、Proposal to Appoint the 2nd Corporate Sustainability and Risk Management Committee of the Company.</li> <li>5、Travel and Accommodation Expenses for the 10th Board of Directors.</li> </ul>
2024/08/13	<ul style="list-style-type: none"> <li>1、Report on the Progress of Greenhouse Gas Inventory and Verification.</li> <li>2、Report on Directors and Managers Liability Insurance.</li> <li>3、Future Greenhouse Gas Reduction Targets and Strategies of the Company.</li> <li>4、Financial Statements for the Second Quarter of Fiscal Year 2024.</li> <li>5、Proposal for Credit Limit Application to Banks.</li> <li>6、Proposal for the Company's 2023 Corporate Sustainability Report.</li> <li>7、Distribution Plan for Directors' Remuneration for Fiscal Year 2023.</li> <li>8、Distribution Plan for Managerial Employee Compensation for Fiscal Year 2023.</li> </ul>
2024/11/08	<ul style="list-style-type: none"> <li>1、Report on the Progress of Greenhouse Gas Inventory and Verification.</li> <li>2、Report on the Company's Commitment to Integrity in Business Operations and Implemented Measures.</li> <li>3、Evaluation Report on the Performance of the Board of Directors by External Assessors.</li> <li>4、Progress Report on the Construction of the Thailand Subsidiary.</li> <li>5、Proposal to Change the Company's Certified Public Accountant.</li> <li>6、Financial Statements for the Third Quarter of Fiscal Year 2024.</li> <li>7、Proposal for Credit Limit Application to Banks.</li> <li>8、Proposal for Promotion of Company Managers.</li> <li>9、Proposal to Amend Certain Articles of the "Board Meeting Regulations."</li> <li>10、Proposal to Amend Certain Articles of the "Audit Committee Organizational Regulations."</li> <li>11、Proposal to Establish the "Sustainable Information Internal Control Management Regulations."</li> <li>12、Proposal for the Company's Audit Plan for Fiscal Year 2025.</li> </ul>
2024/12/27	<ul style="list-style-type: none"> <li>1、Report on the Implementation of Sustainable Development Initiatives by the Company.</li> <li>2、Report on Communication with Stakeholders for Fiscal Year 2024.</li> </ul>

	<ul style="list-style-type: none"> <li>3、Report on Information Security Risk Management and Execution Results for Fiscal Year 2024.</li> <li>4、Report on the Intellectual Property Management Plan Linked to Operational Goals and Its Implementation for Fiscal Year 2024.</li> <li>5、Report on Risk Management Operations for Fiscal Year 2024 and Risk Identification Items for Fiscal Year 2025.</li> <li>6、Proposal for the Company's Operational Goals Plan for Fiscal Year 2025.</li> <li>7、Proposal for Approval of Significant Themes in the Company's Sustainability Report for Fiscal Year 2024.</li> <li>8、Proposal for the Work Plan for Preparing the Sustainability Report for Fiscal Year 2024.</li> <li>9、Proposal for Evaluating the Independence and Competence of Auditors Based on Audit Quality Indicators (AQI) for Fiscal Year 2025.</li> <li>10、Proposal for Appointing the Certified Public Accountant for Financial Reporting for Fiscal Year 2025.</li> <li>11、Proposal to Amend the "Implementation Regulations for Internal Audits."</li> <li>12、Proposal for Credit Limit Application to Banks.</li> </ul>
2025/01/14	<ul style="list-style-type: none"> <li>1、Proposal for the Work Plan of the Compensation Committee for Fiscal Year 2025.</li> <li>2、Review of the Company's "Compensation Management Regulations for Directors and Managers."</li> <li>3、Proposal for Employee Promotions within the Company.</li> <li>4、Proposal for the Distribution of Year-End Bonuses for Managers for Fiscal Year 2024.</li> </ul>
2025/02/27	<ul style="list-style-type: none"> <li>1、Proposal for the Financial Statements for Fiscal Year 2024.</li> <li>2、Proposal for the Distribution of Earnings for Fiscal Year 2024.</li> <li>3、Proposal for the Distribution of Cash Dividends for Fiscal Year 2024.</li> <li>4、Proposal for the Distribution of Employee Compensation and Director Remuneration for Fiscal Year 2024.</li> <li>5、Proposal for the Distribution of Director Remuneration for Fiscal Year 2024.</li> <li>6、Proposal for the "Effectiveness Assessment of Internal Control Systems" and "Internal Control System Declaration" for Fiscal Year 2024.</li> <li>7、Proposal for Pre-Approval Procedures for Non-Assurance Services Provided by the Company's Certified Public Accountant.</li> <li>8、Proposal for Amendments to the Company's "Articles of Incorporation."</li> <li>9、Proposal for Issuing New Shares with Restricted Employee Rights for Fiscal Year 2025.</li> <li>10、Proposal for the Holding of the Annual General Meeting of Shareholders for Fiscal Year 2025.</li> </ul>

(10) The directors or supervisors who have objected to the resolutions reached by the board of directors and the objections are recorded or declared in writing in the most recent years and up to the date of the annual report printed: **None**.

#### 4. Information on CPA Professional Fees:

##### 1. Information on fees to CPA

NT\$ (thousand)

Name of the firm	Names of CPA	During the audit	Audit fee	Non-audit fee	Note
Deloitte & Touche	Wen-I, Liao	Jan. 1,2024~ Dec. 31,2024	3,100	560	Non-audit fee: tax expense.
	Chien-Hsin, Hsieh				

- When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed: None.
- If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed: None.
- If the audit fees were reduced more than 10% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.
- 2024 CPA Suitability and Independence Evaluation Form

##### (1)Independence evaluation

Evaluation Item	Yes	No
1.Not an employee of the Company or any of its affiliates.	<b>V</b>	
2.Not a director of the Company or any of its affiliates (This does not apply in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting rights.)	<b>V</b>	
3.Not a natural-person shareholder who holds shares, together with those held by the person's spouse and minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranks among the top 10 in shareholdings.	<b>V</b>	
4.Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.	<b>V</b>	
5.Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or ranks among the top five in shareholdings.	<b>V</b>	
6.Not a director, supervisor, executive officer, or shareholder with shareholding of five percent or more of a specific company or institution that has a financial or business relationship with the Company.	<b>V</b>	

7. Not a spouse or a relative within the second degree of kinship to any other director of the Company.	<b>V</b>	
8. Not being a person of any conditions set out in Article 30 of the Company Act.	<b>V</b>	
9. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.	<b>V</b>	
10. Not a director, executive officer or employee with significant influence on audit engagement of the Company in recent two years.	<b>V</b>	
11. Not in a position with management functions that involve decision-making of the Company.	<b>V</b>	

(2) Suitability evaluation

Evaluation Item	Yes	No
1. Whether the person possesses a CPA license to perform CPA works.	<b>V</b>	
2. Whether the CPA is subject to disciplinary actions imposed by the competent authorities or the CPA Association, or pursuant to Paragraph 3, Article 37 of the Securities and Exchange Act.	<b>V</b>	
3. Whether the financial reports issued are prepared in accordance with the accounting principles prescribed by the competent authorities.	<b>V</b>	
4. Whether the CPA and audit personnel of the CPA firm have exercised due professional care in performing the audit and preparing the reports.	<b>V</b>	
5. Whether quarterly and annual financial reports are issued by deadlines set forth in regulations promulgated by the competent authorities.	<b>V</b>	
6. Whether the CPA understands regulatory changes, and is capable of clarifying and giving advices on issues of the Company in a timely manner.	<b>V</b>	
7. Whether the CPA maintains a good communication channel with the corporate governance unit.	<b>V</b>	
8. Whether the CPA assists with communication and coordination with the competent authorities.	<b>V</b>	

(3) Evaluation results

Upon evaluation, the CPAs engaged were not under any of the circumstances described in the independence evaluation items above and had met the suitability criteria for the suitability evaluation, which assured the reliability of financial reports issued by the CPAs.

## 5. Replacement of CPA

(1) Regarding former CPA:

Replacement date	Approved by the board of directors on May 5, 2023.		
Replacement reasons	The CPA certifying the company's 2022 Q1 financial statements were CPA Chien-Shin, Shieh and Zhao-Mei, Chen at Deloitte & Touche – Taiwan. However, due to the firm's internal task transfer and arrangement, the company's 2023 Q1 financial statements were certified by CPA Chien-Shin, Shieh and Bo-Ren, Weng		
Please explain whether the termination or refusal of the commission is initiated by the entrusted or CPA.	The party		
	Status	CPA	Entrustor
	Took initiative in terminating the commission Refusal (discontinuation) of the commission	Not applicable	
The opinions on the auditing reports in the recent two years and reasons, except the issue of unqualified opinions.	Not applicable		
Different opinions with the issuer:	Yes		Accounting principle or practice
			Disclosure of financial reports
			Auditing range and steps
			Others
	No	√	
Why	Not applicable.		
Other disclosure items: (The items required to be disclosed as per item 4, subparagraph 1 of article 11 in regulations governing the preparation of financial reports by securities issuers.)	None		

(2) Regarding successor CPA:

Name of the firm	Deloitte & Touche – Taiwan
Names of CPA	Wen-I, Liao and Chien-Shin, Shieh
Date of commission	As passed by the board of directors on November 8, 2024.
Items and results of the consultation made before the commission for the possible opinions on the accounting process method or accounting principle and the financial reports of specific transactions	None
The written opinions from the successor CPA against the ones from the former CPA.	None

(3) The response made by former CPA for the issues listed in item 3 of subparagraph 1 of article 22 of “regulations governing the preparation of financial reports by securities issuers”: None.

6. If the Chairman, General Manager, 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.
7. Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads, and Shareholders 10% shareholding or more:
- (1) Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads and Shareholders  
All relevant information has been disclosed on the MOPS (Market Observation Post System) Public Information Observation Station.  
You can refer to the following link for more information:  
[https://mopsplus.twse.com.tw/mops/#/web/query6\\_1?dataType=1&companyId=8021&year=&month=&subsidiaryCompanyId=](https://mopsplus.twse.com.tw/mops/#/web/query6_1?dataType=1&companyId=8021&year=&month=&subsidiaryCompanyId=)
- (2) The information of the related party who was the corresponding party of the equity transfer: None.
- (3) The information of the related party who was the corresponding party of the equity pledge: None.
8. The relation of the top ten shareholders as defined by Finance Standard Article 6:

March 29, 2025

Name	Current shareholding		Shareholding of spouse and minors		Shares held in the names of others		The relation of the top ten shareholders as defined by Finance Standard Article 6	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	relationship
LIN, HSU-TING	5,519,260	3.88%	310,000	0.22%	-	N/A	Liu-Ze, Lin	Brothers
Macking International Investment	4,416,152	3.11%	-	N/A	-	N/A	-	N/A
Fortune Venture Capital Corporation	3,000,600	2.11%	-	N/A	-	N/A	-	N/A
Liu-Ze, Lin	2,237,268	1.57%	-	N/A	-	N/A	David Lin Yan-Hong, Lin	Brothers Son
Standard Chartered Bank Stock Trading Investment Account	2,073,000	1.46%		N/A		N/A		N/A
Gen-Qing, Chen	2,035,211	1.43%	-	N/A	-	N/A	-	N/A
Yuetai Investment Co., Ltd.	2,000,000	1.41%	-	N/A	-	N/A	-	N/A
Ji-Xing, Huang	1,585,132	1.12%	-	N/A	-	N/A	-	N/A
Yan-Hong, Lin	1,525,422	1.07%	-	N/A	-	N/A	Liu-Ze, Lin	Father
Acadian Emerging Markets Small Cap Equity Fund LLC	1,334,600	0.94%	-	N/A	-	N/A	-	N/A



9. Investment form Directors, Supervisors, Managers and directly or indirectly controlled businesses:

Unit: Share

Trans-investment business	The company's investment		Investment made by directors, supervisors, managers and the businesses directly or indirectly controlled by the company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Total shareholding ratio
Topoint Technology Co.,Ltd.(B.V.I)	7,501	100%	-	-	7,501	100%
Unipoint Technology Co., Ltd.	30,696,297	61.76%	-	-	30,696,297	61.76%
Warspeed Corporation(B.V.I)	50,000	100%	-	-	50,000	100%
Topoint Japan Co., Ltd.	600	100%	-	-	600	100%
Unipoint Technology Holdings Co., Ltd.(B.V.I.)	-	100%	-	-	-	100%
Raypoint Precision Tools Co.,Ltd.	50,000	100%	-	-	50,000	100%
Topmicron Investment Ltd.	-	-	-	61.76%	-	61.76%
Topoint Technology ( Thailand ) Co., Ltd.	54,956,400	99.92%	43,600	0.08%	55,000,000	100%
Drilltek Corporation	7,692,816	58.72%	-	-	7,692,816	58.72%
Cosmos Vacuum Technology Corporation	23,720,088	61.86%	-	-	23,720,088	61.86%
H&N Technology Co., Ltd.	-	-	-	61.86%	-	61.86%
Cosmos Integration Corporation	-	-	-	61.86%	-	61.86%
Universal Technology Corp.	-	-	-	61.86%	-	61.86%
Shanghai Topoint Precision Technology Co., Ltd.	-	-	-	100%	-	100%
Sharpont Technology (Qinhuangdao) Co., Ltd.	-	-	-	100%	-	100%
Huangshi Technology Co., Ltd.	-	-	-	100%	-	100%
Sharpont Technology (Shenzhen) Co., Ltd.	-	-	-	100%	-	100%
Sharpont Technology (Suzhou) Co., Ltd.	-	-	-	100%	-	100%
Kunshan Restek Technology Co., Ltd.	-	-	-	75%	-	75%
Kunshan Topoint Electronics Co. Ltd.	-	-	-	100%	-	100%
Sharpont Electronics (Huaian) Co., Ltd.	-	-	-	100%	-	100%
Chengdu Raypoint Precision Tools Co., Ltd.	-	-	-	100%	-	100%
Winpoint Electronics (Huaian) Co., Ltd.	-	-	-	100%	-	100%
Shanghai Ringpoint Nano Material Co., Ltd.	-	-	-	75%	-	75%
Cosmos Technology Corporation	-	-	-	61.86%	-	61.86%

### III. Stock subscription

#### 1. Capital and shares:

##### (1) Stock capital

Unit: NT\$ thousand/1,000 shares

Month / year	Issued price (\$)	Approved capitalization		Paid-in capitalization		Remarks			
		Shares	Amount	Shares	Amount	Capital sources		Use of non-cash property to pay for the shares	Others
						Amount	Source		
04/1996	10	1,500	15,000	1,500	15,000	15,000	Cash capital increase	-	04/12/1996 1996 Jien (3) Geng Zi No. 48510
05/1997	10	6,000	60,000	3,250	32,500	17,500	Cash capital increase	-	02/23/1998 1998 Jien (3) Jia Zi No. 124692
06/1998	10	20,000	200,000	9,920	99,200	49,200 17,500	Cash capital increase Capital surplus transfer	-	11/18/1998 1998 Jien (3) Jia Zi No. 259480
09/1999	10	20,000	200,000	13,852	138,253	20,800 18,253	Cash capital increase Earnings transfer	-	10/21/1999 Jing (1999) Shang Zi No. 08813853
05/2000	23	49,000	490,000	27,300	273,000	120,000 14,747	Cash capital increase, earnings and capital surplus transfer	-	2000/06/28 Jing (2000) Shang Zi No. 089121529
05/2002	10	49,000	490,000	34,000	340,000	67,000	Earnings and capital surplus transfer	-	2001/09/19 Jing (2001) Shang Zi No. 0901372890
11/2002	20	49,000	490,000	39,000	390,000	50,000	Cash capital increase	-	2002/01/03 Jing (2001) Shang Zi No. 09001523010
12/2003	10	49,000	490,000	41,000	410,000	20,000	Cash capital increase	-	2003/12/29 Jing-Shou-Zhong Zi No. 09233192270
08/2004	10	42,693	426,930	42,693	426,930	16,930	Earnings transfer	-	2004/10/05 Jing-Shou-Zhong Zi No. 09332806590
10/2004	16.8	70,000	700,000	48,393	483,930	57,000	Cash capital increase	-	2004/12/29 Jing-Shou-Zhong Zi No. 09333262600
09/2005	10	70,000	700,000	55,258	552,581	68,651	Earnings and capital surplus transfer	-	2005/09/16 Jing-Shou-Shang Zi No. 09401183300

Month / year	Issued price (\$)	Approved capitalization		Paid-in capitalization		Remarks			
		Shares	Amount	Shares	Amount	Capital sources		Use of non- cash property to pay for the shares	Others
						Amount	Source		
06/2006	10	140,000	1,400,000	65,258	652,581	100,000	Cash capital increase	-	2006/06/20 Jing-Shou-Shang Zi No 09501118760
09/2006	10	140,000	1,400,000	75,428	754,288	101,707	Earnings transfer	-	2006/09/07 Jing-Shou-Shang Zi No. 09501202460
10/2006	10	140,000	1,400,000	76,116	761,161	6,873	Shares transferred from corporate bonds	-	2006/10/07 Jing-Shou-Shang Zi No. 09501232720
01/2007	10	140,000	1,400,000	77,388	773,882	12,721	Shares transferred from corporate bonds	-	2007/10/23 Jing-Shou-Shang Zi No. 09601018460
04/2007	10	140,000	1,400,000	78,605	786,050	12,168	Shares transferred from corporate bonds	-	2007/04/17 Jing-Shou-Shang Zi No. 09601080210
07/2007	10	140,000	1,400,000	84,242	842,421	56,371	Shares transferred from corporate bonds	-	2007/07/23 Jing-Shou-Shang Zi No. 09601175210
08/2007	10	140,000	1,400,000	95,469	954,691	112,270	Earnings transfer	-	2007/08/24 Jing-Shou-Shang Zi No. 09601206420
08/2008	10	140,000	1,400,000	106,868	1,068,680	113,988	Earnings transfer	-	2008/08/28 Jing-Shou-Shang Zi No. 09701219390
10/2008	10	140,000	1,400,000	107,056	1,070,565	1,885	Stock Option transfer	-	2008/10/21 Jing-Shou-Shang Zi No. 09701266600
08/2009	21	200,000	2,000,000	117,056	1,170,564	100,000	Cash capital increase	-	2009/08/26 Jing-Shou-Shang Zi No. 09801191340
09/2009	10	200,000	2,000,000	126,584	1,265,840	95,275	Earnings transfer	-	2009/09/11 Jing-Shou-Shang Zi No. 09801205940
10/2009	10	200,000	2,000,000	126,671	1,266,717	877	Stock Option transfer	-	2009/10/30 Jing-Shou-Shang Zi No. 09801249110
01/2010	10	200,000	2,000,000	127,577	1,275,577	8,860	Stock Option transfer	-	2010/01/19

Month / year	Issued price (\$)	Approved capitalization		Paid-in capitalization		Remarks			
		Shares	Amount	Shares	Amount	Capital sources		Use of non- cash property to pay for the shares	Others
						Amount	Source		
									Jing-Shou-Shang Zi No. 09901011840
04/2010	10	200,000	2,000,000	127,694	1,276,947	1,370	Stock Option transfer	-	2010/04/16 Jing-Shou-Shang Zi No. 09901076220
09/2010	10	300,000	3,000,000	131,551	1,315,519	38,571	Earnings transfer	-	2010/09/03 Jing-Shou-Shang Zi No. 09901203020
11/2010	21.1	300,000	3,000,000	133,921	1,339,216	23,696	CB transfer	-	2010/11/01 Jing-Shou-Shang Zi No. 09901244520
01/2011	10	300,000	3,000,000	134,060	1,340,604	1,388	Stock Option transfer	-	2011/01/25 Jing-Shou-Shang Zi No. 10001017040
04/2011	21.1 10	300,000	3,000,000	139,370	1,393,699	53,096	CB transfer and Stock Option transfer	-	2011/04/21 Jing-Shou-Shang Zi No. 10001080020
07/2011	21.1	300,000	3,000,000	144,109	1,441,093	47,393	CB transfer	-	2011/07/28 Jing-Shou-Shang Zi No. 10001173710
08/2011	21.1 10	300,000	3,000,000	152,569	1,525,685	84,592	CB transfer and Earnings transfer	-	2011/08/26 Jing-Shou-Shang Zi No. 10001199400
08/2012	10	300,000	3,000,000	156,658	1,566,578	40,893	Earnings transfer	-	2012/08/24 Jing-Shou-Shang Zi No. 10101176420
09/2013	10	300,000	3,000,000	157,890	1,578,905	12,327	Earnings transfer	-	2013/09/03 Jing-Shou-Shang Zi No. 10201180390
04/2014	20.7	300,000	3,000,000	157,938	1,579,380	475	Stock Option transfe	-	2014/04/15 Jing-Shou-Shang Zi No. 10301065310
07/2014	20.7	300,000	3,000,000	158,166	1,581,665	2,285	Stock Option transfe	-	2014/07/18 Jing-Shou-Shang Zi No. 10301141790
10/2014	20.7	300,000	3,000,000	158,800	1,588,005	6,340	Stock Option transfe	-	2014/10/16 Jing-Shou-Shang Zi No. 10301216480
01/2015	20.7	300,000	3,000,000	159,046	1,590,465	2,460	Stock Option transfe	-	2015/01/23 Jing-Shou-Shang Zi No. 10401007350
04/2015	20.7	300,000	3,000,000	159,155	1,591,557	1,092	Stock Option transfe	-	2015/04/16

Month / year	Issued price (\$)	Approved capitalization		Paid-in capitalization		Remarks			
		Shares	Amount	Shares	Amount	Amount	Source	Use of non-cash property to pay for the shares	Others
									Jing-Shou-Shang Zi No. 10401070200
07/2015	20.7	300,000	3,000,000	159,204	1,592,040	483	Stock Option transfe	-	2015/07/21 Jing-Shou-Shang Zi No. 10401147210
01/2016	20.7	300,000	3,000,000	159,478	1,594,782	2,742	Stock Option transfe	-	2016/01/19 Jing-Shou-Shang Zi No. 10501010900
09/2018	10	300,000	3,000,000	143,530	1,435,304	159,478	capital reduction	-	2018/09/03 Jing-Shou-Shang Zi No. 10701109470
06/2019	10	300,000	3,000,000	142,180	1,421,804	13,500	Cancellation of treasury shares	-	2019/06/06 Jing-Shou-Shang Zi No. 10801065750

March 29, 2025 / Unit: share

Type of Shares	Authorized Shares			Remarks
	Outstanding shares	Un-issued shares	Total	
Common stock	142,180,467	157,819,533	300,000,000	-

(2) Roster of Major shareholders:

March 29, 2025

Shareholding	Shareholding	Shareholding ratio
Shareholder's Name		
LIN, HSU-TING	5,519,260	3.88%
Macking International Investment	4,416,152	3.11%
Fortune Venture Capital Corporation	3,000,600	2.11%
Liu-Ze, Lin	2,237,268	1.57%
Standard Chartered Bank Stock Trading Investment Account	2,073,000	1.46%
Gen-Qing, Chen	2,035,211	1.43%
Yuetai Investment Co., Ltd.	2,000,000	1.41%
Ji-Xing, Huang	1,585,132	1.12%
Yan-Hong, Lin	1,525,422	1.07%
Acadian Emerging Markets Small Cap Equity Fund LLC	1,334,600	0.94%

(3) Execution of Dividend Policy

- a. The company's dividend policy is governed by Article 18-1 of the company's Articles of Incorporation. The distribution of the annual net profit after tax shall be conducted in the following order:
  - i. To offset accumulated losses (including adjustments to undistributed earnings).
  - ii. To allocate 10% as legal surplus reserves (but this is not applicable if the accumulated legal surplus reserves have reached the total paid-in capital of the company).
  - iii. To allocate special surplus reserves or reverse special surplus reserves as required by laws or regulations from competent authorities.
  - iv. After deducting the above items, the remaining amount, along with the undistributed earnings at the beginning of the period (including adjustments to undistributed earnings), shall be proposed by the Board of Directors for distribution, subject to resolution by the shareholders' meeting.

If the company distributes dividends and bonuses or allocates legal surplus reserves and capital reserves in whole or in part in cash, the Board of Directors is authorized to do so with the attendance of more than two-thirds of the directors and the approval of a majority of the attending directors, and to report to the shareholders' meeting.

Considering the company's future operational development plans, financial structure, and shareholder equity, the company's dividend distribution shall not be less than 20% of the distributable earnings for the year, with cash dividends not less than 10% of the total dividends distributed to shareholders for that year.

- b. The proposed situation for dividend distribution at this year's shareholders' meeting: Not applicable.

(4) Impact of the Proposed Bonus Shares on the Company's Performance and Earnings Per Share.

The proposed issuance of bonus shares at this shareholders' meeting does not apply, as the company did not distribute stock dividends or employee stock dividends for Fiscal Year 2024. Therefore, there is no impact on the company's operational performance or earnings per share.

(5) Employee and Director Compensation

- a. Compensation Rates or Ranges for Employees and Directors as Stated in the Articles of Incorporation:

According to Article 18 of the company's Articles of Incorporation, the company shall allocate between 1% and 25% of the current pre-tax net profit, after deducting employee and director compensation, for employee compensation, and up to 3% for director compensation. However, if the company has accumulated losses (including adjustments to undistributed earnings), an amount must be reserved in advance for offsetting those losses. Employee compensation may be distributed in the form of stock or cash, while director compensation may only be distributed in cash. The number of new shares issued will be calculated based on the closing price on the day before the Board of Directors' resolution. The first two items must be resolved by the Board of Directors and reported to the shareholders' meeting.

- b. Basis for Estimating Employee and Director Compensation Amounts, Calculation Basis for Stock Allocations, and Accounting Treatment for Differences:

The issuance of director compensation is determined by laws and the company's dividend policy, with the allocated amount recognized as operating expenses for the year. If the actual amount distributed as resolved by the Board of Directors differs from the estimated amount, the difference will be recorded in the profit and loss of the following year.

- c. Circumstances of Board Approval for Compensation Distribution:

- i. The amounts of employee, director, and supervisor compensation distributed in cash or stock: On February 26, 2025, the Board of Directors approved a projected distribution of employee compensation for Fiscal Year 2024 amounting to NT\$59,766,495, with director compensation amounting to NT\$9,961,083.
- ii. The amount of employee compensation distributed in stock and its proportion of the current individual financial report's after-tax net profit and total employee compensation: None.

- d. Actual Distribution of Employee, Director, and Supervisor Compensation for the Previous Year:

For Fiscal Year 2023, the estimated employee compensation was NT\$33,347,034 and director compensation was NT\$5,557,839, with no discrepancies between the estimated and actual distribution amounts.

(6) Company Buyback of Its Own Shares: (Completed)

Frequency of shares repurchased	1st
Purpose of the share repurchase	transferring to employees
Original scheduled period for the repurchase	2016/03/15~2016/05/14
Originally determined repurchase price range	NTD \$18~30 per share
Number of shares repurchased	1,500,000 Shares
Total monetary amount of shares repurchased	\$ 31,725,673
The cumulative number of shares held during the repurchase period as a percentage of the total planned repurchase	50%
Cancellation and transfer	1,500,000 Shares
Cumulative number of own shares held	0 Shares
Ratio of cumulative number of own shares held during the repurchase period to the total number of the Company's issued shares	0%

2. Corporate bonds: None.

3. Preferred stock: None.

4. ADR/GDR: None.

5. Employee stock option certificates: None.

6. New restricted employee shares: None.

7. Merger and acquisition (including merger, acquisition, and split): None.

8. Fund implementation plan: None.

## IV. Business Operation

### 1. Principal activities

#### (1) Scope of Business

##### ①. Major Business the Company has Engaged

- i. Manufacture and sales of micro-drills exclusively for printed circuit boards.
- ii. Manufacture and sales of digital drilling machines exclusively for printed circuit boards.
- iii. Manufacture and sales of the peripheral facilities for the process of printed circuit boards.
- iv. General export/import trading and agency businesses.

##### ②. Major products and their ratios in the company's total businesses

Unit: NT\$ Thousand; %

Business items	2023		2024	
	Amount of sales	% in revenue	Amount of sales	% in revenue
Precision metal products and Processing services	2,694,367	98.03	3,472,933	98.08
Others	54,119	1.97	68,166	1.92
Total	2,748,486	100.00	3,541,099	100.00

##### ③. Major Products of the Company

Product		Specification (Diameter)
Drill bit	Micro size	Below 0.25mm
	Mini size	0.30mm~0.45mm
Router bit	Micro size	0.50mm~0.75mm
	Mini size	0.80mm~3.175mm
	Large size	Above 3.175mm

##### ④. New Products under Development

- i. Sustainable development of performance enhancing micro drills.
- ii. Sustainable development of performance enhancing micro routers.
- iii. Development of prolonged tool life product and high aspect ratio drills.
- iv. Development and mass production of drills specially designed for ABF substrate.

#### (2) Industry Overview

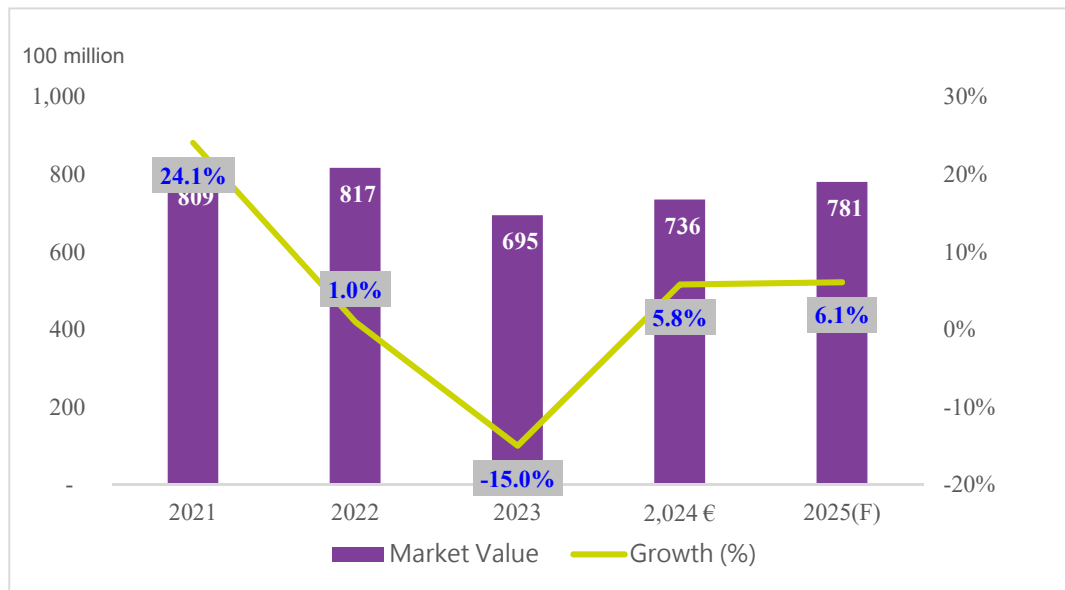
##### ①. Industry Status and Development

Our company focuses on producing high-precision drill bits used in printed circuit board (PCB) processing. These drill bits serve as essential tools for creating interlayer vias in circuit boards, enabling effective connections between electronic components and circuits. As a critical material in the electronic supply chain, the supply and demand dynamics of our drill bits are closely linked to the development of the PCB industry.

Driven by the robust growth of the AI industry, the global PCB market value is estimated to reach \$73.5 billion in 2024, representing a year-on-year increase of 5.8% (Source: Prismark, December 2024). Looking ahead to 2025, the rapid development of AI applications is expected to drive demand for upgrades in server and networking products, with the global PCB market



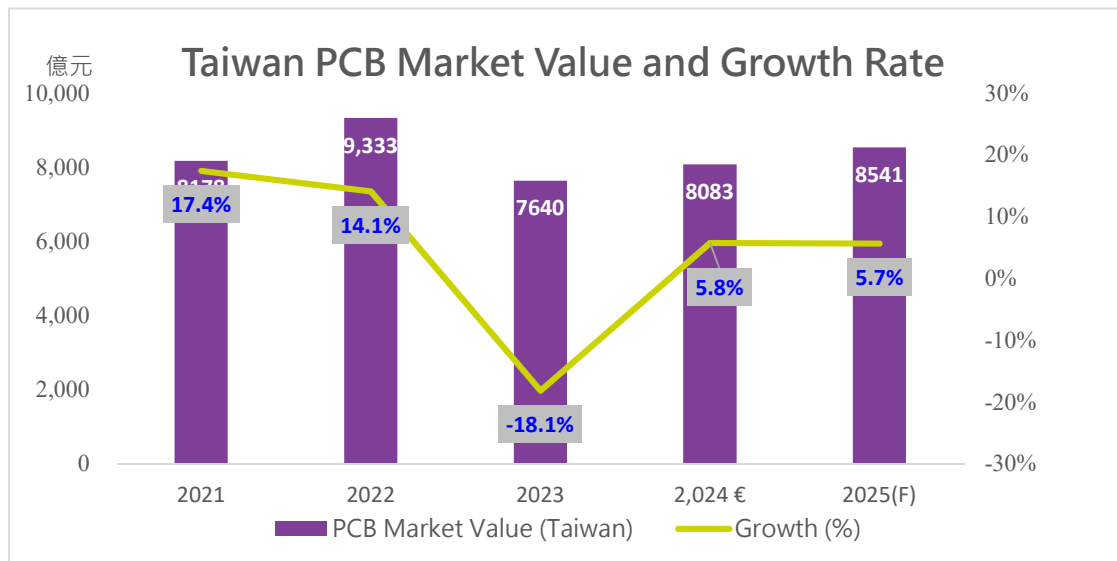
value projected to rebound to \$78.1 billion, achieving a year-on-year growth rate of 6.1% (Prismark, December 2024)..



Source : Prismark (2024/12), compiled by the Company

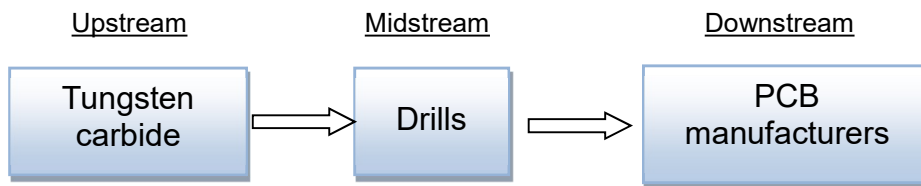
According to the forecast released by the Institute for Information Industry (III) for the 2025 ICT industry trends, AI will comprehensively impact industry development from top to bottom. The rapid evolution of AI technology will drive human-machine collaboration towards a high level of automation. By 2025, AI PCs and AI smartphones will accelerate their penetration into the market. As AI moves towards the edge, AI chips will become more diversified, driving changes and advancements in semiconductor technology, which will provide future growth momentum for the ICT industry.

According to statistics from the Taiwan Printed Circuit Association (TPCA), the output value of Taiwan's PCB industry is projected to reach NT\$808.3 billion in 2024, reflecting a year-on-year increase of 5.8%. TPCA believes that the global AI industry will gradually shift from cloud to edge computing. In 2025, enhanced specifications for AI edge devices will benefit more PCB manufacturers. Coupled with easing inflationary pressures, consumer spending is expected to outperform last year. Taiwan's PCB industry possesses significant competitive advantages in terms of technological innovation, supply chain integration, and high-end product market share. It is anticipated that the scale of PCB production by Taiwanese companies will expand by 5.7% globally in 2025, reaching a total output value of NT\$854.1 billion..



Source : TPCA (2024/12), compiled by the Company

②. Correlations among Upstream, Midstream and Downstream Industries



③. Product Development Trends

- (1) **Trends Towards High-Speed Transmission and Miniaturization:** The trend in end-user electronic products is moving towards high-speed transmission and miniaturization, which drives the need for PCBs to develop new materials and manufacturing processes. For wearable devices, to reduce the area of the main circuit board, all electronic components must be arranged more closely. This necessitates the use of higher density circuit board products, such as any-layer HDI and MSAP technology. In response to this demand, drilling will trend towards higher precision and efficiency, which will elevate the quality requirements for drill bits.
- (2) **Embedded Component Technology:** This technology will become a key focus for PCB manufacturers in the future, significantly increasing the demand for high-precision and high-performance drill bits.
- (3) **Environmental Awareness and Eco-Friendly Substrates:** With the rising global awareness of environmental protection, copper foil substrates are developing towards halogen-free, phosphorus-free, and high-heat resistance. It is expected that by 2024, eco-friendly substrates will account for over 30% of the global market. Our company will continue to optimize drill bit design and material selection to meet the processing needs of eco-friendly substrates, ensuring product performance and market adaptability.
- (4) **Market Demand for 5G and Automotive PCBs:** In the future, with the market demand for 5G and automotive boards, PCBs will increasingly utilize high-frequency materials, thick copper, rigid-flex boards, and HDI. The selection of materials and design of drill bits must be adjusted to align with the characteristics of the materials being processed.

④. Competitive Landscape

The global consumer market's changing demand for electronic products has led the PCB industry to shift from a mass production model of standard specifications to a specialized production model characterized by "small quantities, diverse varieties" and "large quantities, diverse varieties." This shift is particularly evident in the face of competition from circuit board manufacturers in mainland China. The industry's intelligent upgrade of the supply chain, combined with technological improvements in communication and smart machinery, enhances overall process efficiency and flexibility. Each drill bit manufacturer must plan their capacity and technology more flexibly to respond to changes in the PCB industry according to different designs and applications.

The diameter and technology of drill bits correspond to different PCB materials, with the current market dominated by suppliers from Japan, Taiwan, and mainland China. Among Japanese manufacturers, aside from the market leader, other Japanese companies have gradually reduced their scale in recent years. Major domestic competitors include Kaiwei Electronics and Gaoqiao Automation, with each company focusing on different products to differentiate themselves. Currently, our company holds the highest market share among domestic manufacturers and possesses the capability to provide micro-sized drill bits (below 0.25 mm) for HDI and IC substrates, similar to Japanese manufacturers. In recent years, mainland Chinese companies have actively entered the market, primarily focusing on small sizes (above 0.30 mm) for traditional PCBs. Due to the numerous competitors, price competition in the low-end mature market is relatively intense.

Our company continues to focus on the development of micro-diameter drill bits (below 0.25 mm) and high-performance drill bits. We have successfully launched ultra-long drill bits for high-end servers and ultra-micro drill bits for IC substrates, achieving globally leading technical standards and significant competitiveness in the mid-to-high-end market.

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

#### ①. R&D personnel and their education as well as work experience

February 28, 2025

Item / Education	PhD / Masters	University graduates	Senior high school	Total	Service seniority
No. of personnel	9	31	4	44	8.12
Ratio	20.5%	70.5%	9.0%	100%	

#### ②. Amounts invested in annual R&D in the recent five years

Unit: NT\$ thousand

Item / year	2023	2024
R&D expense	126,484	140,713
Sales revenue	2,748,486	3,541,099
Ratio	4.6%	4.0%

#### ③. The products and technology successfully developed

2018	Mass production of new metal coating products series. Mass production of high precision slot and router series.
2019	Mass production of super wear resistant products. Mass production of burrs for thick plates.
2020	Development and mass production of drills specially designed for ABF substrate. Mass production capacity of drills reached 23 million units.
2021	Mass production of drills which are especial for ABF substrate and electric vehicle. Mass production capacity of drills reached 25 million units.
2022	Mass production of drills which are especial for ABF substrate and electric vehicle. Mass production capacity of drills reached 28 million units.
2023	Develop and mass-produce new film series products Established Thailand Point and established production base in Southeast Asia
2024	Support for Ultra-Long Coated Drill Bits for High-End Servers Development and mass production of new types of coated drills series products. Process improvements have increased the production capacity of drills to 31 million units per month.

#### ④. Long and Short-term Business Development Plans

##### i. Short-term Plan

- Stay Ahead of Trends: Continuously research and develop products.
- Market Expansion: Deepen partnerships and explore new markets.
- Capacity Expansion: Enhance global market share.
- Cost Control: Maximize production efficiency.
- Resource Integration: Strengthen system processes.

##### ii. Long-term Plan

- Continuous Enhancement of Core Technology: Expand production and market scale, and broaden industry layout.
- Ongoing Search for Strategic Alliances: Continuously seek collaboration opportunities with upstream and downstream partners to strengthen the company's overall competitiveness.

## 2. Market analysis and the condition of sale and production

### (1) Market Analysis

#### ①. Sales Breakdown by Region

Unit: NT\$ thousand; %

Region Year	2023		2024	
	Amount of sales	% in revenue	Amount of sales	% in revenue
Domestic sales	1,009,952	36.75	1,267,119	35.78
China	1,603,828	58.35	2,123,607	59.97
Others	134,706	4.90	150,373	4.25
Total	2,748,486	100.00	3,541,099	100.00

②. Market Share

The company's monthly shipment volume in 2024 will be approximately 25-28million pieces, accounting for approximately 10-15% of the global market, making it the world's top drill needle supplier.

③. Future Supply and Demand Conditions and Growth Potential in the Market

- i. **Demand Side:** Benefiting from the emergence of 5G and AIoT peripheral products, there is an increasing demand for high-frequency and high-speed product boards, as well as for HDI boards, substrates, and flexible boards. It is estimated that in 2024, Taiwan's PCB output value will reach NT\$ 837.7 billion, with an annual growth rate of 7.6%.
- ii. **Supply Side:** In recent years, mainland Chinese drill bit manufacturers have been actively expanding compared to Japanese and Taiwanese manufacturers. By the end of 2023, the top five global drill bit manufacturers provided over 70% of the market supply. As market demand grows, the supply and demand situation in the industry remains healthy.

④. Competitive Advantages

- i. **Advanced Core Technology:** Possessing high-end precision grinding technology and a stable mass production level with high yield rates, this core capability will help achieve a leading position in the PCB drill bit industry.
- ii. **Flexible Capacity Allocation:** With a combined production capacity of 31 million units across the Taiwan Strait, the company has the ability to quickly adapt and allocate production capacity as needed.
- iii. **Strong Cost Control:** A large and fully automated production line, coupled with effective process improvement capabilities and material cost advantages, results in highly competitive unit costs.
- iv. **Solid Customer Base:** Existing customers include well-known domestic and international enterprises, providing stable orders and ongoing collaboration to enhance technical capabilities.

⑤. Factors Favoring and Hindering Development, and Response Strategies

i. **Favorable Factors:**

- a. The rapid growth of the Chinese PCB market and gradual improvement in technology are driving demand for mid- to high-end products.
- b. The development of 5G is boosting demand for applications related to artificial intelligence and the Internet of Things, increasing the need for drill bits and drilled holes in both base station deployments and end products.
- c. Maintaining advanced technology and stable high-yield production conditions will be beneficial for undertaking new business opportunities.

ii. **Unfavorable Factors:**

- a. The rise of the mainland's red supply chain is putting price pressure on low-end mature products.
- b. Intensifying conflicts between the two major global economies may lead to supply chain restructuring and increased logistics costs, posing challenges for the company's cross-border supply chain management.
- c. Limitations on the supply of key material sources reduce bargaining power in procurement, exposing the company to risks of raw material price increases.

iii. **Response Strategies:**

- Strengthen business marketing activities.
- Accelerate research and development and introduce high value-added products.
- Enhance process management capabilities to effectively reduce production costs.
- Continuously develop new materials and reduce material usage costs.

(2) Major Applications and Production Process of the Main Products

①. Major Applications of the Main Products

Item	Major Functions	Major Applications
Drills	To form through-holes for interlayer of IC substrate, HDI, traditional PCB and FPC	<b>Computer</b> : Desktops, Laptops, servers and etc. <b>Communication</b> : cell phones, networking products and etc. <b>Consumer</b> : tablet PCs, game console, TV, wearable devices, automobile and etc.
Routers	To cut out profiles of printed circuit board	

②. Production process



③. Supply Status of Major Materials

The major material of the company's products is tungsten carbide. Its material features and quality stability are the prime concerns in procurement. The company has established good relationship with its suppliers; hence the supply status is properly and stably sustained.

Major material	Suppliers	Supply status
Tungsten carbide	Mitsubishi Sumitomo Kyocera	Good

- ④. Major Customers with over 10% net sales and Suppliers with over 10% total purchases of the last two fiscal years:

a. Material supplier list

Unit: NT\$ thousand; %

2023				2024			
Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer
A	57,271	11.4	None	A	107,574	12.9	None
Other	445,680	88.6	-	Other	726,187	87.1	
Net Purchase Amount	502,951	100.0	-	Net Purchase Amount	833,761	100.0	

Reasons for changes: The purchase amount and proportion changes are adjusted according to the customer's product demand and raw material inventory status..

b. List of major clients

Unit: NT\$ thousand; %

2023				2024			
Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer
A	359,757	13.1	-	A	597599	16.9	
B	313,595	11.4	Note	B	437524	12.4	Note
C	275,549	10.0		C	197926	5.6	
Other	1,799,585	65.5	-	Other	2308050	65.2	
Net Sales	2,748,486	100.0	-	Net Sales	3541099	100.0	

Reasons for changes: No difference.

Note: The company and the company have joint investment to establish a company.

3. Status of employees:

Year		2023	2024	February 28, 2025
Number of employees	Indirect	236	252	250
	Direct	99	108	112
	Total	335	360	362
Average age		39.2	39.2	40.2
Average service years		7.83	7.83	8.52
Education distribution ratio	PhD	0.6%	0.6%	0.6%
	Master	8.1%	7.2%	7.7%
	College	44.7%	45.6%	45.3%
	Senior high school	44.5%	45.6%	45.3%
	Below	2.1%	1.0%	1.1%

Note: The number of global employees of the company is 1,903. The data only counts the number of the parent company, excluding the number of domestic and foreign subsidiaries.

#### 4. Environmental Expenditure Information:

##### (1) Explanation of Recent Annual Environmental Losses:

For 2024, the company incurred a penalty of NT\$ 24,000 for commissioning a waste disposal company that was not approved by the competent authority. Following this incident, a comprehensive review was conducted, and response measures and improvement plans were formulated, all of which have now been completed. Currently, the company has not faced any penalties related to governance, environmental, or social regulatory compliance issues.

Future Response Strategies: The company will continue to implement improvement measures and monitor compliance to prevent future violations. Potential expenditures related to unaddressed issues, including estimated losses, penalties, and compensations, will be assessed and reported accordingly. If reasonable estimates cannot be made, the company will explain the reasons for such limitations.

##### (2) RoHS & REACH Information Status:

###### ①. RoHS Compliance:

The company received a notification from the Ministry of Economic Affairs' Industrial Development Bureau on March 29, 2006 (Letter No. 09500240130), stating that, based on the nature of our industry, we are not affected by the EU's Restriction of Hazardous Substances (RoHS) directive. However, in light of the evolving international environmental regulations, the company continuously monitors updates related to RoHS and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals).

###### ②. Latest RoHS Regulations:

- The EU's latest RoHS 2.0 (Directive 2011/65/EU) and RoHS 3.0 (2015/863/EU) have expanded the scope of restricted substances, adding four new phthalates: DEHP, BBP, DBP, and DIBP.
- Although the company is not subject to RoHS restrictions, we continue to monitor our supply chain to ensure compliance with lead-free and low environmental impact material requirements, ensuring our products meet green standards.

###### ③. REACH Compliance:

- The EU REACH regulation (EC 1907/2006) requires that chemicals imported into the EU must be registered, evaluated, authorized, and restricted.
- The company does not produce or import substances of very high concern (SVHC) regulated by REACH, but we continuously monitor materials in our supply chain to ensure compliance and provide relevant documentation to meet customer needs.

The company will continue to stay informed about the developments in international environmental regulations and ensure compliance with the latest standards demanded by customers and the market regarding product environmental requirements.

#### 5. Employee / Employer relation:

##### (1) Working environment and personal safety and health

The Company is deeply aware that "sustainable development" is a challenging goal corporations must manage in the 21st century. As we pursue growth, we remain committed to fulfilling our corporate social responsibility (CSR). Besides persistently enhancing production technology and product quality, we actively set up management systems for environmental protection, occupational safety and health, energy and GHG inventory; formulate policies of environmental, safety and energy as well as GHG inventory; and fulfill our social responsibilities as a good citizen. Besides environmental protection, we take on shaping a safe, healthy and comfortable work environment as well as improving energy efficiency as our responsibilities.

We also uphold the core principle of "employees being the most important asset of a company"; thus, we remain vigilant in maintaining the physical and mental health of employees. Health seminars, sports courses, and health promotion programs are constantly organized for employee well-being, aiming to initiate a virtuous cycle of corporate promotion and increasing awareness among employees. For employees needing assistance, we provide consulting services on topics including career path, physical and mental stress, work management, and work emotions.

Regarding standards and compliance norms for decisions of environmental protection, energy, and occupational safety and health, the Company is committed to adopting the following guidelines:

- Comply with environmental laws and regulations - Comply with and conform to government regulations and rules on environmental protection, occupational safety and health, energy and GHG; and take part in the global movement of going green, labor rights and zero accident initiatives.
- Encourage vendors to follow suit - Contractors, suppliers, part timers, contracted workers, temps, and outsourced employees should comply with government laws and regulations, as well as the Company's occupational safety and environmental rules. Supervisors at all levels should lead by example and oversee relevant operations.
- Formulate comprehensive pollution reduction plans - Adopt source management for overall planning to minimize the possibility of pollution; implement GHG inventory for GHG reduction, waste reduction, energy saving, reuse, and clean production; reduce cost; mitigate impact on the ecology and environmental, safety and health (ESH); and establish ESH management system.
- Reduce waste and recycle continuously - Minimize the possibility of waste and strive to reduce waste by sorting recyclables.
- Promote health for employee benefits - Implement health management programs to promote the physical and mental health of employees.
- Commit to energy saving - Secure the supply of organizational resources, set preference for energy-saving facilities, and promote the concept of energy-saving design.
- Impose reliable controls on systems - Adopt the Plan-Do-Check-Act (PDCA) model for continuous improvement in order to improve the overall environmental, safety and energy (ESE) performance. Raise ESE awareness of employees, suppliers and contractors, eliminate or reduce possible hazards and risks and optimize energy efficiency through education, training, consultation, communication, and other means for full participation. Apply continuous improvement to achieve the goals of "Zero Disaster, Zero Accident, Zero Pollution, Low Carbon Emission".
- Utilize energy with efficiency - Consistently work on energy improvement towards energy conservation and carbon reduction and achieve the targets for energy goals.

## (2) Assessment of employees' behavioral ethics

The company has established "Ethical Corporate Management Best Practice Principles" and "standards of conduct" as standards for compliance by directors, supervisors, managers and employees

- When engaging in commercial activities, directors, supervisors, managers, employees of the company or persons having substantial control over such company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.
- When conducting business, the company and their directors, supervisors, managers, employees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the company operate permit so.
- When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, The Company and their directors, supervisors, managers, employees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- When making or offering donations and sponsorship, the company and their directors, supervisors, managers, employees and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- The company and their directors, supervisors, managers, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
- Avoid conflict of interest: taking overall Company interest into consideration without intention to gain improper interest for themselves, spouse, parents, children or relative within the third-degree of kinship or impair the Company's interest.
- Avoid chance to make money for one's own: avoid opportunities to make money for one's own by using Company property, information and or taking advantage of duties.
- Confidentiality: information regarding the Company itself or its businesses, unless it is publicized under authorization or legal regulations, shall be kept confidential.
- Fair trade: treat the Company's customers, suppliers and competitors as fair as possible.



- Protect and properly use the Company's assets: protect the Company's assets to ensure that they can be efficiently and legally used for public affairs.
- Comply with laws and regulations: comply with all applicable regulations, rules and laws of the Company.
- Encourage reporting of any illegal conduct or conduct violating ethical behavior standards.
- Punishment: The Company shall investigate the responsibilities of any person that neglects his/her duties according to the violation condition and take appropriate legal actions.

### (3) Employees' welfare

To value employees and take good care of them, the Company has established an employee recreation area, and offered extra life and medical insurance to protect employees, in which the field personnel shall have accident insurance with a higher insurance amount.

There is an employee welfare committee organized to plan a variety of employee welfare matters. In addition to employee travel and various recreational activities, there are also subsidies for marriage, giving birth and education, solicitation money and gifts to three major holidays, birthdays, etc. provided.

- Salary and bonus: cash gift for shopping during the three major traditional holidays, and Employee compensation, Annual Senior Employee Commendation.
- Insurance: apart from the labor insurance and national health insurance required by law,
- Employees are enrolled in the group comprehensive insurance policy, free regular medical checkups for employees. Healthcare, including visits from medical, Massage services from people with visual impairments.
- employee activity: Employee travel allowance and health promotion program, Offer various types of clubs with subsidies, year-end party prize drawing.
- Intimate facilities: Birthday cash gift, Employee wedding, funeral service, hospitalization, and childbirth subsidies, Independent and private medical and lactation (breastfeeding) room, Meal subsidies and Free parking.

### (4) Employee advanced studies and training

Various training courses were implemented under the plan referring to "implementation and management procedures of educational training", which allowed all employees to be capable of undertaking work. To ensure the efficiency of training, the training system is divided into: internal and external training courses and accreditation appraisal. The Company not only holds training courses for new comer and on service personnel, but also actively cultivates internal lecturers as well as a training system and advanced employee studies for the expectation to cultivate internal talents in different fields, enhance personnel quality and to achieve the goal of speed talent training, skill improvement and experience inheritance.

Implementation of employee education and training in the current year:

Total number of trainees	Total training hours
14,316 Participants	14,978 hours

Through two main training focuses, "Mid to Senior Management Training" and "Thai Language Learning Courses," we aim to enhance management skills and concepts among supervisors, fostering consensus and camaraderie across departments.

The training includes both in-person and online courses, utilizing diverse learning modes and themed training camps. Activities such as group discussions and competitions are designed to improve management skills while building consensus and relationships among departments. Additionally, the online platform allows for unrestricted access to new knowledge anytime and anywhere, enhancing both corporate and individual competitiveness.

Continuing from the previous year, we have organized Thai language courses in 2024, inviting professional Thai language instructors to the factory to teach supervisors about the Thai language and culture, as well as to understand the local customs and social nuances. This year, we conducted a total

of 20 Thai language classes, resulting in 350.5 hours of training. Our team is now well-prepared to engage with the Thai market, providing high-quality services and innovative technologies to our clients. Through a comprehensive training system and resources, we will continue to pass on knowledge, skills, and corporate culture.

For detailed course content, please visit our official website: <https://www.topoint.tw/tw/resource/>

(5) Retirement system

The Company follows Chapter 6 of the Labor Standard Law to implement employee retirement related affairs and contribute employee pension reserves as regulated in the old system and labor pension as required in the new system monthly pursuant to regulations. The Company has zero person in filed a retirement application until December 31, 2024.

(6) Labor relationship

The Company has emphasized employee welfare and interest since its establishment, and the labor relation is very cohesive. The Company holds labor meetings periodically and provides employee proposal and opinion boxes for employees to respond to problems and constitute good interaction. It is expected to establish a cohesive relationship between labor and capital.

(7) As of the printing date of the annual report, the losses suffered and possible estimate amount in the future arising from disputes between labor and capital and correspondent actions. If it is unable to make a reasonable estimate, please explain the fact that cannot be reasonably estimated: None.

## 6. Information Security Management

(1) Information Security Management Structure, Policies, Specific Management Plans, and Resource Investment:

Regarding the information security management structure, our company has established a Group Information Department to oversee the formulation, execution, management, and auditing of relevant information security regulations. The head of the Group Information Department serves as the "Chief Information Security Officer," supported by one dedicated information security personnel responsible for implementing related information and network security management tasks.

B. The company's information security policy encompasses the following four aspects:

- a. Regulatory Measures: Establishing company-wide information security management regulations to govern personnel operations.
- b. Hardware Infrastructure: Implementing comprehensive information security equipment to enforce security management.
- c. Personnel Education: Conducting relevant information security education and training for employees, along with a reporting mechanism to enhance security awareness among staff.
- d. Policy Review: Promoting continuous improvement in information security to ensure sustainable business operations.

To mitigate the risks posed by internal and external security threats, our company not only establishes security frameworks and policies but also constructs multi-layered security protections. We continuously introduce new security defense technologies, integrating control mechanisms into the daily operational processes of software and hardware maintenance and information security management, systematically monitoring information security to protect the confidentiality, integrity, and availability of the company's critical assets.

To ensure internal compliance with relevant guidelines, we conduct regular internal audits annually and hire external professional firms to perform security assessments. This rigorous oversight guarantees that our security regulations and mechanisms remain effective. Additionally, we regularly review and

implement improvements, including information security measures, educational training, and awareness campaigns, to ensure that the company's sensitive information remains secure and confidential.

C. Results of Information Security Measures Implementation in 2024

Item	Description	Results
1. Information Security Policy	Introduced ISO 27001:2022	1 item
2. Training/Awareness	New employee and supervisor security and confidentiality training courses.	770 hours
	Annual employee information security education courses.	213 hours
	Internal auditor training course for ISO 27001:2022 information security management system.	42 hours
3. Incidents/Violations	Non-compliance of information security regulations and leaking incident, and disciplinary actions	None
4. Health Check Operations	Social engineering drills for group employees	1 time
	Vulnerability scanning drills for group websites	1 time
5. Audit Operations	External professional institutions/internal audits/customer audits	5 times
6. Information Security Conference	Monthly security report meetings	12 times
	Bi-weekly group security review meetings	24 times

In 2024, the total investment in group information security management amounted to NT\$3,220,000.

D. Losses, Potential Impacts, and Response Measures Due to Major Information Security Incidents in Recent Years: None.

E. The company obtained the ISO 27001 Information Security Management System Certificate in October 2024. The certificate is valid from October 30, 2024, to October 29, 2027.

7. Important Contracts (Supply and Sales Contracts, Technical Cooperation Contracts, Engineering Contracts, Long-Term Loan Contracts, and Other Significant Contracts Affecting Shareholder Rights)

Contract characteristics	The interested party	Contract start and end dates	Main Content	Restriction
Long-Term Loan Contract	Mega International Commercial Bank Syndicated Loan	December 2021 to December 2028	Repayment at maturity	None

## V. Review of financial position, management performance and risk management

### 1. Financial position

#### A. Financial status comparison analysis

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	4,493,279	4,391,891	101,388	2.3
Property, plant and equipment	2,147,289	1,943,578	203,711	10.5
Intangible assets	12,149	13,800	(1,651)	-12.0
Other noncurrent assets	623,015	386,838	236,177	61.1
Total assets	7,275,732	6,736,107	539,625	80
Current liabilities	1,699,361	1,054,098	645,263	61.2
Noncurrent liabilities	390,491	775,649	(385,158)	-49.7
Total liabilities	2,089,852	1,829,747	260,105	14.2
Total equity attributable to owners of the Company	4,620,511	4,331,434	289,077	6.7
Common stock	1,421,805	1,421,805	-	-
Capital surplus	1,228,872	1,227,638	1,234	0.1
Retained earnings	2,147,464	2,050,392	97,072	4.7
Other equity	(177,630)	(368,401)	190,771	-51.8
Treasury shares	-	-	-	-
Non-Controlling Interests	565,369	574,926	(9,557)	-1.7
Total shareholders' equity	5,185,880	4,906,360	279,520	5.7

Note:

- (1) Increase in Other Assets: This is primarily due to an increase in prepaid equipment payments.
- (2) Increase in Current Liabilities: This is attributed to an increase in short-term bank loans.
- (3) Decrease in Non-Current Liabilities: This is due to a reduction in long-term bank loans.
- (4) Decrease in Other Equity: This is mainly due to a decrease in exchange differences from the translation of financial statements.

## 2. Management performance

### A. Comparison of business performance

Unit: NT\$ Thousand

Item	Year	2024	2023	Amount change	Ratio change (%)
Net operating income		3,541,099	\$2,748,486	792,613	28.6
Operating cost		2,613,771	2,131,722	482,049	22.6
Gross profit		927,328	616,764	310,564	50.4
Operating expense		645,717	541,120	104,597	19.3
Operating income		278,333	81,802	196,531	240.3
Non-operating income and expenses		13,649	55,218	(41,569)	-75.3
Net income before tax		291,982	137,020	154,962	113.1
Income tax expense(gain)		79,257	175,567	(96,310)	-54.9
Net income		212,725	(38,547)	251,272	-654.9
Net profit attributed to: Owner of the Company		206,018	(36,026)	242,044	-671.9

#### Analysis of Changes in Percentage:

- (1) Increase in Gross Profit from Sales: This is primarily due to an increase in sales revenue.
- (2) Increase in Operating Income: This is mainly attributed to the increase in gross profit from sales.
- (3) Decrease in Non-Operating Income: This is primarily due to a reduction in net interest income.
- (4) Increase in Pre-Tax Income: This is mainly due to the increase in operating income.
- (5) Increase in Consolidated Income and Income Attributable to Parent Company: This is primarily due to the increase in pre-tax net income.

### B. Industry-specific Key Performance Indicator (KPI):

The company regularly reviews various financial and industry key performance indicators in comparison with peers to stay informed about our competitive advantages and industry dynamics. Below are the key performance indicator analyses for 2024 (consolidated figures):

Market Share (%)	10-15%
Quality Yield Rate (%)	98.04%
Production Utilization (%)	78.2%

### 3. Analysis of Cash Flows

#### A. Liquidity analysis of the last two years

Item \ Year	2024	2023	Fluctuation ratio %
Cash flow ratio	11.20	39.65	-71.8
Cash adequacy ratio	84.70	113.95	-25.7
Cash reinvestment ratio	0.62	1.11	-44.1
Analysis of Changes in Percentage: (1) Decrease in Cash Flow Ratio: This is primarily due to a decrease in net cash flow from operating activities and an increase in current liabilities. (2) Decrease in Cash Flow Adequacy Ratio: This is mainly attributed to a decrease in net cash flow from operating activities. (3) Decrease in Cash Reinvestment Ratio: This is primarily due to a reduction in net cash flow from operating activities.			

#### B. Analysis of cash liquidity in one year

Unit: NT\$ Thousand

Beginning cash balance	Expected net cash flow from operating activity of the year	Expected cash outflow of the year	Expected cash surplus (deficit)	Remedial measures for the expected insufficient cash	
				Investing activity	Financing activity
2,012,970	641,022	698,990	1,955,002	-	-
Remedial measures for the expected insufficient cash and liquidity analysis: N/A					

4. Impact of major capital expenditure on finance and business: None.

5. Most recent fiscal year investment policies, reasons for gain or loss and action plan in regard to investment plans in current year and the next year:

- A. **Recent Year Investment Policy:** Our company's investment strategy in the recent year primarily focuses on integrating service platforms to enhance revenue and profitability.
- B. **Main Reasons for Investment Profit:** In 2024, our company recognized an investment income of NT\$202,621 thousand under the equity method, mainly due to the favorable operational performance and profitability of overseas investee companies.
- C. **Investment Plans for the Coming Year:** Our company will adhere to the management philosophy of "Discipline, Persistence, and Innovation" and will carefully evaluate investment plans from a long-term strategic perspective.

#### 6. Risk Management

##### A. Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on Company Profit and Loss and Future Countermeasures

- (1) Impact of Interest Rate Fluctuations on Company Profit and Loss and Future Countermeasures.

The company obtains favorable borrowing rates and financing channels based on the timing of funding needs and optimally allocates funds to reduce interest expenses. As of December 31, 2024, the total amount of short-term and long-term borrowings is NT\$569,160. If market interest rates

increase/decrease by 25 basis points while all other variables remain constant, the consolidated pre-tax net profit for 2024 will increase/decrease by NT\$936 thousand.

(2) Impact of Exchange Rate Fluctuations on Company Profit and Loss and Future Countermeasures.

The company employs a natural hedging approach by balancing foreign currency assets and liabilities, complemented by forward foreign exchange transactions for effective hedging. We continuously manage foreign currency positions to mitigate the impact of exchange rate fluctuations on the company's profit and loss.

(3) Impact of Inflation on Company Profit and Loss and Future Countermeasures.

Inflation is addressed by the government's financial and economic measures. Our company closely monitors market price fluctuations and maintains good relationships with suppliers and customers. In 2024, there were no significant impacts due to inflation.

**B. Policies on Engaging in High-Risk, High-Leverage Investments, Lending Funds to Others, Endorsements, Guarantees, and Derivative Transactions; Major Reasons for Profits or Losses and Future Countermeasures**

In the recent year, our company did not engage in high-risk, high-leverage investments, lend funds to others, or participate in endorsements, guarantees, or derivative transactions. Additionally, the company has established operational guidelines for "Lending Funds to Others," "Endorsements and Guarantees," and "Derivative Transactions," thus there is no significant adverse impact on the company's profit and loss.

**C. Future Research and Development Plans and Expected R&D Investment**

Project Name	Status	Budget	Estimated Mass Production Time	Key Successful Factors
High Flute Length/ Diameter Aspect Ratio Drill Development	60%	25,000,000	Dec,2024	The synergy between these teams enhances innovation and efficiency in product development.
CVD Diamond Coating Film	15%		Jun,2025	Development of artificial diamond coatings with higher hardness, leveraging specialized expertise.
AI Drill Design System	10%		Jun,2025	Based on data collected from drilling big data, AI will assist in optimizing drill bit designs.
<div>(1) Development of High Aspect Ratio Drills: This will help customers increase production efficiency and reduce costs.</div> <div>(2) Development of the Hardest CVD Artificial Diamond Coatings: This can significantly enhance the lifespan of drill bits.</div> <div>(3) Utilization of Collected Drilling Big Data with AI: This approach will accelerate the development timeline of drills.</div>				

**D. Impact of Domestic and International Policy and Legal Changes on Company Financial Operations and Countermeasures**

The company's departments with relevant responsibilities monitor domestic and international policy and legal changes related to their functions. They regularly gather information on relevant laws and policy changes from government websites and periodically send personnel to attend related promotional events organized by government agencies. If any changes occur, an assessment is made to determine whether corresponding measures should be implemented, and relevant departments are notified.

**E. Impact of Technological Changes (Including Information Security Risks) and Industry Changes on Company Financial Operations and Countermeasures**

In the recent year and up to the date of the annual report publication, our company has not experienced any financial or business impacts due to technological changes or industry shifts. The company

consistently monitors the industry conditions and emerging technologies to respond promptly to technological or industry changes.

Regarding information security risks and countermeasures, our company has established comprehensive cybersecurity measures for networks and computers. We continuously review and assess our information security regulations and procedures to ensure their appropriateness and effectiveness. The company has not suffered any cybersecurity attack incidents in the past. To prevent and mitigate potential damage from such attacks, we implement relevant improvements and updates, regularly conduct employee awareness tests, and commission external experts for cybersecurity assessments. Additionally, the internal audit unit has arranged an "Information Security" audit plan annually, with the audit results reported to both the Audit Committee and the Board of Directors.

**F. Impact of Changes in Corporate Image on Crisis Management and Countermeasures**

Since its establishment, our company has actively strengthened internal management to enhance management quality and efficiency. We will continue to comply with and strive to implement various corporate governance requirements, including appointing independent directors and timely engaging relevant experts for consultation, in order to reduce the occurrence of such risks and their impact on the company's financial operations.

**G. Expected Benefits, Potential Risks, and Countermeasures for Mergers and Acquisitions: None.**

**H. Expected Benefits, Potential Risks, and Countermeasures for Expanding Facilities: None.**

**I. Risks and Countermeasures Related to Concentration in Purchasing or Sales**

The company strives to diversify suppliers and customers to mitigate risks that may arise from excessive concentration.

**J. Impact, Risks, and Countermeasures Related to Large Transfers or Changes in Shareholding by Directors or Major Shareholders Holding Over 10%: None.**

**K. Impact and Risks Related to Changes in Control: None.**

**L. Litigation or Non-Litigation Events:**

- (1) As of the date of the annual report publication, there are no confirmed judgments or ongoing litigation, non-litigation, or administrative disputes that could significantly impact shareholder equity or stock prices, including details on disputed facts, amounts involved, dates of initiation, main parties involved, and current status.
- (2) Similarly, there are no confirmed judgments or ongoing litigation, non-litigation, or administrative disputes involving the company's directors, general manager, substantial responsible persons, major shareholders holding over 10%, or subsidiaries that could significantly impact shareholder equity or stock prices, including relevant details.

**M. Other Important Risks and Countermeasures**

For information on other risk management and operational conditions, please visit our company's official website: <https://www.topoint.tw/tw/attention>

**7. Other important matters: None.**



## VI. Special Notes

### 1. Related Party Information

Relevant information has been disclosed on the MOPS (Market Observation Post System). Please refer to the following link:

[https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co\\_id=8021&year=&mtype=K&isnew=true](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=8021&year=&mtype=K&isnew=true)

2. Status of Private Placement of Securities for the Recent Year and up to the Date of the Annual Report Publication: **None.**
3. Other Necessary Supplementary Explanations: **None.**
4. Significant Events Affecting Shareholder Equity or Stock Prices as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act for the Recent Year and up to the Date of the Annual Report Publication: **None.**



Topoint Technology Co., Ltd.

David, Lin