

Stock Code: 3048

EDOM Technology Co., Ltd.

2024

Annual Report

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

Company Website: <https://www.edomtech.com/>

Printed on April 30, 2025

I. Spokesperson and Acting Spokesperson of the Company:

Spokesperson: Huang Hsiu-Ling

Title: Senior Manager

Tel: (02)2657-8811 Email: Public@edomtech.com

Acting Spokesperson: Chien Hsien-Yung

Title: Chief Financial Officer (CFO)

Tel: (02)2657-8811 Email: Public@edomtech.com

II. Addresses and Telephone Numbers of the Company's Headquarters and Branches

1. Address of Headquarters: 8F, No. 50, Lane 10, Jihu Road, Neihu District, Taipei City
Tel: 886-2-2657-8811
2. Address of Hong Kong Branch: 13F, Watson Centre, 16-22 Chung Chung Industrial Street, Kwai Chung, New Territories, Hong Kong
Tel: 852-2763-0965
3. Address of Singapore Branch: Block 4012 Ang Mo Kio Avenue 10 #07-08 Techplace 1 Singapore 569628
Tel: 65-6346-5198
4. Address of Korean Branch: #901, 36, Hwangsaеul-ro 200beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
Tel: 82-70-4196-3877

III. Stock Transfer Agency:

Name: Capital Securities Corp.

Address: B2, No. 97, Section 2, Dunhua South Road, Daan District, Taipei City
(Dunnantower)

Tel: (02)2702-3999 Website: <http://www.capital.com.tw>

IV. Certificated Public Accountants (CPAs) Auditing Financial Reports of Recent Year:

Names of CPA: Cheng Chin-Chung and Chiu Meng-Chieh.

Name of Accounting Firm: Deloitte Taiwan

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

Tel: (02)2725-9988 Website: <http://www.deloitte.com.tw>

V. Name of the Overseas Securities Exchange and Method to Inquire about Overseas Securities Information: None.

VI. Company Website:

<https://www.edomtech.com/tw/>

EDOM Technology Co., Ltd.

Contents

| | |
|--|----------|
| Chapter 1 Letter to Shareholders..... | 1 |
| Chapter 2 Corporate Governance Report | |
| I. Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and Managers of Various Departments and Branches | 4 |
| II. Remunerations paid to Directors, President, and Vice Presidents in recent years..... | 10 |
| III. Status of Corporate Governance | 15 |
| IV. Information on CPA Professional Fees..... | 62 |
| V. Replacement of CPA..... | 62 |
| VI. Where the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has, during the past year, held a position at the accounting firm of its CPA or at an affiliated company of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed | 62 |
| VII. Equity transfer or changes to equity pledge of Directors, managerial officers and shareholders holding more than 10% of shares during the year and as of the printing date of this Annual Report..... | 63 |
| VIII. Information regarding the top 10 shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship | 64 |
| IX. Number of shares of the Company, the Company's Directors and managers directly or indirectly controlled business for transfer investment, and consolidated shareholding percentage..... | 65 |
| Chapter 3 Funding Status | |
| I. Capital and Shares..... | 66 |
| II. Issuance of Corporate Bonds (including overseas corporate bonds) | 70 |
| III. Preferred Shares..... | 70 |
| IV. Overseas Depository Receipt | 70 |
| V. Employee Share Options | 70 |
| VI. New Restricted Employee Shares..... | 70 |
| VII. Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies | 70 |
| VIII. Implementation of Budget Decisions..... | 70 |
| Chapter 4 Operation Overview | |
| I. Business Activities | 71 |
| II. Market and Operation Overview | 75 |
| III. Number of Employee in the Most Recent Two Years and Up to the Publication Date of the Annual Report as well as Their Distribution Ratios in Terms of Average Years of Service, Average Age, and Academic Qualification | 82 |
| IV. Disbursements for Environmental Protection..... | 82 |
| V. Employee Relations Management | 82 |
| VI. Information Security Management | 85 |
| VII. Material Contracts | 87 |
| Chapter 5 Review and Analysis of Financial Position and Financial Performance, and Risk Management | |

| | | |
|------------------|--|-----------|
| I. | Financial Position | 89 |
| II. | Financial Performance | 90 |
| III. | Cash Flows | 91 |
| IV. | Material Capital Expenditure and its Impact on the Company's Financial Operations in the Most Recent Year..... | 91 |
| V. | Investment Policies, Profit or Loss Analysis and Improvement Plans in the Most Recent Year, as well as Investment Plans for the Following Year..... | 192 |
| VI. | Risk Assessment and Analysis..... | 92 |
| VII. | Other Important Matters | 95 |
| Chapter 6 | Special Notes | |
| I. | Information on Affiliated Businesses | 96 |
| II. | Private Placement of Securities of the Most Recent Year up to the Publication Date of the Annual Report | 96 |
| III. | Other Supplementary Information | 96 |
| Chapter 7 | Any Event Results in Material Impact on the Shareholders' Equity or Securities Prices as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that Has Occurred in the Most Recent Year and up to the Publication Date of the Annual Report | 96 |

Chapter 1 Letter to Shareholders

I. 2024 Business Report

(I) Implementation Results of Business Plan

Since 2024, apart from the sluggish performance in the consumer market, the major impact on the Company has been the high-interest rate policy adopted by the U.S. Federal Reserve to suppress inflation. Since the second quarter of 2022, borrowing interest rates have risen sharply, adversely affecting profitability. However, with the Company's active inventory control and shortening of customer payment terms, the full-year financing cost for 2024 was reduced by about 7.7% compared to 2023.

Regarding the arbitration case with Pegatron Corporation, it is regrettable that the arbitration tribunal ruled against us. To prevent the compensation amount from affecting future years, the Company fully recognized the compensation amount in the third quarter of 2024 and simultaneously filed a civil arbitration invalidity lawsuit, hoping for a fair outcome in court.

In summary, although revenue grew year-over-year in 2024, the one-time arbitration compensation led to a significant loss. The Group's consolidated revenue for 2024 reached NT\$113.256 billion, representing a 5.65% increase compared to NT\$107.195 billion in 2023. However, the consolidated pre-tax loss amounted to NT\$695 million, resulting in a basic loss per share of NT\$2.1.

The global economic outlook for 2025 is expected to be challenging due to tariff barriers, high-interest rates, and uncertainties. The management team will continue to optimize internal organizational adjustments and actively seek new products and market opportunities to improve operational performance and reduce adverse factors.

(II) Budget Execution

The Company did not publicly disclose the financial forecast for 2024. Therefore, no information regarding budget execution and achievement is available.

(III) Analysis of Financial Revenue, Cost and Profitability

Unit: NT\$ thousand

| Analysis | Item | 2024 | 2023 |
|----------------------------|---|-------------|-------------|
| Financial revenue and cost | Net operating revenue | 113,256,257 | 107,195,148 |
| | Gross profit | 3,592,104 | 3,323,901 |
| | Operating profit | 1,627,140 | 1,513,817 |
| | Profit before income tax | (695,632) | 42,092 |
| | Net income | (565,769) | 6,126 |
| | Interest expenses | 1,446,781 | 1,567,445 |
| Profitability | Return on total assets | 2.10% | 4.10% |
| | Return on equity | -11.85% | 0.12% |
| | Ratio of operating profit to paid-in capital | 60.30% | 56.10% |
| | Ratio of income before tax to paid-in capital | -25.78% | 1.56% |
| | Net profit ratio | -0.50% | 0.01% |
| | Earnings per share (NT\$) | (2.10) | 0.02 |

(IV) Research and Development

| New Suppliers in 2024 | Application Area |
|---|---|
| AiK Semiconductor Co., Ltd. | High-density power integrated circuits |
| Axiado Corporation | AI-enhanced security processors and network security platforms |
| AY DEE KAY LLC | Microcontrollers for consumer, medical, and automotive applications |
| Nuohui Health Technology Co., Ltd. (Hangzhou) | Cancer early screening |
| Hong Kong Yingtang Chip Technology Co., Ltd. | Automotive display driver ICs |
| Lantronix Inc. | Edge computing, IoT, and Out-of-Band management |
| Lumotive, Inc. | Optical LiDAR |
| Fong Lian Yi Industrial Co., Ltd. | ESD protection components, power devices, diodes, and power management products |
| Syantiant Corp. | Deep learning models, high-performance neural processors, MEMS microphones, and vibration sensors |
| Tagore Technology Inc. | RF (Radio Frequency) and power management applications |
| Telit IoT Solutions Inc. | IoT modules, edge-to-cloud services, IoT SIM, and IoT embedded software |
| Abit Electronic Technology Co., Ltd. | Ultra-low-power edge AI MCU and sensor hubs |
| Chipnext Technology Co., Ltd. | Coded Flash Memory |

II. 2025 Operational Plan

(I) Business Strategy and Important Production and Marketing Policies

In 2023, supply chain disruptions caused by COVID-19 gradually eased, but geopolitical risks (such as the Russia-Ukraine conflict and Taiwan Strait tension) continue to affect supply chain stability. The U.S. continues to impose sanctions on China's tech industry, impacting semiconductor, AI, and high-tech product supply chains.

The global economy in 2024 faced significant challenges, including slower economic growth in the U.S. due to the Federal Reserve's high-interest rate policy and continued weakness in China and Europe, which significantly impacted global growth momentum. Emerging markets such as India and Southeast Asia showed better growth, while some Latin American and African countries struggled with high interest rates and debt issues.

To respond effectively, the following business strategies have been formulated:

1. Focus on Growth Areas: Strengthen deployment in AI, high-performance computing (HPC), and automotive electronics to enhance product competitiveness. Invest in automation and digitization to increase operational efficiency and reduce cost pressure.
2. Strengthen Supplier Collaboration: Enhance cooperation with suppliers from Southeast Asia, Europe, and Japan to reduce dependence on a single market.

3. Expand into Emerging Markets: Actively develop the Southeast Asian and Indian markets while cautiously managing Chinese OEM product lines. Explore AI-related business opportunities in Northeast Asia (Japan and Korea).
4. Flexible Inventory Management: Adopt flexible inventory strategies to reduce high-risk product stockpiles, and use data analysis to optimize supply and demand forecasts, minimizing the impact of market fluctuations.
5. Monitor Policy Changes: Pay close attention to changes in semiconductor supply chain policies in the U.S. and EU, ensuring compliance and establishing contingency mechanisms to address sudden risks from trade conflicts.
6. Capital Structure and Strategic Cooperation: Improve capital structure and seek strategic partnerships with upstream, downstream, and peer companies.

(II) Estimated sales volume and basis

The Company's primary products are various electronic components. Given the varying market and pricing differences among OEMs, coupled with trend forecasts and the strategic directions of major OEMs, the Company aims to maintain stable sales in the coming year.

(III) Future development strategy

Considering global competition, regulatory changes, and the macroeconomic environment, the Company's development strategy for 2025 will focus on diversified market expansion, technological innovation in AI products, and design integration. Coupled with compliance management, these strategies aim to maintain competitiveness and sustainable growth amidst market uncertainties.

(IV) Impact of External Competition, Regulatory Environment, and Macro Environment

External Competition:

Increasing competition due to tech conflicts, regional market segmentation, and the rise of competitors from emerging markets like India. Geopolitical risks, trade wars, and extreme weather impact supply chain stability, requiring higher supply chain flexibility.

Regulatory Environment:

The U.S. continues to impose trade restrictions on Chinese tech industries. The EU's stricter regulations on data privacy, digital services, and AI affect tech companies' operations. Additionally, carbon emission regulations increase compliance costs.

Macro Environment:

Slowing global economic growth, high interest rates in the U.S. and Europe suppressing investment and consumption, and unstable Chinese economic recovery pose significant challenges. Meanwhile, the rise of the U.S. dollar affects global capital markets and technology investment..

EDOM's management team and all staff would like to thank all shareholders for your support and encouragement, and would like for all shareholders to continue your support, encouragement, and your kind advice and opinions. Sincerely,

To your health and happiness,

Chairman Tseng Yu-I

Chapter 2 Corporate Governance Report

I. Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and Managers of Various Departments and Branches

(I) Directors:

1. Directors' Information:

As of 4/15/2025

Unit: Shares; %

| Position | Nationality or Place of Registration | Name | Gender | Date Elected (Appointed) Date | Term | Date First Elected | Shares held when elected | | Shares Currently Held | | Shares Held By Spouse and Minor Children | | Shares Held in the Name of Other Persons | | Education and Work Experience | Positions Currently Held in the Company and Other Companies | If spouse or second-degree family members also serve as supervisors or directors | | |
|-----------------------|--------------------------------------|-------------------------------|-----------|-------------------------------|---------|--------------------|--------------------------|--------------------|-----------------------|--------------------|--|--------------------|--|--------------------|---|---|--|------|----------|
| | | | | | | | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | | | Position | Name | Relation |
| Chairman of the Board | Taiwan | Tseng Yu-I | Male,65 | 2022.05.26 | 3 years | 1996.7.3 | 27,766,059 | 10.29% | 27,766,059 | 10.29% | 8,791,116 | 3.26% | 0 | 0% | Department of Industrial Engineering, Chung Yuan Christian University Marketing Assistant Vice President of Taiwan Branch of Cirrus Logic of America | Director of Largan Health Technology Director of AcSiP Technology Corp. Independent Director of TAI-SAW TECHNOLOGY CO.,LTD. Independent Director of Egis Technology Inc. | None | None | None |
| Vice Chairman | Taiwan | Lin Fei-Hung | Male,65 | 2022.05.26 | 3 years | 1998.6.15 | 5,542,963 | 2.05% | 4,855,963 | 1.80% | 3,377,976 | 1.25% | 0 | 0% | Department of Physics, Chung Yuan Christian University Vice President of ASEC International Corporation President of EDOM Technology Co., Ltd. | Managing Director of Puren Youth Care Foundation | None | None | None |
| Director | Taiwan | SAYES CO., LTD. | — | 2022.05.26 | 3 years | 2016.6.24 | 13,019,880 | 4.83% | 14,008,880 | 5.19% | 0 | 0% | 0 | 0% | — | — | None | None | None |
| | Taiwan | Representative: Po-I Li | Male,73 | 2022.05.26 | | 2016.6.24 | 0 | 0% | 0 | 0% | 16,336 | 0.03% | 0 | 0% | Master of Electronic Engineering, University of California, Santa Barbara Vice President of Tekmina Inc. | Co-Founder of Visible Energy Inc. | None | None | None |
| Director | Taiwan | SAYES CO., LTD. | — | 2022.05.26 | 3 years | 2016.6.24 | 13,019,880 | 4.83% | 14,008,880 | 5.19% | 0 | 0% | 0 | 0% | — | — | None | None | None |
| | Taiwan | Representative: Yu Chun-Chieh | Male,56 | 2024.07.05 | | 2024.07.05 | 0 | 0% | 73,484 | 0.03% | 0 | 0% | 0 | 0% | Bachelor of Science in Electrical and Computer Engineering, University of Delaware Chief Strategy Officer of EDOM Technology Co., Ltd. | CEO of EDOM Technology Co., Ltd. | None | None | None |
| Director | Taiwan | Bonyes CO., LTD. | — | 2022.05.26 | 3 years | 2016.6.24 | 5,750,000 | 2.13% | 7,503,000 | 2.78% | 0 | 0% | 0 | 0% | — | — | None | None | None |
| | Taiwan | Representative: Lu Mei-Tzu | Female,62 | 2022.05.26 | | 2016.6.24 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | Vice President of Fuh Hwa Securities Investment Trust | None | None | None | None |
| Director | Taiwan | Bonyes CO., LTD. | — | 2022.05.26 | 3 years | 2016.6.24 | 5,750,000 | 2.13% | 7,503,000 | 2.78% | 0 | 0% | 0 | 0% | — | — | None | None | None |
| | Taiwan | Representative: Wu,Ming-Xiong | Male,69 | 2022.05.26 | | 2022.05.26 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | Master of Advanced Management, National Yang Ming Chiao Tung University Department of Computer Science, National Yangming Chiao Tung University Chairman and general manager of Promaster Technology Co., Ltd. | Chairman and general manager of Promaster Technology Co., Ltd. Chairman and general manager of Promaster Technology International Trade (Shanghai) Co., Ltd. Chairman and General Manager of Promaster (Brunei) Technology Corp. Chairman of Mingyang Industrial Co., Ltd. Chairman of Hengyang Investment Co., Ltd. Chairman of Heyang Investment Co., Ltd. | None | None | None |
| Independent Director | Taiwan | Cheng Tun-Chien | Male,63 | 2022.05.26 | 3 years | 2004.6.11 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | Master of Business Administration, Business School of Columbia University, USA President of UMC Capital Corporation Managing Director of United Management Consulting Co., Ltd. Executive Director and President of Morgan Stanley Asia Limited Executive Director of Goldman Sachs Asia L.L.C. | Chairman of Hong Ding Capital Co., Ltd. Chairman of Shi Ding Venture Capital Co., Ltd. Independent Director of Asia Polymer Holdings Limited Director of Fusheng Applied Technology Co., Ltd. Independent Director of Taiko Electronic Materials Co., Ltd. Advanced Energy Solution Holding Co., Ltd. Director Director of Minsheng Application Enterprise Co., Ltd. Director of QunDeng Technology Co., Ltd. Independent Director of Chenhui Biotech Co., Ltd. | None | None | None |

| Position | Nationality or Place of Registration | Name | Gender | Date Elected (Appointed) Date | Term | Date First Elected | Shares held when elected | | Shares Currently Held | | Shares Held By Spouse and Minor Children | | Shares Held in the Name of Other Persons | | Education and Work Experience | Positions Currently Held in the Company and Other Companies | If spouse or second-degree family members also serve as supervisors or directors | | |
|----------------------|--------------------------------------|----------------|---------|-------------------------------|---------|--------------------|--------------------------|--------------------|-----------------------|--------------------|--|--------------------|--|--------------------|---|--|--|------|----------|
| | | | | | | | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | | | Position | Name | Relation |
| Independent Director | Taiwan | Liu Shih-Liang | Male,60 | 2022.05.26 | 3 years | 2007.6.13 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | Business Management Institute, University of Michigan Vice President of Finance of ASE Technology Holding Co., Ltd. Vice President of Corporate Finance of Citibank | TPK Holding Co., Ltd. Legal Representative Director (also Director of Corporate Governance and Senior Vice President and Chief Strategy Officer) Supervisor of TPK Technology (Xiamen) Co., Ltd. Supervisor of Xiangda Optics (Xiamen) Co., Ltd. Supervisor of Quande Technology (Xiamen) Co., Ltd. Supervisor of Changhong Optoelectronics (Xiamen) Co., Ltd. Supervisor of TPK Technology (Pingtan) Co., Ltd. Supervisor of Chenmei (Xiamen) Optoelectronics Co., Ltd. Supervisor of Chenxin Technology (Xiamen) Co., Ltd. Director of TPK Asia Pacific Sdn. Bhd. Director of Optera TPK Holding Pte Ltd. Supervisor of Xiamen Jingjia Optoelectronics Technology Co., Ltd. Supervisor of TPK Electronic Materials (Xiamen) Co., Ltd. Supervisor of Chuancheng Import & Export (Xiamen) Co., Ltd. Supervisor of Yiqun Electronic Technology (Xiamen) Co., Ltd. Director of Development Catering Co., Ltd. Independent Non-Executive Director of Pou Sheng International (Holdings) Limited Independent Director of Dinggu Holdings Limited | None | None | None |
| Independent Director | Taiwan | Fan Yuan-Ming | Male,62 | 2022.05.26 | 3 years | 2013.6.11 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | Master of Electronic Science, National Taiwan Institute of Industrial Technology Vice President of UMC Capital Chairman of Exojet Technology Corporation | None | None | None | |

2. Major Shareholders of the Corporate Shareholders

As of April 29, 2024

| Name of Corporate Shareholders | Major Shareholders of the Corporate Shareholders |
|--------------------------------|--|
| SAYES CO., LTD. | Tseng Po-Chuan 32%, Tseng Hsiao-Han 32%, Tseng Po-Cheng 32%, Sun Chien-Wen 4% |
| Bonyes CO., LTD. | Sun Chien-Wen 18%、Tseng Po-Chuan 17%, Tseng Hsiao-Han 32%, Tseng Po-Cheng 33%, |

3. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

| Name | Professional qualifications and experience (Note 1) | Independence situation (Note 2) | Number of independent directors of other public companies |
|---------------|--|---------------------------------|---|
| TSENG, YU-I | Department of Industrial Engineering, Chung Yuan University More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry. | N/A | 2 |
| LIN, FEI-HUNG | Department of Physics, Chung Yuan University More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry. | N/A | None |
| LI, PO-I | MS in Electrical Engineering, University of California, Santa Barbara More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | N/A | None |
| Yu Chun-Chieh | Bachelor of Science in Electrical and Computer Engineering, University of Delaware More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | N/A | None |
| LU, MEI-TZU | More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | N/A | None |

| | | | |
|---------------------|---|--------|------|
| WU,MING-XI ONG | Master of Advanced Management, National Yang Ming Chiao Tung University More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | N/A | None |
| CHENG, TUN-CHIEN | MBA, Columbia University Business School More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | Note 2 | 3 |
| LIU, SHIH-LIANG | University of Michigan Business Administration More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | Note 2 | 1 |
| FAN, YUAN-MING | Master of Electronics, National Taiwan Institute of Technology More than five years of work experience required in business, corporate management, finance or semiconductor fields and the channel industry | Note 2 | None |

Note 1: None of the directors has any of the conditions specified in Article 30 of the Company Law.

Note 2: There are three independent directors, accounting for 1/3 of the board of directors.

- (1) Not employed by the Company or an affiliate.
- (2) Not serving as a Director or Supervisor of the Company.
- (3) Not a natural-person shareholder who holds more than 1% of issued shares or is ranked top 10 in terms of the total quantity of shares held, including the shares held in the name of the person's spouse, minor children, or in the name of others.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship in the three preceding items.
- (5) Not a director, supervisor or employee of a company that has a specific relationship with the company.
- (6) No amount of remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years..

4. Implementation of Board Diversity Policy:

To strengthen the Board's diversified management capacity, the Board has set out the "Corporate Governance Best Practice Principles" and has formulated appropriate diversification guidelines for its operations, operational patterns and development needs.

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

| Core projects of diversity Name of Director | Gender | Operating Judgment Capacity | Accounting and Financial Analysis Ability | Operating Management Ability | Crisis Response Capacity | Industrial Knowledge | International Market Perspective | Leadership | Decision Making Ability |
|--|--------|-----------------------------|---|------------------------------|--------------------------|----------------------|----------------------------------|------------|-------------------------|
| Tseng Yu-I | Male | V | | V | V | V | V | V | V |
| Lin Fei-Hung | Male | V | | V | V | V | | V | V |
| Li Po-I | Male | V | | V | V | V | V | V | V |
| Yu Chun-Chieh | Male | V | | V | V | V | V | V | V |
| Lu Mei-Tzu | Female | V | V | V | V | | | V | V |
| Wu, Ming-Xiong | Male | V | | V | V | V | | V | V |
| Cheng Tun-Chien | Male | V | V | V | V | | V | V | V |
| Liu Shih-Liang | Male | V | V | V | V | | V | V | V |
| Fan Yuan-Ming | Male | V | | V | V | V | | V | V |

The Company's current Board of Directors has 9 Directors with the following diversified executions:

| Project | Persons (percentage) |
|--------------------|---|
| Type of Director | Non-independent Directors: 6 seats (67%); Independent Directors: 3 seats (33%) |
| Gender | Male: 8 persons (89%); female: 1 person (11%) |
| Employee position | Concurrently serve as Company employees: 3 persons; not a Company employee: 6 persons |
| Nature of Director | Corporate Directors: 4 persons (44%); Individual Directors: 5 persons (56%) |

(II) Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and Managers of Various Departments and Branches

As of 4/15/2025; Unit: shares; Thousand NT\$

| Position | Nationality | Name | Gender | Date Elected (Appointed) | Number of Shares Held | | Shares Held By Spouse and Minor Children | | Shares Held in the Name of Other Persons | | Education and Work Experience | Positions Currently Held in Other Companies | Managers who have spousal or second-degree family relationships within the Company | | |
|--|-------------|---------------------|--------|-----------------------------|-----------------------|--------------------|--|--------------------|--|--------------------|---|--|--|------|----------|
| | | | | | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | | | Position | Name | Relation |
| CEO President | Taiwan | Yu Chun-Chieh | Male | 2018.10 | 73,484 | 0.03% | 0 | 0% | 0 | 0% | Bachelor of Science in Electrical and Computer Engineering, University of Delaware Chief Strategy Officer of EDOM Technology Co., Ltd. | None | None | None | None |
| Vice President | Taiwan | Tseng Lun-Pin | Male | 2018.10 | 445,797 | 0.17% | 0 | 0% | 0 | 0% | Master of Business Administration at University of Illinois at Urbana-Champaign President of Yubantec Corporation | Independent Director of Radiant Opto-Electronics Corporation. Independent Director of GIO Optoelectronics Corp. Representative of Corporate Director Energer Packing Corp. | None | None | None |
| Vice President of Accounting Department | Taiwan | Chien Hsien-Yung | Male | 2010.7 | 16,346 | 0.01% | 0 | 0% | 0 | 0% | Department of Accounting, Soochow University Deloitte Taiwan | Director, Promaster Technology Corp. | None | None | None |
| Senior Assistant Vice President | Taiwan | Chang Chia-Chi | Female | 2008.1 | 546,847 | 0.20% | 0 | 0% | 0 | 0% | Department of Tourism, Ming Chuan University Manager of Customer Service Department of EDOM Technology Co., Ltd. | None | None | None | None |
| Senior Manager | Taiwan | Fan Hui-Chi | Female | 2004.4 | 397,553 | 0.15% | 565 | 0% | 0 | 0% | Secretary Department, Chihlee Institute of Commerce College Manager of Customer Service Department of EDOM Technology Co., Ltd. | None | None | None | None |
| Spokesperson | Taiwan | Huang Hsiu-Ling | Female | 2009.3 | 22,984 | 0.01% | 0 | 0% | 0 | 0% | Department of Journalism, National Chengchi University Chief Editor of New Electronics/New Communication Magazine | None | None | None | None |
| Manager | Taiwan | LI,QI-HONG | Male | 2022.8 | 0 | 0% | 0 | 0% | 0 | 0% | Department of Accounting, National Chengchi University Deputy Manager of Deloitte | Supervisor, LARGAN HEALTH TECHNOLOGY CO., LTD. Supervisor, Largan Health AI-Tech Co., Ltd. | None | None | None |

II. Remunerations paid to Directors, President, and Vice Presidents in Recent Years

(I) Remunerations paid to Directors (including Independent Directors) as of December 31, 2023; Unit: 1,000 NT\$/1,000 shares

| Position | Name | Directors' Remunerations | | | | | | | | Ratio of the total of 4 items A, B, C, and D to net income after taxes | | Compensations Paid to Concurrent Employees | | | | | | Percentage of the total sums of A, B, C, D, E, F, and G to net income after tax(Note3) | | Remunerations Paid to Directors from an Invested Company Other than the Company's Subsidiary | | |
|----------------------|---|--------------------------|--|---------------------|--|------------------------------|--|---------------------|--|--|--|--|--|---------------------|--|---------------------------|--------------|--|--------------|--|---------------------|--|
| | | Compensations (A) | | Severance Pay (B) | | Directors' Remunerations (C) | | Allowances (D) | | | | Salaries, bonuses, and allowances (E) | | Severance Pay (F) | | Employee Compensation (G) | | | | | | |
| | | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | Cash Amount | Share amount | Cash Amount | Share amount | | The Company (merge) | All companies listed in this Financial Statement |
| Director | Tseng Yu-I | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 3,614 | 3,614 | 0 | 0 | 0 | 0 | 0 | 0 | 3,614 | 3,614 | None |
| | Lin Fei-Hung | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |
| | SAYES CO., LTD. Representative: Li Po-I | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |
| | SAYES CO., LTD. Representative: Hou Ching-Chi (Note 1) | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 40 | 40 | 40 | 1,957 | 1,957 | 1,564 | 1,564 | 0 | 0 | 0 | 0 | 3,521 | 3,521 | None |
| | SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 30 | 30 | 30 | 2,266 | 2,266 | 0 | 0 | 0 | 0 | 0 | 0 | 2,266 | 2,266 | None |
| | Bonyes CO., LTD. Representative: Lu Mei-Tzu | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |
| | Bonyes CO., LTD. Representative: Wu,Ming-Xiong | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 4,184 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,184 | None |
| Independent Director | Cheng Tun-Chien | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |
| | Liu Shih-Liang | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 60 | 60 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |
| | Fan Yuan-Ming | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 70 | 70 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | None |

- Please describe the policy, system, standard and structure of remunerations for Independent Directors, and describe the correlations between factors such as Independent Directors' duties, risks, and time committed and the amount of their respective remunerations:
The Company has established Regulations for Evaluating the Performance of the Board of Directors, and uses the Regulations as guidelines for conducting annual performance evaluation for Directors. The Remuneration Committee maintains a principle of professional objectivity, and proposes recommendations to the Board of Directors after taking various aspects including performance evaluation, management participation, levels of contribution, risks associated with tasks and responsibilities into consideration and referencing relevant industry standards and the Company's management performance.
Allocations of relevant remunerations are then made pursuant to the Company's Articles of Incorporation and approval from the Board of Directors.
- Except as disclosed in the above chart, remuneration to directors received due to the service provided to all companies listed in the financial statement in the most recent year: None

Note 1: Mr. Hou Ching-Chi was dismissed from his position as the legal representative director on July 5, 2024.

Note 2: Mr. Yu Chun-Chieh assumed the position of legal representative director on July 5, 2024.

Note 3: For the year 2024, the ratio is not included in the calculation because of after-tax loss..

Table of Range of Remuneration

| Range of Remuneration Paid to Each Director | Name of Director | | | |
|--|--|--|---|---|
| | Total of first four items (A+B+C+D) | | Total of first four items (A+B+C+D+E+F+G) | |
| | The Company | All companies listed in this Financial Statement | The Company | All companies listed in this Financial Statement |
| Less than NT\$ 1,000,000 | Tseng Yu-I 、 Lin Fei-Hung 、 SAYES CO., LTD. Representative: Li Po-I 、 SAYES CO., LTD. Representative: Hou Ching-Chi (Note 1) 、 SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) 、 Bonyes CO., LTD. Representative: Lu Mei-Tzu 、 Bonyes CO., LTD. Representative: Wu,Ming-Xiong 、 Cheng Tun-Chien 、 Liu Shih-Liang 、 Fan Yuan-Ming | Tseng Yu-I 、 Lin Fei-Hung 、 SAYES CO., LTD. Representative: Li Po-I 、 SAYES CO., LTD. Representative: Hou Ching-Chi (Note 1) 、 SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) 、 Bonyes CO., LTD. Representative: Lu Mei-Tzu 、 Bonyes CO., LTD. Representative: Wu,Ming-Xiong 、 Cheng Tun-Chien 、 Liu Shih-Liang 、 Fan Yuan-Ming | Lin Fei-Hung 、 SAYES CO., LTD. Representative: Li Po-I 、 Bonyes CO., LTD. Representative: Lu Mei-Tzu 、 Bonyes CO., LTD. Representative: Wu,Ming-Xiong 、 Cheng Tun-Chien 、 Liu Shih-Liang 、 Fan Yuan-Ming | Lin Fei-Hung 、 SAYES CO., LTD. Representative: Li Po-I 、 Bonyes CO., LTD. Representative: Lu Mei-Tzu 、 Bonyes CO., LTD. Representative: Wu,Ming-Xiong 、 Cheng Tun-Chien 、 Liu Shih-Liang 、 Fan Yuan-Ming |
| NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive) | | | | |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive) | | | SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) | SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive) | | | Tseng Yu-I 、 SAYES CO., LTD. Representative: Hou Ching-Chi (Note 1) | Tseng Yu-I 、 SAYES CO., LTD. Representative: Hou Ching-Chi (Note 1) |
| NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive) | | | | |
| NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive) | | | | |
| NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive) | | | | |
| NT\$ 30,000,000 (inclusive) - NT\$50,000,000 (exclusive) | | | | |
| NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive) | | | | |
| Over NT\$100,000,000 | | | | |
| Total | 10 persons | 10 persons | 10 persons | 10 persons |

Note 1: Mr. Hou Ching-Chi was dismissed from his position as the legal representative director on July 5, 2024.
Note 2: Mr. Yu Chun-Chieh assumed the position of legal representative director on July 5, 2024.

(II) Remuneration of President and Vice Presidents as of December 31, 2023; Unit: 1,000 NTD/1,000 shares

| Position | Name | Salary (A) | | Severance Pay (B) | | Bonuses and Allowances (C) | | Employees' Remuneration (D) | | | | Proportion of A, B, C, and D in net profit after tax (%) (Note 2) | | Remunerations Paid to Directors from an Invested Company Other than the Company's Subsidiary |
|----------------|-----------------------|-------------|--|-------------------|--|----------------------------|--|-----------------------------|--------------|--|--------------|---|--|--|
| | | The Company | All companies listed in this Financial Statement | The Company | All companies listed in this Financial Statement | The Company (merge) | All companies listed in this Financial Statement | The Company | | All companies listed in this Financial Statement | | The Company (merge) | All companies listed in this Financial Statement | |
| | | | | | | | | Cash Amount | Share amount | Cash Amount | Share amount | | | |
| President | Hou Ching-Chi(Note 1) | 1,939 | 1,939 | 1,564 | 1,564 | 18 | 18 | 0 | 0 | 0 | 0 | 3,521 | 3,521 | None |
| President | Yu Chun-Chieh | 1,957 | 1,957 | 0 | 0 | 310 | 310 | 0 | 0 | 0 | 0 | 2,267 | 2,267 | None |
| Vice President | Tseng Lun-Pin | 2,424 | 2,424 | 0 | 0 | 410 | 410 | 0 | 0 | 0 | 0 | 2,834 | 2,834 | None |
| Vice President | Chien Hsien-Yung | 2,136 | 2,136 | 0 | 0 | 362 | 362 | 0 | 0 | 0 | 0 | 2,498 | 2,498 | None |

Note 1: Mr. Hou Ching-Chi was dismissed from the position of General Manager on July 5, 2024.

Note 2: For the year 2024, the ratio is not included in the calculation because of after-tax loss.

Table of Range of Remuneration

| Range of Remuneration Paid to the President and Vice Presidents of the Company | Name of President and Vice Presidents | |
|--|--|--|
| | The Company | All companies listed in this Financial Statement |
| Less than NT\$ 1,000,000 | 0 | 0 |
| NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive) | 0 | 0 |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive) | Chien Hsien-Yung, Tseng Lun-Pin, Yu Chun-Chieh | Chien Hsien-Yung, Tseng Lun-Pin, Yu Chun-Chieh |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive) | Hou Ching-Chi(Note 1) | Hou Ching-Chi(Note 1) |
| NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive) | 0 | 0 |
| NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive) | 0 | 0 |
| NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive) | 0 | 0 |
| NT\$ 30,000,000 (inclusive) - NT\$50,000,000 (exclusive) | 0 | 0 |
| NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive) | 0 | 0 |
| Over NT\$100,000,000 | 0 | 0 |
| Total | 4 persons | 4 persons |

Note 1: Mr. Hou Ching-Chi was dismissed from the position of General Manager on July 5, 2024.

Names of Managers and the Distribution of Employee's Profit sharing bonus

As of December 31, 2024; Unit: 1,000 NTD

| | Position | Name | Share amount | Cash Amount | Total | Ratio of total compensations on after-tax net profit (%) |
|---------|---------------------------------|-----------------------|--------------|-------------|-------|--|
| Manager | CEO/President | Hou Ching-Chi(Note 2) | None | 0 | 0 | 0% |
| | CEO/President | Yu Chun-Chieh | | | | |
| | Vice President | Chien Hsien-Yung | | | | |
| | Vice President | Tseng Lun-Pin | | | | |
| | Senior Assistant Vice President | Chang Chia-Chi | | | | |
| | Senior Manager | Fan Hui-Chi | | | | |
| | Senior Manager | Huang Hsiu-Ling | | | | |
| | Manager | LI,QI-HONG | | | | |

Note 1: Refers to compensations paid to the Managers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year. Net profit after tax refers to those acquired from recent years. According to the International Financial Reporting Standards (IFRS) employed for this report, net profit after tax shall refer to that of the most recent fiscal year of the entity in the individual or consolidated financial report.

Note 2: Mr. Hou Ching-Chi was dismissed from the position of General Manager on July 5, 2024.

(III) The Company and its consolidated financial statements are analyzed as the percentage of total remuneration paid to the Directors, Supervisors, Presidents, and Vice Presidents in the most recent two years, as compared to the total amount of remuneration paid to the Company's Directors, Supervisors, Presidents, and Vice Presidents in the most recent two fiscal years, as compared to the earnings per the financial statements and the correlation between the remuneration and future risks.

1. Total Remuneration, as a Percentage of After Tax Net Income During the Past 2 Fiscal Years to Directors, Supervisors, the President, and Vice Presidents, with Analysis and Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure

| Year | Total remuneration paid to Directors, Supervisors, Presidents, and Vice Presidents (in Thousand NT\$) | | Ratio of total amount to the net income after tax (NIAT) (%) | |
|------|---|--|--|--|
| | The Company | All companies in the consolidated report | The Company | All companies in the consolidated report |
| 2023 | 16,019 | 20,282 | 261% | 340% |
| 2024 | 14,733 | 18,917 | NA(Note) | NA(Note) |

Note : For the year 2024, the ratio is not included in the calculation because of after-tax loss.

Due to a net loss after tax this year, no remuneration was granted to the directors. Directors' compensation is primarily determined based on the company's profitability. The compensation for the General Manager and Deputy General Managers includes not only base salary but also bonuses and special allowances. The total amount of bonuses and special allowances for this year decreased by approximately 57% compared to the previous year, reflecting the company's operational performance during the year.

2. Remuneration Policy for the Company

A. Remuneration for Directors and Supervisors: Besides the Directors' attendance allowance of NT\$10,000 per meeting, if the Company has made a profit in the year, the Board of Directors may resolve to set aside no more than three percent of the total remuneration for Directors. However, if the Company has accumulated losses, the amount shall be set aside to make up the deficit, before distributed to the Directors in accordance with the aforementioned percentage.

B. Remuneration paid to the President and Vice Presidents: Set with reference to pay scale of the employees in the market, scope of their duties within the Company, and contribution to the Company's operational objectives. The remuneration is determined in accordance with overall operational performance of the Company, personal performance fulfillment, and contribution to the Company's performance.

C. The Remuneration Committee shall assess the remuneration determined in the aforesaid manner from an objective and professional perspective and submit suggestions to the Board of Directors as a decision-making reference for the latter.

III. Implementation of Corporate Governance

(I) Corporate Governance Officer

According to the resolution of the Board of Directors on March 8, 2019, the Company appointed Mr. Chien Hsien-Yung, the Chief Accounting Officer, to concurrently serve as the Corporate Governance Officer.

| | |
|---------------------------------------|---|
| Terms of Reference | Promote corporate governance policy and effectively exert the functions of the Board. |
| Key Points for the Annual Business | Strengthen transparency in Company decision-making and enhance standard of corporate governance. Assist the Board of Directors to fulfill corporate governance and legal compliance. Assist the Board of Directors to exercise the due care of a good administrator to achieve benefits in strengthening the Board's efficiency and executive skills. |
| Status of Continuing Education (Note) | Please see Page31 |

(II) Information on operation of the Board of Directors

The Board of Directors met 7 times (A) in the most recent year. The attendance of Directors is as follows:

| Position | Name | Number of Actual Attendance (B) | Number of Attendance by Proxy | Rate of Actual Attendance (%) [B/A] | Note |
|------------------------|---|---------------------------------|-------------------------------|-------------------------------------|--|
| Chairman of the Board | Tseng Yu-I | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Vice Chairman | Lin Fei-Hung | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Director C | SAYES CO., LTD. Representative: Li Po-I | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Director D | SAYES CO., LTD. Representative: Hou Ching-Chi | 4 | 0 | 100% | Re-elected on by-elections held on May 26, 2022, and Re-assignment of representative on July 5, 2024 |
| Director G | SAYES CO., LTD. Representative: Yu Chun-Chieh (Note 2) | 3 | 0 | 100% | Re-elected on by-elections held on May 26, 2022, and Re-assignment of representative on July 5, 2024 |
| Director E | Bonyes CO., LTD. Representative: Lu Mei-Tzu | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Director F | Bonyes CO., LTD. Representative: Wu, Ming-Xiong | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022, new representative |
| Independent Director A | Cheng Tun-Chien | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Independent Director B | Liu Shih-Liang | 6 | 1 | 86% | Re-elected on by-elections held on May 26, 2022 |
| Independent Director C | Fan Yuan-Ming | 7 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |

Other required disclosure:

1. Where matters listed in Article 14-3 of the Securities and Exchange Act and if any of the Independent Directors issued a dissenting or qualified opinion, which were recorded or in written statement, the date and session of the Board of Directors' Meeting, contents of the proposal, opinions of all Independent Directors, and the Company's actions in response to the opinions of Independent Directors: None.
2. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the proposal, reasons for recusal due to conflict of interests and voting outcomes should be stated:
 - a. Board of Directors Meeting on Feb 2, 2024
Proposal: Performance-based bonus for current managers in 2023
Recused Director: Tseng Yu-I 、 Hou Ching-Chi
 - b. Board of Directors Meeting on July 5, 2024
Proposal: Change in Managerial Personnel
Recused Director: Hou Ching-Chi

3. Self (or peer) evaluation from the Board of Directors:

| Evaluation cycle | Period of Evaluation | Scope | Evaluation methods | Assessment Content |
|----------------------------|--------------------------------------|--|---|--|
| Executed every six months. | January 1, 2024 to December 31, 2024 | Individual members of the Board of Directors | Self-evaluation from members of the Board | Control over the Company's goals and tasks |

4. Goals to strengthen the functions of the Board for the current and most recent year

- Update status on legal amendments from the government from time to time to strengthen legal compliance in Directors.
- Arrange continuing education courses for Directors in each year to strengthen Directors' professionalism in areas outside of their respective expertise.
- Prepare information related to proposals and the Company's status during Board meetings for Directors to check and review at all times.
- Implement corporate governance in practice and strive to enhance governance performance.
- Carry out performance evaluation for the Board of Directors regularly and to submit the evaluation results to Board of Directors meeting.

(III) Operations of the Audit Committee:

The Audit Committee met 5 times (A) in the most recent year. The attendance of Independent Directors was as follows:

| Position | Name | Number of attendance in person (B) | Number of Attendance by Proxy | Rate of actual attendance (%) (B/A) | Note |
|------------------------|-----------------|------------------------------------|-------------------------------|-------------------------------------|---|
| Independent Director A | Cheng Tun-Chien | 5 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |
| Independent Director B | Liu Shih-Liang | 4 | 1 | 50% | Re-elected on by-elections held on May 26, 2022 |
| Independent Director C | Fan Yuan-Ming | 5 | 0 | 100% | Re-elected on by-elections held on May 26, 2022 |

Other required disclosure:

- If the items listed in Article 14-5 of the Securities and Exchange Act and other resolutions passed by two-thirds of the total number of Directors are approved by the Audit Committee, the date and session of the Board of Directors' Meeting, the resolutions, resolutions of the Audit Committee and the Company's actions in response to the opinions of the Audit Committee shall be stated:

| Date | Content of Motion and Follow-up Actions | Resolution | Any resolution not approved by the Audit Committee but approved by two thirds or more of all Directors instead |
|------------|---|--|--|
| 2024/03/13 | <ol style="list-style-type: none"> 2023 Financial Statements 2023 "Evaluation for Effectiveness of Internal Control System" and "Statement of Internal Control System" Amend some articles of the "Articles of Association". The accounts receivable of related parties of Eden Group in the fourth quarter of fiscal year 2013 exceeded the normal credit period by more than three months and are proposed to be classified as non-capital loan cases. Review the 2014 "Pre-approved Non-Confidential Services List and Independence Assessment" case. | All members present at the meeting adopted the resolution without dissidence | None |
| 2024/05/10 | <ol style="list-style-type: none"> Q1 2024 Financial Report | All members present at the meeting adopted the resolution without dissidence | None |
| 2024/07/22 | <ol style="list-style-type: none"> New investment | All members present at the meeting adopted the resolution without dissidence | None |
| 2024/08/13 | <ol style="list-style-type: none"> Q2 2024 Financial Report | All members present | None |

| Date | Content of Motion and Follow-up Actions | Resolution | Any resolution not approved by the Audit Committee but approved by two thirds or more of all Directors instead |
|------------|--|--|--|
| | 2. Provision of endorsement/guarantee credit to investee subsidiary 3. Provision of lending funds to investee subsidiary | at the meeting adopted the resolution without dissidence | |
| 2024/11/13 | 1. Q3 2024 Financial Report 2. Provision of the replacement of the certified public accountant due to the need for internal adjustment of the firm and the evaluation of its independence and suitability | All members present at the meeting adopted the resolution without dissidence | None |

2. For the implementation and state of the Independent Director's recusal on conflict of interest, describe the director's name, contents of the motion, reasons for the required recusal, and participation in the voting process: No such incident.
3. Communication among Independent Directors, internal audit supervisors, and CPA (including important matters, methods, and results of the Company's finance and operations):
 - a. Independent Directors have access to fluent channels of communication with the internal audit supervisors and CPA. Discussions and communications can be made via telephone or e-mail on a day-to-day basis, and meetings can also be held to discuss material issues as needed.
 - b. The Independent Directors communicate with the internal audit supervisor and CPA whenever the need arises in a year. A summary of communications during meetings this year is as follows:

| Date of meeting | Meeting minutes | Independent Directors' Opinions |
|-----------------|--|---------------------------------|
| 2024/03/13 | Explanation of CPA's 2023 audit results 2022 Internal Audit Plan implementation status report | No opinions |
| 2024/08/13 | Explanation of CPA's Q2 2024 audit results Internal Audit Plan implementation status report | No opinions |

4. Annual work priorities of the Audit Committee
 - a. Review annual/quarterly financial reports
 - b. Review matters related to fund loans and endorsement guarantees between affiliated companies
 - c. Check the effectiveness and implementation results of the internal control system

(IV) Operations of the Remuneration Committee:

1. Profiles of the Members of the Compensation Committee

| Identity (Note 1) | Conditions Name | Does the person have more than 5 years of work experience and the following professional qualifications? and the following professional qualifications? | | | Compliance with Criteria of independence (Note 2) | | | | | | | | | | Number of Other Public Companies in which the Person Serves as Member of the Remuneration Committee | Note | |
|----------------------|------------------------|--|--|--|--|---|---|---|---|---|---|---|---|----|---|------|--|
| | | An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university | Judge, prosecutor, lawyer, accountant, or other professional specialist or technician that must undergo national examinations and obtain specialized license | Work experience in business administration, legal affairs, finance, accounting, or other sector that is necessary the Company's operations | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | |
| Independent Director | Cheng Tun-Chien | | | V | V | V | V | V | V | V | V | V | V | V | V | 3 | |
| Independent Director | Liu Shih-Liang | | | V | V | V | V | V | V | V | V | V | V | V | V | 1 | |
| Independent Director | Fan Yuan-Ming | | | V | V | V | V | V | V | V | V | V | V | V | V | 0 | |

Note 1: For identity, please identify whether the person is a Director, Independent Director or others.

Note 2: For any committee member who fulfills the relevant condition(s) 2 years before being elected or during the term of office, please provide the V sign in the field next to the corresponding condition(s).

1. Is not an employee of the Company or any of its affiliates.
2. Not a Director or Supervisor of the Company or any of its affiliates (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
3. Is not a natural-person who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
6. No condition of where majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a

- director, supervisor, or employee of that other company (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
7. No condition of where the Chairperson, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a Director (or governor), Supervisor, or employee of that other company or institution (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
 8. Is not a Director, Supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).)
 9. Is not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. Provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
 10. No circumstances in the subparagraphs of Article 30 of the Company Act.

2. Information on the Operations of the Remuneration Committee

(1) This Company has a Remuneration Committee composed of three (3) members.

(2) Term of office of the current Remuneration Committee: from June 1, 2022 to May 25, 2025. The Remuneration Committee has convened 2 meetings in the most recent year.

Attendance (A) and qualifications of the members in the most recent year are disclosed as follows:

| Position | Name | Number of Actual Attendance (B) | Number of Attendance by Proxy | Rate of actual attendance (%) (B/A) (Note) | Note |
|----------|-----------------|---------------------------------|-------------------------------|--|--------------------------|
| Convenor | Cheng Tun-Chien | 2 | 0 | 100% | Re-elected on 2022/06/01 |
| Member | Liu Shih-Liang | 2 | 0 | 100% | Re-elected on 2022/06/01 |
| Member | Fan Yuan-Ming | 2 | 0 | 100% | Re-elected on 2022/06/01 |

Other required disclosure:

- I. If the Board of Directors decline to adopt, or will modify, a recommendation of the Remuneration Committee, the date and number of the Board meeting, the content of the motion, and resolution from the Board and the and the method the opinion from the Remuneration Committee was handled (e.g. if the salaries and compensations approved by the Board was higher than the suggested levels from the Remuneration Committee, please state the differences and reasons): None.
- II. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.
- III. Discussions and results of resolutions of the Remuneration Committee and the Company's handling of opinions of the committee members:

| Date | Proposals | Resolution | The Company's Handling of Opinions |
|------------|---|---|---|
| 2024/02/02 | Discuss the amount of performance bonus issued by current managers in 2023 | Unanimously approved by all attending Directors without dissent | Submitted to Board of Directors, and approved by all attending Directors without dissent or modifications |
| 2024/03/13 | The Company's Directors' Compensation and Staff Compensation Amount Proposal for the year of 2023 | Unanimously approved by all attending Directors without dissent | Submitted to Board of Directors, and approved by all attending Directors without dissent or modifications |

(V) Corporate Governance Execution Status and Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|--|
| | Yes | No | Summary | |
| I. Has the Company formulated and disclosed its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"? | V | | In order to formulate a positive governance system, the Company has established the Corporate Governance Best Practice Principles and has been approved and enacted by the Board of Directors meeting on February 6, 2018. | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |
| II. Shareholding structure and shareholders' rights | | | | |
| (I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure? | V | | (I) In addition to appointing a professional stock affairs agency to handle shareholder-related matters, the Company also assigns dedicated personnel such as spokespersons, deputy spokespersons, stock affairs and legal personnel to address shareholder suggestions, inquiries, disputes, and litigation. A stakeholder section is also available on the Company's website, providing a real-time contact point to respond to stakeholders' suggestions and concerns. | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |
| (II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders? | V | | (II) The Company maintains a shareholder register to monitor the shareholding status of major shareholders at all times and ensures good interactions and relationships with them. | |
| (III) Does the Company establish and | V | | (III) The Company adheres to the Corporate Governance | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|--|--|
| | Yes | No | Summary | |
| <p>enforce risk control and firewall systems with its affiliates?</p> <p>(IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?</p> | V | | <p>Best-Practice Principles for TWSE/TPEX Listed Companies and relevant regulations, and has established its own corporate governance guidelines. The management responsibilities between the Company and its affiliated enterprises are clearly defined, and operations are conducted in accordance with the internal control system.</p> <p>(IV) In addition to fully informing insiders of their obligation to comply with relevant provisions of the Securities and Exchange Act, the Company has established internal procedures for handling material information and preventing insider trading, as well as a Code of Ethical Conduct, all of which are publicly disclosed on the Company's website.</p> <p>These procedures stipulate that when insiders become aware of information that may significantly impact the Company's share price, they are prohibited from buying or selling the Company's listed shares or other equity-linked securities—whether in their own name or through others—before the information is made public or within 18 hours after its disclosure. In addition, trading is prohibited during the 30 days prior to the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report. The Company provides semi-annual reminders and educational notices to insiders via email.</p> | |
| III. Composition and Responsibilities of | | | | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---|---|---|--|
| | Yes | No | Summary | |
| <p>the Board of Directors</p> <p>(I) Has the Board of Directors drawn up policies on diversity of its members and implemented them?</p> <p>(II) In addition to the Remuneration Committee and Audit Committee set according to law, has the Company voluntarily set up other functional committees?</p> <p>(III) Does the Company formulate rules and procedures for the Board of Directors to regularly perform assessments of the Board of Directors in each year, and submits the results of such assessments to the Board meeting, and to use them as reference toward compensations for individual Board members and nominations for re-elections?</p> <p>(IV) Does the Company regularly evaluate the independence of the CPA engaged by the Company?</p> | <p>V</p> <p></p> <p>V</p> <p>V</p> <p>V</p> | <p></p> <p></p> <p></p> <p></p> <p></p> | <p>(I) In accordance with the Company's "Rules for Election of Directors," the composition of the Board of Directors shall consider diversity. An appropriate diversity policy shall be formulated based on the Company's operations, business model, and development needs. For related information, please refer to page 8.</p> <p>(II) The Company will consider establishing additional functional committees in accordance with future operational scale and actual needs.</p> <p>(III) The Board of Directors has approved the "Board Performance Evaluation Policy" to promote and assess the effectiveness of the Board's functioning. The performance evaluation for fiscal year 2024 (Year 113 in the ROC calendar) has been completed. The results of the evaluation for the Board and its functional committees were satisfactory. Directors demonstrated a clear understanding of the Company's goals and missions, actively participated in operations, and maintained effective internal relationships and communication..</p> <p>(IV) The Board of Directors conducts an annual evaluation and discussion regarding the independence of the certified public accountants (CPAs). The appointment of CPAs for fiscal year 2024 was approved in the Board</p> | <p>The Company will set up other functional committees in view of its scale of business in the future.</p> |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|--|
| | Yes | No | Summary | |
| | | | meeting held on November 13, 2024. CPAs Mr. Cheng Chin-Tsung and Mr. Chiu Meng-Chieh from Deloitte & Touche were found to be in compliance with Article 47 of the CPA Act and Statement No. 10 of the Code of Professional Ethics. Based on the Audit Quality Indicators (AQIs) provided by the firm, both CPAs were evaluated to meet the Company's standards for independence and competence. There were no violations, and neither had continuously served as the Company's signing CPA for seven consecutive years. Therefore, both are deemed suitable for the role of signing CPAs for the Company. | |
| IV. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and to appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, handling matters relating to Board meetings and Shareholders' Meetings | V | | The Company has appointed Vice President Mr. Chien Hsien-Yung to concurrently serve as the Company's Corporate Governance Officer, in which he will coordinate the provision of information needed by Directors and designate personnel to handle matters relating to Board meetings and Shareholders' Meetings according to laws, and produce minutes of Board meetings and Shareholders' Meetings. Company registration and changes in registration are also handled by dedicated personnel assigned by the Corporate Governance Officer, and relevant documents shall be approved by the Corporate Governance Officer before issuance. Vice President Mr. Chien Hsien-Yung has more than 10 years of management experience in financing, share transfer, or conferencing, and is equipped with adequate professional knowledge and experience. | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|---|--|
| | Yes | No | Summary | |
| according to laws, and producing minutes of Board meetings and Shareholders' Meetings)? | | | <p>2025 Key implementations include the following:</p> <p>(I) Calling Board meetings and each functional meeting, providing information, and preparing and retaining the minutes to aforementioned meetings.</p> <p>(II) Preparing information related to Shareholders' Meeting to ensure content and time of information upload comply with legal regulations.</p> <p>(III) Tasks related to changes in Company registration.</p> <p>(IV) Provision of business/financial information needed by Directors.</p> <p>(V) Review and improvements for meeting corporate governance evaluation indicators.</p> <p>(VI) Corporate Sustainability and Corporate Social Responsibility</p> | |
| V. Has the company established a channel to communicate with stakeholders (including but not limited to the shareholders, employees, customers and suppliers), and set up a stakeholder section on the Company's website, and appropriately responded to the important corporate social responsibility issues that are essential to stakeholders? | V | | The Company has established a Stakeholder section on the Company website to provide stakeholders with contact channels, and dedicated personnel have been appointed to respond to relevant issues. Internally, the Company has also established employee mailbox and hotline so that employees can have access to fluent channels whether for reporting grievances or issues. | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |
| VI. Has the Company commissioned a professional stock affair agency to | V | | The Company has appointed Share Agency Department of Capital Securities Corp. to handle affairs related to the | Comply with regulations listed under |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|--|--|
| | Yes | No | Summary | |
| manage Shareholders' Meetings and other relevant affairs? | | | Shareholders' Meeting. | the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |
| <p>VII. Information Disclosure</p> <p>(I) Does the Company establish a website to disclose information on financial operations and corporate governance?</p> <p>(II) Does the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose Company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company website)?</p> <p>(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as</p> | V | V | <p>(I) The Company has set up a website and discloses relevant information on the website.</p> <p>(II) The Company has designated personnel to be responsible for the collection and disclosure of company information, the setting up of the English website, and implementation of a spokesperson system. The information is also disclosed in the Company's website.</p> <p>(III) The Company's financial statements are yet to be announced within 2 months after the end of a fiscal year. Annual and quarterly financial reports and monthly operational status are all published and reported before their specified deadlines.</p> | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|---|--|
| | Yes | No | Summary | |
| well as its operating status for each month before the specified deadline? | | | | |
| VIII. Does the Company have other important information on the implementation of corporate governance (including but not limited to rights and interests of employees, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, implementation status of risk management policies and risk measurement standards, implementation status of customer policies, and purchase of liability insurance for Directors and Supervisors) | V | | <p>(1) Implementation of Employee Rights and Care Initiatives:</p> <p>In addition to participating in labor insurance and National Health Insurance as required by law, the Company also provides group commercial insurance, health check-ups, annual spring banquets, and year-end parties for employees.</p> <p>The Company has legally established a "Labor Pension Reserve Supervisory Committee" to manage pension contributions. Since July 1, 2005, it has made monthly pension contributions to employees' individual pension accounts in accordance with the Labor Pension Act. Furthermore, a "Welfare Committee" has been established in accordance with legal requirements to allocate and manage employee welfare funds. The committee organizes diverse club activities, employee trips, and Family Day events that promote parent-child participation.</p> <p>The Company has also instituted guidelines for educational training, offering programs that support employees' career development and professional growth.</p> | Comply with regulations listed under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|-----------------|---------------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>(2) Working Environment and Employee Safety Measures: The Company provides a safe and healthy working environment for its employees. In addition to offering annual health check-ups that exceed the requirements of the Labor Health Protection Regulations, the Company also conducts at least one session per year to promote health and safety awareness among employees through educational materials and guidance.</p> <p>(3) Implementation of Investor Relations, Supplier Relationships, Stakeholder Rights, and Customer Policies: The Company maintains open and effective communication channels with customers and suppliers and conducts its business based on principles of integrity. It complies with all legal disclosure requirements to ensure transparency and protect the fundamental rights of investors, thereby fulfilling its corporate social responsibility.</p> <p>(4) Implementation of Risk Management Policies and Risk Assessment Standards: In financial risk management, the Company offsets receivables and payables in foreign currencies to achieve a natural hedge against exchange rate fluctuations. Real-time</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|--|
| | Yes | No | Summary | |
| | | | <p>foreign exchange market data provided by partner banks is also utilized to inform exchange rate risk mitigation strategies.</p> <p>To avoid reliance on a single supplier or customer, the Company continues to develop new product lines and agency brands while expanding its customer base to effectively diversify and reduce concentration risk.</p> <p>In terms of risk control, the Company has assigned audit personnel to regularly and irregularly review internal control systems and issue audit reports to support risk assessment and management.</p> <p>(5) Director Training and Liability Insurance: The Company has purchased liability insurance for directors and key officers, with a total coverage amount of USD 12 million. The insurance has been successfully renewed and reported at the Board of Directors meeting on November 13, 2024.</p> <p>For details on director training conducted in 2024, please refer to the appendix on page 31.</p> | |
| IX. Improvement status of the Company's corporate governance evaluation in the most recent year based on | V | | Please refer to Table on Page33 for details. | Comply with regulations listed under the "Corporate |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|---------|--|
| | Yes | No | Summary | |
| evaluation results, and specify priorities and measures to improve those items that have not been improved yet. | | | | Governance Best Practice Principles for TWSE/TPEX Listed Companies." |

Continuing education from the Directors, CFO, Corporate Governance Officer

| Position | Name | Continuing education Date | Organizer | Course Name | Training Hours | The study meets the requirements |
|-----------------------|----------------|---------------------------|--|---|----------------|----------------------------------|
| Chairman of the Board | Tseng Yu-l | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| Vice Chairman | Lin Fei-Hung | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| Director | Li Po-l | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| Director | Yu Chun-Chieh | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| Director | Lu Mei-Tzu | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| Director | Wu, Ming-Xiong | 2024/08 | Republic of China Securities and Futures Market Development Foundation | Insider Trading: Practical Case Studies and Legal Liabilities | 3 | Yes |
| | | 2024/11 | Republic of China Securities and Futures Market Development Foundation | AI-Related Risks and Key Considerations for Businesses | 3 | Yes |
| Independent Director | Liu Shih-Liang | 2024/07 | Taiwan Corporate Governance Association | Cathay 2024 Sustainable Finance and Climate Change Summit | 3 | Yes |

| Position | Name | Continuing education Date | Organizer | Course Name | Training Hours | The study meets the requirements |
|----------------------------------|------------------|---------------------------|---|---|----------------|----------------------------------|
| | | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/09 | Republic of China Securities and Futures Market Development Foundation | 2024 Insider Trading Prevention Awareness Seminar | 3 | Yes |
| Independent Director | Cheng Tun-Chien | 2024/07 | Republic of China Securities and Futures Market Development Foundation | Digital Transformation and the Future of AI: Use Cases in Generative AI | 3 | Yes |
| | | 2024/07 | Taiwan Corporate Governance Association | Digital Detectives: Paving the Way Toward Preventive Auditing | 3 | |
| | | 2024/10 | Republic of China Securities and Futures Market Development Foundation | Carbon Trading Mechanisms and Applications in Carbon Management | 3 | Yes |
| Independent Director | Fan Yuan-Ming | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |
| CFO/Corporate Governance Officer | Chien Hsien-Yung | 2024/05 | Accounting Research and Development Foundation of the Republic of China | Continuing training courses for accounting supervisors of issuers, securities companies and stock exchanges | 3 | Yes |
| | | 2024/08 | Taiwan Corporate Governance Association | Incentive Tools for Corporate Employees and Related Tax and Accounting Treatments | 3 | Yes |
| | | 2024/11 | Taiwan Corporate Governance Association | The AI Boom: Technological Advancements and Business Opportunities of ChatGPT and Conversational AI | 3 | Yes |

Explanation on Corporate Governance Evaluation Results

| Improvement Status | | |
|--|---|--|
| Number | Project | Improvement Method |
| 1 | Does the company upload the annual report 18 days before the shareholders' meeting? | Accelerate the Compilation Process of the Shareholders' Meeting Annual Report |
| 2 | Does the company's annual report disclose the implementation status of the resolutions from the previous year's shareholders' meeting? | Enrich the Content of the Shareholders' Meeting Annual Report |
| 3 | Does the company upload the English version of the sustainability report on the Market Observation Post System (MOPS) and the company website? | Complete Disclosure of All Items in the English Version of the ESG Report |
| Items to be Strengthened First and Relevant Measures | | |
| Number | Project | Improvement Method |
| 1 | Does the company have more than half of its independent directors serving no more than three consecutive terms? | Re-election of Directors |
| 2 | Do the company's website and annual report disclose the measures for protecting employees' physical safety and working environment, along with their implementation status? | Enhance the Content of the Shareholders' Meeting Annual Report and the Company Website |
| 3 | Has the company's sustainability report been submitted to and approved by the Board of Directors? | Include the Sustainability Report as a Discussion Item on the Board Meeting Agenda |

(VI) Implementation of Corporate Social Responsibility (CSR), Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|--|--|
| | Yes | No | Summary | |
| I. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors? | V | | <p>In May 2022, the Company established an ESG Promotion Committee, chaired by Mr. Chien Hsien-Yung, who concurrently serves as the Head of Corporate Governance and Finance. The Committee has completed the 2023 ESG Sustainability Report, obtained third-party assurance, and disclosed the report on the Company's website.</p> <p>The ESG Promotion Committee comprises three sub-groups focused on Economic, Environmental, and Social aspects, respectively. These groups are responsible for reviewing and improving the Company's sustainability practices in areas such as corporate governance, operational performance, energy conservation and carbon reduction, environmental friendliness, public welfare activities, labor relations, and occupational safety and health.</p> | In compliance with the relevant regulations of the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies. |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|---|---|
| | Yes | No | Summary | |
| | | | <p>Upon completion of the annual sustainability report, a summary is presented to the Board of Directors at the nearest board meeting. The ESG Promotion Committee holds review meetings from time to time to assess progress and issues related to ESG topics. Directors are invited to attend these meetings to provide oversight. If deemed necessary, directors may instruct the Committee to report relevant matters during a formal board meeting.</p> <p>The ESG Sustainability Report for fiscal year 2024 is expected to receive third-party assurance and be submitted for Board approval, with public disclosure on the Company's website scheduled before the end of June 2025.</p> | |
| II. Does the Company conduct risk assessment for environmental, social, and governance issues related to its operations, and establish relevant risk management policy or strategy? | V | | The Company is an electronic component retail business and the nature of our operations do not entail product manufacturing or production, thus we pose very limited impacts on the environment. | In compliance with the relevant regulations of the Sustainability Best |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|---|
| | Yes | No | Summary | |
| | | | <p>Nevertheless, the Company still strives to practice environmentally-friendly policies, actively advocate for energy conservation and carbon reduction, and to enhance the environmental awareness in employees, vendors, and customers to do what we can for the planet.</p> <p>The Company has enacted the Corporate Social Responsibility Best Practice Principles, and has specified regulations and guidelines regarding fulfilling corporate governance, developing a sustainable environment, protecting the social welfare, and strengthening CSR disclosures. We will continue to use the Principles as a basis to be more aligned with the world in the future.</p> | Practice Principles for TWSE/TPEX Listed Companies. |
| <p>III. Environmental Issues</p> <p>(I) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p> | V | | <p>(I) The Company has implemented self-directed environmental management based on the characteristics of its industry and has established carbon reduction targets to promote environmental</p> | <p>In compliance with the relevant regulations of the Sustainability Best Practice Principles for</p> |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|---|
| | Yes | No | Summary | |
| (II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? | V | | <p>friendliness. The preparation of the Corporate Sustainability Report follows the GRI Standards and will be verified by a third party in accordance with the GRI-AA1000 Assurance Standard. In addition, the Company conducts greenhouse gas (GHG) inventories in accordance with ISO 14064-1:2018 standards, ahead of regulatory requirements. Relevant information will be disclosed on the Company's website in accordance with the progress of the GHG inventory process.</p> <p>(II) The Company fully considers environmentally friendly products certified by national standards—such as Green Building Material Labels, Environmental Protection Labels, and Energy-Saving Labels—during its procurement processes. Additionally, the Company enhances energy efficiency by replacing outdated electrical appliances with newer, energy-efficient</p> | TWSE/TPEX Listed Companies. |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|--|---|
| | Yes | No | Summary | |
| <p>(III) Does the Company monitor the impact of climate change on its current and future operations and establish relevant response measures?</p> <p>(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement</p> | V | | <p>equipment such as LED lighting and air conditioning systems.</p> <p>As the Company does not operate in the manufacturing industry, its primary objective in terms of recycled materials is paper conservation. In addition to considering the use of recycled paper, the Company has focused on digitizing various systems to reduce paper waste, which has become a key initiative in recent years.</p> <p>(III) Due to the nature of our business, the effects of climate change on the Company are more limited. However, the Company is still very focused on its impacts on our suppliers and customers to minimize relevant risks.</p> <p>(IV) The Company regularly promotes the importance of energy conservation and carbon reduction internally. It also records annual electricity and water consumption. In the event of any abnormal</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons | | | | | | | | | | | | | | |
|---|------------------------------------|----|---|---|------------------------------------|------|------|------|------|------|------|-------------------|-------------------|------|-------|------|-------|--|
| | Yes | No | Summary | | | | | | | | | | | | | | | |
| policies to cut down energy and water consumption, carbon and greenhouse gas emissions, and waste production? | | | <p>increase, the management department conducts immediate investigations and implements corrective actions.</p> <p>For information regarding greenhouse gas emissions, please refer to page 53</p> <table border="1" data-bbox="1072 780 1630 1027"> <thead> <tr> <th>Year ended Dec.31</th> <th>Water consumption (million liters)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>5.15</td> </tr> <tr> <td>2023</td> <td>5.14</td> </tr> <tr> <td>2024</td> <td>2.92</td> </tr> </tbody> </table> <p>The company is not a manufacturing company and has no demand for industrial water.</p> <table border="1" data-bbox="1072 1272 1630 1420"> <thead> <tr> <th>Year ended Dec.31</th> <th>Waste weight (mt)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>43.88</td> </tr> <tr> <td>2023</td> <td>42.19</td> </tr> </tbody> </table> | Year ended Dec.31 | Water consumption (million liters) | 2022 | 5.15 | 2023 | 5.14 | 2024 | 2.92 | Year ended Dec.31 | Waste weight (mt) | 2022 | 43.88 | 2023 | 42.19 | |
| Year ended Dec.31 | Water consumption (million liters) | | | | | | | | | | | | | | | | | |
| 2022 | 5.15 | | | | | | | | | | | | | | | | | |
| 2023 | 5.14 | | | | | | | | | | | | | | | | | |
| 2024 | 2.92 | | | | | | | | | | | | | | | | | |
| Year ended Dec.31 | Waste weight (mt) | | | | | | | | | | | | | | | | | |
| 2022 | 43.88 | | | | | | | | | | | | | | | | | |
| 2023 | 42.19 | | | | | | | | | | | | | | | | | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons | | | | |
|--|---------------------|----|--|--|-------|---|--|--|
| | Yes | No | Summary | | | | | |
| | | | <table border="1"> <tr> <td>2024</td> <td>39.78</td> </tr> <tr> <td colspan="2">The company is not a manufacturing company and has no industrial waste, etc., so it records the recycling data of waste paper generated in daily affairs.</td> </tr> </table> | 2024 | 39.78 | The company is not a manufacturing company and has no industrial waste, etc., so it records the recycling data of waste paper generated in daily affairs. | | |
| 2024 | 39.78 | | | | | | | |
| The company is not a manufacturing company and has no industrial waste, etc., so it records the recycling data of waste paper generated in daily affairs. | | | | | | | | |
| IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | V | | (I) The Company places great importance on employee rights and is committed to fostering a friendly environment that upholds human rights. In formulating its approach, the Company refers to the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and applicable local laws and regulations. These standards are applied to all employees across subsidiaries and any entities or organizations over which the Company exercises substantial control, ensuring the protection of | In compliance with the relevant regulations of the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies. | | | | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|--|---|
| | Yes | No | Summary | |
| (II) Has the Company established and offered proper employee benefits | V | | <p>fundamental human rights.</p> <p>In 2018, the Company's Chairman formally signed and announced the Human Rights Policy. The Company's compensation policy ensures that salaries and remuneration are determined without discrimination based on gender, age, race, religion, or political affiliation.</p> <p>The Company periodically promotes a Written Statement on the Prevention of Unlawful Conduct in the Workplace, reiterating its policy of zero tolerance for workplace violations, in order to safeguard the physical and mental well-being of employees. Human rights training is provided annually to all employees to raise awareness and reinforce the Company's commitment.</p> <p>There were no violations of the Human Rights Policy recorded in 2024.</p> <p>(II) The company has formulated and implemented employee welfare measures based on the Labor</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|--|---|
| | Yes | No | Summary | |
| (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately? | | | <p>Standards Act, with policies that exceed market standards. According to salary information statistics for full-time employees who are not in managerial positions, our company performs excellently among all listed companies. Additionally, as stipulated in our company's articles of association, no less than 3% of the company's profits are allocated to employee compensation. We also provide irregular salary adjustments and performance bonuses annually based on operational performance and employee contributions.</p> <p>In terms of benefits, we offer the following measures:</p> <p>1. Health Care: Annual health check-ups · Regular on-site health services by occupational doctors · Vision-impaired massage services · Group insurance for employees · Subsidies for</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|---|---|
| | Yes | No | Summary | |
| (III) Does the Company provide a healthy and safe work environment and organize training on health and safety for its | V | | <p>employee travel 、 Flexible leave/parental leave 、 Employee recreation activity centers 、 Encouragement for employees to pursue work-life balance.</p> <p>2. Profit Sharing: Year-end bonuses 、 Performance bonuses 、 Gifts for anniversary activities 、 Year-end parties/spring banquets.</p> <p>3. Expatriate Allowances: Family accompanying programs 、 Scholarships and grants for employees' children 、 Accommodation and airfare subsidies.</p> <p>4. Employee Development: Aligning with the company's development goals 、 Arranging project challenges, job rotations, and cultivating key talents according to employees' career development needs.</p> <p>(III) The Company places great importance on the safety of its employees and workers. Although it has not implemented a formal Occupational</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|--|---|
| | Yes | No | Summary | |
| employees on a regular basis? | | | <p>Health and Safety Management System, the Company actively promotes occupational health and safety through alternative means. These include incident investigations to prevent recurrence, provision of safety education and training, cultivation of safety awareness and culture, regular enhancements to safety management practices, periodic safety meetings, and emergency drills to strengthen employees' response capabilities.</p> <p>The Company's occupational health and safety measures cover all employees without exclusion of any specific worker groups.</p> <p>In fiscal year 2024, there were no occupational accidents or fire-related incidents resulting in employee injuries or fatalities.</p> | |
| (IV) Does the Company provide its employees with career development and training sessions? | V | | (IV) The Company has established a dedicated training department and developed a comprehensive education and training program. | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|---|
| | Yes | No | Summary | |
| (V) Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up | V | | <p>This includes internal training, external training, and career development courses designed to help employees acquire the knowledge and skills necessary for future success. The Company actively encourages continuous learning and personal growth among its employees.</p> <p>In addition to providing occupational health and safety training for all new employees, the Company organized emergency response training sessions—including cardiopulmonary resuscitation (CPR) and the Heimlich maneuver—for all staff in 2024. The total number of training hours for these sessions reached 454 hours..</p> <p>(V) The Company is committed to providing comprehensive services to its clients, adhering to legal and regulatory requirements while safeguarding customer privacy and data security. The Company's email server is protected by a</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|---------------------|----|--|---|
| | Yes | No | Summary | |
| <p>relevant consumer protection policies and complaint procedures?</p> <p>(VI) Does the Company formulate supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights and request their reporting on the implementation of such issues?</p> | V | | <p>robust firewall system, offering a reliable level of protection against data breaches. In addition to communication via telephone and in-person appointments, a dedicated Stakeholder Section is available on the Company's website, offering a comprehensive channel for customer feedback and grievance submissions.</p> <p>(VI) The Company has established a Procurement Management Policy to thoroughly assess the background of suppliers, ensuring compliance with legal and fair trade practices, environmental protection, health and safety standards, and social responsibility. Audits of suppliers and contractors are conducted periodically to ensure continued compliance.</p> <p>Starting from 2025, the Company also requires new suppliers to sign a Sustainability Commitment Letter, inviting them to join the Company in contributing to sustainable business</p> | |

| Evaluation Item | State of Operations | | | Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|--|---------------------|----|---|--|
| | Yes | No | Summary | |
| | | | practices. | |
| V. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its Sustainable Development Report to disclose its non-financial information? Has the company received assurance or certification of the aforesaid reports from a third party accreditation institution? | V | | The Company has completed the 2023 Corporate Sustainability Report, which has received third-party assurance and has been publicly disclosed on both the Market Observation Post System (MOPS) and the Company's website. The 2024 Corporate Sustainability Report is currently in preparation and is scheduled for publication in June 2025. | In compliance with the relevant regulations of the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies. |
| VI. The state of the Company's performance of social responsibilities, any variance from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance: No variance. | | | | |
| VII. Other important information that facilitates the understanding of CSR operations: The Company regularly contributes to the Taiwan World Expo, which contributes to the disadvantaged children in Taiwan, and makes donations for the case. | | | | |

I. Implementation Status of Climate-Related Measures

1. Governance: Supervision and Oversight by the Board of Directors and Management on Climate-Related Risks and Opportunities

In recent years, the increasing frequency of extreme weather events has underscored the urgency of addressing the global warming crisis. Governments worldwide have placed growing emphasis on climate change issues, strengthening corporate obligations to incorporate climate risks into their operational strategies through the revision and enforcement of national and regional regulations.

EDOM has not only identified operational risks posed by climate change, but also referred to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB). We have integrated the four core pillars of TCFD—Governance, Strategy, Risk Management, and Metrics & Targets—into our operational management framework and disclosed our performance in the Company’s Sustainability Report. Through this, we aim to provide stakeholders with insights into the Company’s exposure to climate-related risks and opportunities, along with corresponding mitigation strategies.

The management and assessment of climate-related issues at EDOM are overseen by senior executives, while decisions related to climate governance must be approved by the Board of Directors. The responsible unit reports annually to the Board on climate-related governance under the TCFD framework to support strategic decision-making.

2. Strategy: Impact of Identified Climate Risks and Opportunities on Business, Strategy, and Financial Planning (Short, Medium, and Long Term)

To address the impact of climate-related risks and opportunities on the Company’s strategy and financial planning, EDOM has adopted both qualitative and quantitative climate scenario analyses aligned with the TCFD framework. The Company used the 2°C Scenario (2DS) as a reference point in discussions at the Sustainability Committee meetings, and also leveraged tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to assess physical risks from climate change. Based on these discussions, the Company selected the 2DS/SSP2-4.5 scenario as the basis for

its climate risk assessment, under which physical risks, regulatory transition risks, and climate-related opportunities were identified and analyzed.

EDOM further benchmarked against TCFD reports from related industries to ensure a comprehensive understanding of relevant risks and opportunities. The timeframes adopted for risk assessment are as follows:

Short term: 1–3 years

Medium term: 4–6 years

Long term: 7–10 years

3. Financial Impacts of Extreme Weather Events and Transition Actions

| Risk Category | No. | Issue | Scenario | Potential Impact | Risk Response / Future Plan |
|-----------------|--------|------------------------------|---|---|--|
| Transition Risk | Market | Changes in Customer Behavior | Customers increasingly demand environmentally certified or low-carbon products from OEM suppliers. In response to carbon taxes or ESG regulations, some customers shift to low-carbon or new energy products, impacting demand for traditional components. | Competitors securing low-carbon product distribution rights may pose a threat to market share. Suppliers altering production strategies due to environmental regulations may cause delays or cost hikes. Long-term OEM partners ignoring carbon emissions may render products uncompetitive in ESG-conscious markets. | EDOM is committed to implementing and disclosing its performance across the Environmental (E), Social (S), and Governance (G) dimensions. The Company continuously publishes ESG reports, setting targets based on issues of concern to stakeholders and taking consistent actions to address them. To enhance product competitiveness, the Company actively seeks products that meet environmental standards, feature low-carbon characteristics, or offer energy-saving benefits. In collaboration with suppliers, EDOM obtains product carbon footprint data and develops new supplier partnerships to ensure alignment with customer carbon reduction expectations. |

| Risk Category | No. | Issue | Scenario | Potential Impact | Risk Response / Future Plan |
|---------------|-----------|--|--|--|---|
| | Market | Rising Raw Material Costs | <p>Stricter carbon tax and trading schemes globally increase OEM production costs, which are passed down to distributors and end customers.</p> <p>To comply with environmental regulations, suppliers invest in low-carbon technologies or recyclable materials, increasing product costs.</p> | <p>Rising raw material costs, if not passed to customers, may reduce profit margins. Price-sensitive clients may opt for cheaper alternatives, impacting sales performance.</p> | <ol style="list-style-type: none"> 1. Maintain Close Communication with Suppliers To stay responsive to market trends and emerging customer requirements. 2. Develop Alternative Solutions and New Suppliers To diversify procurement sources and improve supply chain resilience. 3. Monitor Raw Material Trends Continuously To anticipate potential pricing or availability shifts caused by environmental or regulatory changes. ° |
| Physical Risk | Immediacy | <p>Increased Severity of Extreme Weather Events (Typhoons, Floods)</p> | <p>Extreme weather events (e.g., typhoons, floods) may halt upstream factory operations and disrupt logistics, affecting delivery schedules.</p> <p>Natural disasters may impair supplier capacity, leading to prioritization of major clients and reducing supply stability for distributors.</p> | <p>Disruption of regional transportation due to extreme weather may impact the supply chain and cause losses.</p> <p>Inadequate OEM capacity may lead to order delays and customer attrition for distributors.</p> | <p>In response to increasing extreme weather events such as typhoons and heavy rainfall, the Group has developed multi-source procurement strategies and established emergency response mechanisms to reduce immediate operational risks. These risks are primarily managed at the procurement level and have not posed significant impacts to overall business operations.</p> |

| Risk Category | No. | Issue | Scenario | Potential Impact | Risk Response / Future Plan |
|---------------|--------|-------------------------------|--|---|--|
| Chance | Market | Market Entry into New Regions | <p>Entering new or emerging markets may involve tariffs, import regulations, and supply chain adaptation challenges.</p> <p>Expanding into new markets requires upfront investment in marketing, sales, and technical support, increasing short-term operating costs and risk.</p> | <p>Successful market entry can expand the customer base and reduce dependence on a single market.</p> | <p>To ensure successful entry into new markets, EDOM conducts comprehensive market research to analyze local industry trends, customer demand shifts, and competitor strategies. For markets with high growth potential—such as electric vehicles (EVs), green energy, semiconductors, and medical technology—priority assessments are conducted to evaluate entry opportunities.</p> <p>The Company adopts a phased investment approach to mitigate financial risk and ensure stability in market development. Additionally, regulatory and tax frameworks in target markets are carefully reviewed in advance to ensure full compliance with environmental and trade regulations.</p> <p>To further reduce compliance risk, the Company actively collaborates with local government agencies and industry associations to stay informed on market developments and policy changes.</p> |

4. Integration of Climate Risk Identification, Assessment, and Management into Enterprise Risk Management (ERM)

The Company, with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), conducted surveys to gather input

from senior executives and assess the potential short-, medium-, and long-term impacts of various climate-related risks and opportunities on business operations.

Based on the identified risks and opportunities, the Company developed corresponding strategies and response plans. These findings and strategies are reported during executive management meetings to guide future operational direction. Depending on the materiality of the impact on business operations, relevant matters are also reported to the Board of Directors on an ad hoc basis as part of the Company's climate governance framework.

5. Use of Scenario Analysis to Assess Climate Resilience

With reference to the IPCC Sixth Assessment Report (AR6), the Company conducted a scenario analysis based on the SSP5-8.5 high-emissions scenario, using ensemble averages. Under this scenario, the average temperature at the location of the Company's Taiwan headquarters is projected to reach approximately 21.3°C by 2050.

The expected impact on EDOM under this scenario is a moderate increase in air conditioning costs. However, the overall financial impact is assessed to be not significant.

In addition, the Company evaluated the potential for natural disasters—such as landslides, mudslides, flooding, and sea level rise—arising from extreme climate events in the vicinity of its Taiwan headquarters. The probability of direct impact on the headquarters location is considered low.

However, interruption of cargo transportation due to such natural disasters is identified as a more likely risk, potentially leading to revenue decline. The financial impact of this disruption would depend on the extent and duration of freight interruptions.

6. Transition Plan for Managing Climate-Related Risks and Associated Metrics & Targets

The Company aligns with global sustainability trends and actively contributes to environmental protection. Its operational strategy fully considers the growing severity of global warming and is designed to exceed regulatory requirements. In coordination with government policies, the Company conducts greenhouse gas (GHG) inventories beyond the scope of legal mandates and continues to expand the categories and boundaries of its emissions reporting.

The Company also plans to engage third-party assurance providers to verify the accuracy and credibility of its GHG data in the future.

Short-Term Goals:

2025: Complete the 2024 Scope 1 and Scope 2 GHG inventory for all Taiwan-based operations.

2026: Complete the 2025 GHG inventory across all categories (Scopes 1, 2, and applicable Scope 3) for global operations.

2027: Obtain third-party verification and assurance for 2026 entity-level GHG data.

2028: Obtain third-party verification and assurance for 2027 group-wide GHG data.

After establishing a base year, the Company will progressively move toward its 2050 net-zero emissions target through a combination of emission reductions, renewable energy procurement, collaboration with trading partners, and investments in green energy.

7. Internal Carbon Pricing as a Planning Tool

The Company has not yet adopted an internal carbon pricing mechanism as a planning tool. Implementation will be considered in the future based on organizational needs and cost-benefit

8. Climate-Related Targets, Emissions Scope, and Use of Carbon Offsets or Renewable Energy Certificates (RECs)

For climate-related targets, please refer to the description in Item 6 above. Currently, the Company has not utilized carbon offsets or Renewable Energy Certificates (RECs) as tools to achieve emission reduction goals.

9. GHG Inventory, Assurance Status, and Emission Reduction Goals, Strategies, and Action Plans

Please refer to the relevant information in Sections II and III.

II. Greenhouse Gas (GHG) Inventory and Assurance Status in the Most Recent Two Years

1. Greenhouse Gas (GHG) Inventory Information

In recent years, the global greenhouse effect has contributed to ozone layer depletion and the rise of extreme weather events. In response to these pressing global environmental issues and in alignment with government policies, the Company actively acknowledges its environmental impact and strives to take responsible action.

The Company's primary source of emissions currently comes from indirect greenhouse gas (GHG) emissions under Scope 2, which are attributed to the purchase of electricity exclusively from Taiwan Power Company.

Prior to 2024 (Year 113 of the ROC calendar), all GHG inventory data was conducted through voluntary self-assessment. Starting in 2024, the Company began performing inventories in accordance with ISO 14064, using the operational control approach to account for both direct emissions (Scope 1) and indirect emissions (Scope 2). This approach aims to enhance transparency for stakeholders and demonstrate the Company's commitment to environmental protection.

The Company does not emit ozone-depleting substances (ODS), nor does it produce significant emissions of nitrogen oxides (NOx), sulfur oxides (SOx), or other major air pollutants.

| Emission source type | | Category 1 | Category 2 | Total Emissions Equivalent |
|----------------------|--|------------------|-----------------|----------------------------|
| | | Direct Emissions | Energy Indirect | |
| 2022 | Emissions equivalent (metric tons CO2e/year) | - | 448.64 | 448.64 |
| | Gas ratio (%) | - | 100% | 100% |
| 2023 | Emissions equivalent (metric tons CO2e/year) | - | 456.97 | 456.97 |
| | Gas ratio (%) | - | 100% | 100% |
| 2024 | Emissions equivalent (metric tons CO2e/year) | 97.1254 | 449.4653 | 546.5907 |
| | Gas ratio (%) | 17.77% | 82.23% | 100% |

1. The emission coefficient is based on the greenhouse gas emission coefficient management table 6.0.4 of the Ministry of Environment.
2. The GWP values published in the IPCC Sixth Assessment Report (2021) are used.
3. The emission coefficient is calculated using the electricity carbon emission coefficient announced by the Energy Bureau for the current year.
4. Operating income is based on individual financial report data.
5. The 2024 temperature data has not been verified.

2. Greenhouse Gas (GHG) Assurance Information

The above data has not yet undergone third-party assurance for greenhouse gas (GHG) emissions.

III. Greenhouse Gas (GHG) Emission Reduction Targets, Strategies, and Action Plans

The Company plans to complete the greenhouse gas (GHG) inventory for the entire Group for the year 2025 by 2026 and establish it as the base year for future emissions reduction targets.

To achieve a 1% annual reduction in emissions, the Company will implement initiatives focused on energy conservation, water savings, and waste reduction. In addition, the Company aims to reach net-zero emissions by 2050 through a combination of measures, including the use of renewable energy, purchase of Renewable Energy Certificates (RECs), installation of in-house renewable energy systems, and investment in the renewable energy sector.

| | | | | |
|--|------------|--|---|---|
| <p>higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p> | V | | <p>regulations.</p> <p>(III) The Company has established the Ethical Corporate Management Best Practice Principles to specify rigorous reviews over of various donations and sponsorship.</p> | |
| <p>II. Fulfilling the Ethical Corporate Management Policy</p> <p>(I) Does the Company evaluate business counterparty's ethical records and include ethics-related clauses in business contracts?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the</p> | V V | | <p>(I) The Company has conducted necessary credit investigation on its main customers and suppliers, and specified ethical management clauses in transacting contracts or agreements.</p> <p>(II) The Company's business operations are carried out by the Finance & Accounting Center and the Legal Affairs Division. The Audit Office shall perform the supervision and report relevant audit results to the Board of</p> | <p>Comply with regulations listed under the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."</p> |

| | | | | |
|--|----------------------------|--|--|---|
| <p>implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Does the Company regularly hold internal and external educational training on ethical corporate management?</p> | <p>V</p> <p>V</p> <p>V</p> | | <p>Directors every year.</p> <p>(III) The Company also provides appropriate channels to prevent conflicts of interest in practice.</p> <p>(IV) The Company has comprehensive and effective accounting and internal control systems based on applicable laws and regulations. Besides basic inspection stipulated by laws, the internal auditor of the Company also actively exercise his/her due care and takes the initiative to identify potential fraud.</p> <p>(V) The Company regularly holds various training courses and integrates the ethical corporate management principles into courses. The relevant courses are published in the form of video and audio files on the website for employees to study on their own.</p> | |
| <p>III. Operation of the whistleblowing channel</p> <p>(I) Has the company established a specific</p> | <p>V</p> | | <p>(I) The Company has assigned dedicated</p> | <p>Comply with regulations listed under</p> |

| | | | | |
|---|-------------------|--|--|--|
| <p>whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to investigate those being reported?</p> <p>(II) Does the Company establish standard investigation operation and procedure for whistleblowing matters and relevant protective mechanisms?</p> <p>(III) Has the Company adopted protection against inappropriate disciplinary actions taken against the whistleblower?</p> | <p>V</p> <p>V</p> | | <p>personnel to receive various reports, and relevant contact channels are provided on the Company's website.</p> <p>(II) Pursuant to the Company's Ethical Corporate Management Best Practice Principles and the Code of Conduct, protection of the safety of whistleblower(s) and ensuring confidentiality shall be a priority concern. The Company's whistleblowing channels are barrier-free and dedicated personnel are assigned to investigate related matters.</p> <p>(III) The Company encourages whistleblowing for any illegal conduct or violations of the Ethical Corporate Management Best Practice Principles. Based on the principle of whistleblower protection, comprehensive protective measures are taken in regards to the whistleblowing case to ensure that no inappropriate disciplinary actions are taken against the whistleblower.</p> | <p>the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."</p> |
| <p>IV. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's</p> | <p>V</p> | | <p>The Company has established and disclosed its Ethical Corporate Management Best Practice Principles on its website.</p> | <p>Comply with regulations listed under the "Ethical Corporate Management Best</p> |

| | | | | |
|--|--|--|--|--|
| website and MOPS? | | | | Practice Principles for TWSE/TPEX Listed Companies." |
| <p>V. If the Company has established its own Ethical Corporate Management Best Practice Principles according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please specify deviations of its implementation from the Principles: The Company has established and effectively adhered to and implemented the Ethical Corporate Management Best Practice Principles.</p> | | | | |
| <p>VI. Any other important information on the Company's implementation of ethical corporate management (such as the status of its reviews and amendments of its Ethical Corporate Management Best Practice Principles): The Company regularly reviews the Ethical Corporate Management Best Practice Principles and uses relevant contents as case studies to emphasize on its importance to the management, and to improve its operations through these experience-sharing lessons.</p> | | | | |

- (VIII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed:

The Company has established and implemented several corporate governance policies, including the Code of Ethical Conduct, Code of Integrity Management, and Procedures for Prevention of Insider Trading. These policies have been publicly announced, are rigorously enforced, and are made available on the Company's website for stakeholders' reference.

In addition, the Company has adopted a Stakeholder Feedback and Complaint Handling Procedure to provide a comprehensive and transparent whistleblowing mechanism. The rights and interests of whistleblowers are fully protected.

The Company also holds annual investor conferences, during which it shares operational performance updates with institutional investors, the media, and the general public. These events serve as direct channels for communication and promote greater transparency of information.

- (IX) Implementation of Internal Control System (ICS)
1. Statement of Internal Control System: Please see Page 97 for details.
 2. Where a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.
- (X) Material resolutions of a Shareholders' Meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report:
Please refer to the material information, public announcements, and shareholders' meeting minutes disclosed on the Market Observation Post System (MOPS).
- (XI) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report, a director or a member of the Audit Committee has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA professional fees

(I) Fee range of CPA professional fees

| Name of accounting firm | Name of CPA | Audit period | Note |
|-------------------------|--|-----------------------|------|
| Deloitte Taiwan | Cheng Chin-Chung and Chiu Meng-Chieh | 2023.01.01-2023.12.31 | |

Unit: Thousand NT\$

| Fee range | Items | Audit Fees | Non-Audit Fees | Total |
|-----------|--|------------|----------------|-------|
| 1 | Less than NT\$ 2,000,000 | - | 300 | 300 |
| 2 | NT\$ 2,000,000 (inclusive) - NT\$ 4,000,000 | - | - | - |
| 3 | NT\$ 4,000,000 (inclusive) - NT\$ 6,000,000 | - | - | - |
| 4 | NT\$ 6,000,000 (inclusive) - NT\$ 8,000,000 | 6,610 | - | 6,610 |
| 5 | NT\$ 8,000,000 (inclusive) - NT\$ 10,000,000 | - | - | - |
| 6 | Over NT\$ 10,000,000 (inclusive) | - | - | - |

- (II) When non-audit fees paid to the CPA, to the accounting firm of the CPA, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto:

(III) Unit: Thousand NT\$

| Name of accounting firm | Name of CPA | Audit Fees | Non-Audit Fees | | | | | Audit Period | Note |
|-------------------------|--------------------------------------|------------|----------------|-----------------------|----------------|---------------|-----------|--------------|--|
| | | | System Design | Business Registration | Human Resource | Others (Note) | Sub-total | | |
| Deloitte Taiwan | Cheng Chin-Chung and Chiu Meng-Chieh | 6,610 | 0 | 0 | 0 | 300 | 300 | 2024 | Transfer pricing report NT\$300 thousand |

- (IV) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not Applicable.
- (V) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not Applicable.

V. Replacement of Certified Public Accountant: Not Applicable.

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

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a Director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report:

(I) Change of equity held by Directors, Managers and Substantial Shareholders

Unit: Shares

| Position | Name | 2024 | | As of Apr. 15, 2025 | |
|--|------------------|---|---|---|---|
| | | Number of shares held Increases (decreases) | Equity pledge Increases (decreases) | Number of shares held Increases (decreases) | Equity pledge Increases (decreases) |
| Chairman of the Board Shareholder holding more than 10% of shares | Tseng Yu-I | 0 | 0 | 0 | 0 |
| Vice Chairman | Lin Fei-Hung | (387,000) | 0 | 0 | 0 |
| Director | SAYES CO., LTD. | 262,000 | 0 | 0 | 0 |
| Representative of Corporate Director | Li Po-I | 0 | 0 | 0 | 0 |
| Representative of Corporate Director President | Yu Chun-Chieh | 0 | 0 | 0 | 0 |
| Director | Bonyes CO., LTD. | 264,000 | 0 | 318,000 | 0 |
| Representative of Corporate Director | Lu Mei-Tzu | 0 | 0 | 0 | 0 |
| Representative of Corporate Director | Wu, Ming-Xiong | 0 | 0 | 0 | 0 |
| Independent Director | Cheng Tun-Chien | 0 | 0 | 0 | 0 |
| Independent Director | Liu Shih-Liang | 0 | 0 | 0 | 0 |
| Independent Director | Fan Yuan-Ming | 0 | 0 | 0 | 0 |
| Vice President | Yu Chun-Chieh | 0 | 0 | 0 | 0 |
| Vice President | Tseng Lun-Pin | 0 | 0 | 0 | 0 |
| Vice President of Accounting Department | Chien Hsien-Yung | 0 | 0 | 0 | 0 |
| Senior Assistant Vice President | Chang Chia-Chi | (2,000) | 0 | 0 | 0 |
| Senior Manager | Fan Hui-Chi | 0 | 0 | 0 | 0 |
| Spokesperson | Huang Hsiu-Ling | 0 | 0 | 0 | 0 |
| Manager | LI, QI-HONG | 0 | 0 | 0 | 0 |

(II) Information on transfer of equity to related party: None

(III) Information on pledge of equity to related parties: None

VIII. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

As of Apr 15, 2025

| Name | Shares Held in Person | | Shares Held By Spouse and Minor Children | | Shares Held in the Name of Other Persons | | The names and relations for those top 10 shareholders who are related parties, spouses or relatives within the second degree of kinship of another top 10 shareholder. | | Note |
|---|-----------------------|----------------------------|--|----------------------------|--|--------------------|--|--|------|
| | Number of Shares | Shareholding Ratio (merge) | Number of Shares | Shareholding Ratio (merge) | Number of Shares | Shareholding Ratio | Name | Relation | |
| Tseng Yu-I | 27,766,059 | 10.29% | 8,791,116 | 3.26% | 0 | 0.00% | Sun Chien-Wen Tseng Po-Chuan | Spouse Immediate family members | |
| WPG Holdings Limited Person in Charge: Huang, Wei-Hsiang | 25,000,000 | 9.27% | 0 | 0.00% | 0 | 0.00% | None | None | |
| SAYES CO., LTD. Person in Charge: Sun Chien-Wen | 14,008,880 | 5.19% | 0 | 0.00% | 0 | 0.00% | None Tseng Yu-I Tseng Po-Chuan/ | None Spouse Immediate family members | |
| Sun Chien-Wen | 8,791,116 | 3.26% | 27,766,059 | 10.29% | 0 | 0.00% | Tseng Yu-I Tseng Po-Chuan | Spouse Immediate family members | |
| Bonyes CO., LTD. Person in Charge: Sun Chien-Wen | 7,503,000 | 2.78% | 0 | 0.00% | 0 | 0.00% | None Tseng Yu-I | None Second-degree relative | |
| Lin Fei-Hung | 4,855,963 | 1.80% | 3,377,976 | 1.25% | 0 | 0.00% | Chang Mei-Ling | Spouse | |
| Chang Chieh | 3,970,000 | 1.47% | 0 | 0.00% | 0 | 0.00% | None | None | |
| Tseng Po-Chuan | 3,828,539 | 1.42% | 0 | 0.00% | 0 | 0.00% | Tseng Yu-I/Sun Chien-Wen Tseng/ Tseng Po-Cheng | Immediate family members | |
| Chang Mei-Ling | 3,377,976 | 1.25% | 4,855,963 | 1.80% | 0 | 0.00% | Lin Fei-Hung | Spouse | |
| Tseng Po-Cheng | 3,281,112 | 1.22% | 0 | 0.00% | 0 | 0.00% | Tseng Yu-I/Sun Chien-Wen Tseng/ Tseng Po-Chuan | Immediate family members | |

IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, managerial officers, and any companies controlled either directly or indirectly by the Company

December 31, 2024
Unit: Shares; %

| Name of Invested Enterprise | Investments of the Company | | Investments of Directors, Managers, and Directly or Indirectly Controlled Businesses | | Total Ownership | |
|-----------------------------------|----------------------------|-----------|--|-----------|------------------|-----------|
| | Number of Shares | Ratio (%) | Number of Shares | Ratio (%) | Number of Shares | Ratio (%) |
| ACCU TECHNOLOGIES LTD. | 15,748,179 | 100.00 | 0 | 0% | 15,748,179 | 100.00 |
| ILDO KOREA CO., LTD | 74,083 | 25.00 | 0 | 0% | 74,083 | 25.00 |
| Sunjet Components Corp. | 34,767,559 | 100.00 | 0 | 0% | 34,767,559 | 100.00 |
| iPro Technology Inc. | 7,490,000 | 100.00 | 0 | 0% | 7,490,000 | 100.00 |
| Kinghold Technology Co., Ltd. | 2,716,000 | 33.95 | 0 | 0% | 2,716,000 | 33.95 |
| Goldenflash electronics Co., Ltd. | 13,880,000 | 100.00 | 0 | 0% | 13,880,000 | 100.00 |
| Promaster Technology Corp. | 56,890,000 | 100.00 | 0 | 0% | 56,890,000 | 100.00 |
| EDOM Technology Japan | 2,000 | 100.00 | 0 | 0% | 2,000 | 100.00 |

Chapter 3 Funding Status

I. Capital and Shares (I) Source of Capital

Unit: Thousand Shares; Thousand NT\$

| Year and Month | Issue price (NT\$) | Authorized Capital | | Paid-in Capital | | Note | | |
|----------------|--------------------|--------------------|-----------|------------------|-----------|---|-------------------------------------|---------|
| | | Number of Shares | Amount | Number of Shares | Amount | Sources of Share Capital | Equity-settled share-based payments | Others |
| 1996.07 | 10 | 3,000 | 30,000 | 3,000 | 30,000 | Capital Structure of Incorporation | None | - |
| 1998.12 | 10 | 4,500 | 45,000 | 4,500 | 45,000 | Capital increase of NT\$ 15,000,000 | None | - |
| 2000.08 | 10 | 45,000 | 450,000 | 15,000 | 150,000 | Capital increase by cash: NT\$16,500,000 Capital increase from retained earnings: NT\$88,500,000 | None | - |
| 2000.11 | 10 | 45,000 | 450,000 | 30,000 | 300,000 | Capital increase by cash: NT\$150,000,000 | None | Note 1 |
| 2001.06 | 10 | 60,000 | 600,000 | 52,000 | 520,000 | Capital increase from retained earnings: NT\$220,000,000 | None | Note 2 |
| 2002.03 | 10 | 120,000 | 1,200,000 | 88,400 | 884,000 | Capital increase from retained earnings: NT\$364,000,000 | None | Note 3 |
| 2003.07 | 10 | 200,000 | 2,000,000 | 120,000 | 1,200,000 | Capital increase from retained earnings: NT\$316,000,000 | None | Note 4 |
| 2004.08 | 10 | 200,000 | 2,000,000 | 144,600 | 1,446,000 | Capital increase from retained earnings: NT\$246,000,000 | None | Note 5 |
| 2006.09 | 10 | 200,000 | 2,000,000 | 161,100 | 1,611,000 | Capital increase from retained earnings: NT\$165,000,000 | None | Note 6 |
| 2008.06 | 10 | 163,700 | 1,637,000 | 161,100 | 1,611,000 | None | None | Note 7 |
| 2014.07 | 10 | 163,700 | 1,637,000 | 157,100 | 1,571,100 | Wrote-off Treasury stock | None | Note 8 |
| 2014.08 | 10 | 250,000 | 2,500,000 | 172,810 | 1,728,100 | Capital increase from retained earnings: NT\$157,000,000 | None | Note 9 |
| 2014.12 | 10 | 250,000 | 2,500,000 | 175,179 | 1,751,786 | Corporate bonds converted to ordinary shares | None | Note 10 |
| 2015.04 | 10 | 250,000 | 2,500,000 | 176,208 | 1,762,083 | Corporate bonds converted to ordinary shares | None | Note 11 |
| 2015.06 | 10 | 250,000 | 2,500,000 | 180,624 | 1,806,235 | Corporate bonds converted to ordinary shares | None | Note 12 |
| 2015.08 | 10 | 250,000 | 2,500,000 | 180,806 | 1,808,057 | Corporate bonds converted to ordinary shares | None | Note 13 |
| 2015.09 | 10 | 250,000 | 2,500,000 | 202,339 | 2,023,387 | Capital increase from retained earnings: NT\$ 215,330,000 | None | Note 14 |
| 2016.09 | 10 | 250,000 | 2,500,000 | 222,573 | 2,225,726 | Capital increase from retained earnings: NT\$ 202,339,000 | None | Note 15 |
| 2019.07 | 10 | 350,000 | 3,500,000 | 222,573 | 2,225,726 | None | None | Note 16 |
| 2022.09 | 10 | 400,000 | 4,000,000 | 244,830 | 2,448,298 | Capital increase from retained earnings: NT\$ 222,573,000 | None | Note 17 |
| 2023.03 | 10 | 400,000 | 4,000,000 | 269,830 | 2,698,298 | Private stock shares: NT\$ 250,000,000 | None | Note 18 |

Note 1: Approved date and document number of capital increase case in November 2000: October 2, 2000 per Letter No. (89) Taiwan-Finance-Securities-1-113321 of the Securities and Exchange Commission, Ministry of Finance

Note 2: Approved date and document number of capital increase case in June 2001: June 13, 2001 per Letter No. (90) Taiwan-Finance-Securities-1-37136 of the Securities and Exchange Commission, Ministry of Finance

- Note 3: Approved date and document number of capital increase case in March, 2002: March 27, 2002 per Letter No. (91) Taiwan-Finance-Securities-1-113321 of the Securities and Exchange Commission, Ministry of Finance
- Note 4: Approved date and document number of capital increase case in July 2003: June 6, 2003 per Letter No. (92) Taiwan-Finance-Securities Taiwan-Finance-Securities-1-0920124805 of the Securities and Exchange Commission, Ministry of Finance
- Note 5: Approved date and document number of capital increase case in August 2004: June 24, 2004 per Letter No. (93) Taiwan-Finance-Securities Taiwan-Finance-Securities-1-0930128030 of the Securities and Exchange Commission, Ministry of Finance
- Note 6: Approved date and document number of capital increase case in September 2006: June 12, 2006 per Letter No. (95) Financial-Supervisory-Securities-Auditing-0950123603 of the Financial Supervisory Commission
- Note 7: Passed in the Shareholders' Meeting on June 13, 2008 and approved by the Ministry of Economic Affairs on June 27, 2008 per Letter No. 09701151680
- Note 8: Passed in the Shareholders' Meeting on June 3, 2014 and approved by the Ministry of Economic Affairs on June 3, 2014 per Letter No. 10301129310
- Note 9: Approved by the Shareholders' Meeting on June 17, 2014 and 2014. The MOEA's Letter 10,301,162,720 Letter of Business was approved by the MOEA.
- Note 10: Approved by the Ministry of Economic Affairs on December 2, 2014 per Letter No. 10301245390
- Note 11: Approved by the Ministry of Economic Affairs on April 10, 2015 per Letter No. 10401059310
- Note 12: Approved by the Ministry of Economic Affairs on June 2, 2015 per Letter No. 10401100810
- Note 13: Approved by the Ministry of Economic Affairs on August 18, 2015 per Letter No. 10401171380
- Note 14: Approved by the Ministry of Economic Affairs on September 4, 2015 per Letter No. 10401185470
- Note 15: Approved by the Ministry of Economic Affairs on September 5, 2016 per Letter No. 10501217350
- Note 16: Approved by the Ministry of Economic Affairs on July 17, 2019 per Letter No. 10801096700
- Note 17: Approved by the Ministry of Economic Affairs on September 24, 2021 per Letter No. 11001174140
- Note 18: Approved by the Ministry of Economic Affairs on March 25, 2022 per Letter No. 11101046400

Unit: Thousand Shares

| Type of Shares | Authorized Capital | | | Note |
|----------------|-----------------------------|-----------------|---------|---|
| | Outstanding Shares (listed) | Unissued shares | Total | |
| Ordinary Share | 269,830 | 130,170 | 400,000 | The number of outstanding shares includes 25,000,000 private ordinary shares, and the relevant shares have not yet been issued. |

- (II) List of major shareholders: Names of shareholders who hold more than 5% of the total shares or shareholders whose shareholding ratio accounts for the top ten, the amount and proportion of shares held:

As of April 15, 2025

| Names of the Substantial Shareholders | Number of Shares held | Shareholding Ratio (%) |
|---------------------------------------|-----------------------|------------------------|
| Tseng Yu-l | 27,766,059 | 10.29% |
| WPG Holdings Limited | 25,000,000 | 9.27% |

| | | |
|------------------|------------|-------|
| SAYES CO., LTD. | 14,008,880 | 5.19% |
| Sun Chien-Wen | 8,791,116 | 3.26% |
| Bonyes CO., LTD. | 7,503,000 | 2.78% |
| Lin Fei-Hung | 4,855,963 | 1.80% |
| Chang Chieh | 3,970,000 | 1.47% |
| Tseng Po-Chuan | 3,828,539 | 1.42% |
| Chang Mei-Ling | 3,377,976 | 1.25% |
| Tseng Po-Cheng | 3,281,112 | 1.22% |

(III) Dividend Policy and Its Implementation

1. Dividend Policy:

If there was any surplus in the annual final accounts of the Company, items listed below shall be distributed in the following order:

- (1) Tax paid;
- (2) Offset previous losses;
- (3) Appropriated 10% as legal capital reserve; however, when the said reserve has reached the amount of paid-in capital, the Company no longer has to distribute accordingly.
- (4) Appropriation or reversal of special capital reserves according to the laws or actual needs;
- (5) If there is still surplus, the Board of Directors shall, together with the cumulative undistributed earnings of the previous year, submit proposal of bonus distribution to the Shareholders' Meeting for resolution.

The dividend policy adopted by the Company is Balanced Dividend Policy. Under such policy, before submitting to the Shareholders' Meeting, after passed by the Board of Directors, for resolving the amount of earnings distribution and types and ratio of dividend, factors such as current and future investment environment, capital needs, domestic and foreign competition and budget of the Company need to be considered; meanwhile, the Company shall also take into account the interests of shareholders, balance of dividend and long term financial plan of the Company. The only limitation is that the ratio of cash dividends to be distributed shall not be less than 20% of the total dividends.

2. Implementation Status:

As the Company incurred a net loss after tax in 2024, the Board of Directors has proposed not to distribute earnings for the year. This proposal is pending resolution at the 2025 Annual General Shareholders' Meeting. The earnings distribution for the past five years is summarized in the table below

| Year \ Project | Stock dividends | Cash Dividends |
|----------------|-----------------|----------------|
| 2019 | - | NT\$ 1.00 |
| 2020 | NT\$ 1.00 | NT\$ 1.90 |
| 2021 | - | NT\$ 3.40 |
| 2022 | - | NT\$ 2.00 |
| 2023(Proposed) | - | NT\$ 1.00 |

- (IV) The impact of stock grants on the Company's business performance, earnings per share and shareholder's return on investment: None. There were no stock grants this time, therefore it is not applicable.
- (V) Compensation to Employees and Remunerations to Directors:
1. The percentages or ranges of the compensation to employees and remunerations to Directors set forth in the Articles of Incorporation of the Company:
If the Company has made a profit in the year, no less than 3% of the said profit shall be set aside for employee compensation. The Board of Directors shall determine whether to issue in stocks or cash. Recipients of the said compensation shall include the controlling company and subordinate companies' employees who meet specific criteria. The employees of the reinvested companies of the Company (or the controlling company and subordinate companies' employees who meet specific criteria) may receive the aforementioned distribution of employee compensation under the requirement and means set by the Board of Directors; The Company may appropriate no more than three percent of the profit as Directors' remuneration under the resolution passed of the Board of Directors. Proposals for the distribution of employee compensation as well as Directors remuneration shall be submitted to the Shareholders' Meeting. However, if the Company has accumulated losses, the amount shall be set aside to make up the deficit, before distributed to the employees and Directors in accordance with the aforementioned percentage.
 2. Accounting treatment for the basis of estimating the amount of the employee compensation and Directors' remuneration for this fiscal period, the basis of calculating the number of stocks to be distributed as employee compensation, and for any discrepancy between the actual amount distributed and the estimated figures:
employee compensation and Directors' remuneration shall be calculated and distributed according to the Company's Articles of Incorporation. When the aforementioned amount is different from the amounts approved by the Board of Directors and the Remuneration Committee, such discrepancy shall be considered as the changes in accounting estimates and shall be adjusted in the relevant year.
 3. Allocation of compensation/remuneration approved by the Board of Directors:
 - (1) Employee compensation and Directors' remuneration to be paid cash or stocks. If there was any discrepancy between the recognized amount and estimated amount of expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed. Compensations for employees and Directors have been approved by the Board of Directors meeting and the Remuneration Committee on March 13, 2024, and the Company plans to distribute NT\$1,596 thousand as compensations for employees, and NT\$798 thousand as compensations for Directors. All of the preceding sums will be distributed in cash. Distributions may include employees of the reinvested companies or the controlling company and subordinate companies' employees who meet specific criteria. Discrepancies are found between the amount distributed as relevant compensations and the amount recognized in the financial statements for the year ended 31 December, 2023.

- (2) The amount of the employee compensation distributed by stocks, and the proportion it accounted for in the total net profit after tax and the total amount of employee compensation in the current period.

No employee compensation is paid in the form of stock dividends. Therefore, this is not applicable.

4. Actual compensations paid to employees, directors, and supervisor in the previous period (including share dividends, amounts, and share prices) and the difference to the estimated amount, stating the amount of difference, cause and reconciliation.

The 2023 compensations to employees and Directors distribution proposal was approved by the Board of Directors on March 13, 2024. The employee compensation was NT\$1,596 thousand and NT\$798 thousand for Directors' remuneration. There were no discrepancies between the recognized and actual distribution.

- (VI) Repurchase of shares by the Company: The Company did not repurchase shares in the most recent fiscal year, therefore it is not applicable.

- II. Issuance of Corporate Bonds (including overseas corporate bonds): None
- III. Preferred Shares: None
- IV. Issuance of Overseas Depository Receipts: None
- V. Issuance of Employee Stock Options: None
- VI. New Restricted Employee Stocks: None
- VII. Issuance of New Stocks in Connection with the Merger or Acquisition of Other Companies: None
- VIII. Execution Process of Capital Utilization Plan
- Any uncompleted public issue or private placement of securities, or any issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: The 2023 private placement of ordinary shares has received full price and completed the issuance, and the relevant funds has been used as planned.

Chapter 4 Operation Overview

I. Business Activities

(I) Scope of Business:

1. Main content of business operations:

- (1) Wholesale of information software.
- (2) Wholesale of electronic materials.
- (3) Manufacturing and duplicating of data storage media.
- (4) Electronic parts manufacturing.
- (5) Information software service.
- (6) Product design.
- (7) Computer equipment installation.
- (8) International trade.
- (9) Electronic material retail.
- (10) Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- (11) Wholesale of medical equipment.
- (12) Retail of medical equipment.
- (13) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of business

Unit: Thousand NT\$; %

| Main Products | 2024 | |
|-----------------------|-------------|----------------|
| | Sales | Percentage (%) |
| Integrated circuits | 98,539,399 | 87.00% |
| Electronic components | 2,818,444 | 2.49% |
| Memory | 5,842,682 | 5.16% |
| CPU | 538,478 | 0.48% |
| Others (Note) | 5,517,254 | 4.87% |
| Total | 113,256,257 | 100.00% |

Note: Others include distributed components, linear components, software, and commission income.

3. Current product items of the Company

The main business items of the Company are the sales of semiconductor parts and components on an agency basis, and products can be broadly divided into integrated circuits, memory, CPU, electronic components, distributed components and other components. Please see Page 73 for details on the use of various products.

4. New Products to be Developed

The Company is strengthening its strategic presence in high-growth sectors such as artificial intelligence (AI), high-performance computing (HPC), and automotive electronics to ensure continued product competitiveness. Efforts are actively underway to expand into Southeast Asian and Indian markets, while maintaining a prudent approach to managing product lines from Chinese original manufacturers. At the same time, the Company is gradually exploring AI-related business opportunities in Northeast Asia, particularly in Japan and South Korea.

(II) Industry Overview

1. Current state and development of the industry

In 2023, supply chain disruptions caused by the COVID-19 pandemic gradually eased. However, geopolitical risks—such as the Russia-Ukraine war and tensions in the Taiwan Strait—continue to pose challenges to supply chain stability. The United States' ongoing sanctions on China's technology sector have further impacted the global distribution of supply chains in semiconductors, AI, and high-tech products.

In 2024, the global economy faces increased uncertainty. U.S. economic growth has been restrained by the Federal Reserve's high interest rate policies, while China and Europe continue to experience economic weakness, significantly affecting global growth momentum. Emerging markets such as India and Southeast Asia show relatively strong growth prospects. However, some countries in Latin America and Africa are struggling with high interest rates and debt burdens, resulting in subdued growth potential.

As for the supply-demand dynamics, capacity from original manufacturers has outpaced actual market demand, particularly for consumer products, leading to an oversupply. In 2024, efforts are underway to gradually digest excess inventory. At the same time, the rapid growth in data processing needs from cloud data centers operated by major enterprises has led to a significant surge in demand for core components such as AI-specific chips, GPUs, and FPGAs, especially in the U.S. market.

2. Relations among upstream, midstream and downstream industries

In the production and sales of the electronic information industry, the semiconductor component distributor plays a role as a bridge between upstream semiconductor suppliers and downstream product manufacturers, and maintains the harmonious relationship among these three parties. For upstream manufacturers, the distributors can establish an intensive and complete marketing channel, develop new markets and enhance the market share among downstream customers. Also, the distributors will help them avoid directly facing customers and save marketing expenses. For downstream manufacturers, distributors can quickly provide parts and technical supports they need, reduce their inventory, transport risk and R&D spending. Moreover, the distributor can analyze the market trend and advise them. Meanwhile, the distributor plays multiple roles like supplier, advisor and analyst to help customers realize smooth production and manufacturing. The midstream distribution agent also can integrate demands of downstream manufacturers and buy from upstream manufacturers to seek a bigger price advantage. Further counting on flexible inventory management and diversification of brands under agency, the agent can sell products to downstream manufacturers. Such division of labor among different participants can effectively increase the operation efficiency of the overall electronic information and communication industries. Therefore, the distribution maintains frequent communication with upstream and downstream manufacturers, thereby forming a community of life, instead of pure trading relationships.

The following lists the upstream, midstream and downstream links of the industry:

| Upstream | Midstream | Downstream |
|---|--|--|
| Domestic and overseas semiconductor component manufacturers | Semiconductor component dealership agent | Information/Communication/Consumer Electronics manufacturers |

3. Product development trends and competition status

(1) Integrated circuits

Integrated circuits (ICs) encompass a wide variety of products, and the generational evolution of each category significantly affects product gross margins. The Company's IC portfolio primarily includes power amplifiers, communication chips, and wireless RF (radio frequency) chips.

Based on current industry trends, demand for end-user devices such as smartphones has declined. Looking ahead, the key drivers of semiconductor applications will be artificial intelligence (AI), the Internet of Things (IoT), and 5G-related technologies. Staying abreast of the latest technological developments will be a critical success factor for players in the semiconductor industry in the coming years.

(2) Memory

The memory products the Company mainly sells mainly include NAND flash memory. Like the semiconductor industry, the sector also faces fierce competition and suffers the impact on the basic demand for smart phones, tablet computers and other mobile devices as well as entertainment products. However, the sector still has certain market scale and will embrace a predictable prospect amid technical progress.

(3) Electronic components

The main products include electronic components and testing instruments, and existing products will maintain a stable sales trend.

(4) Distributed components

Mainly include the busbar exchange control chips, TTL (Transistor-Transistor Logic) and other electronic components. The TTL electronic components feature one-off adequate procurement and the absolute amount of sales revenue is expected to have a positive trend every year.

(5) Commission income

Commission income mainly comes from the provision of order processing, sales, document transport services to suppliers or customers on an agency basis, or from assisting upstream suppliers to provide technical support services for downstream vendors. It is collected in the manner agreed by both parties or at certain proportion of sales amount.

(III) Technology and R&D Overview

1. R&D expenses and technologies or products that have been successfully developed in the most recent year up to the publication date of the annual report:

(1) R&D expenses in the most recent year (FAE)

Unit: Thousand NT\$; %

| Project | January - March 2025 | 2024 |
|--|----------------------|-------------|
| Research and development expenses | 60,505 | 224,202 |
| Net operating income | 28,582,753 | 113,256,257 |
| Ratio of R&D expenses to net operating revenue | 0.21% | 0.20% |

(2) Successfully developed technologies or products

So far, the Company has successfully developed many product lines under agency, and the ones developed in the most recent year are stated in the table below:

| New Suppliers in 2024 | Application Area |
|---|---|
| AiK Semiconductor Co., Ltd. | High-density power integrated circuits |
| Axiado Corporation | AI-enhanced security processors and network security platforms |
| AY DEE KAY LLC | Microcontrollers for consumer, medical, and automotive applications |
| Nuohui Health Technology Co., Ltd. (Hangzhou) | Cancer early screening |
| Hong Kong Yingtang Chip Technology Co., Ltd. | Automotive display driver ICs |
| Lantronix Inc. | Edge computing, IoT, and Out-of-Band management |
| Lumotive, Inc. | Optical LiDAR |
| Fong Lian Yi Industrial Co., Ltd. | ESD protection components, power devices, diodes, and power management products |
| Syntiant Corp. | Deep learning models, high-performance neural processors, MEMS microphones, and vibration sensors |
| Tagore Technology Inc. | RF (Radio Frequency) and power management applications |
| Telit IoT Solutions Inc. | IoT modules, edge-to-cloud services, IoT SIM, and IoT embedded software |
| Abit Electronic Technology Co., Ltd. | Ultra-low-power edge AI MCU and sensor hubs |
| Chipnext Technology Co., Ltd. | Coded Flash Memory |

(IV) Short/long-term business development plans

1. Short-term Plans

- (1) Strengthen strategic deployment in high-growth sectors such as artificial intelligence (AI), high-performance computing (HPC), and automotive electronics to ensure product competitiveness. Invest in automation and digital transformation to improve operational efficiency and reduce cost pressures.
- (2) Adopt more flexible inventory management strategies to minimize stockpiling of high-risk products. Utilize data analytics to optimize supply and demand forecasting, thereby mitigating the impact of market volatility.
- (3) Closely monitor policy changes in the United States and the European Union related to the semiconductor supply chain to ensure compliance with trade regulations. Establish contingency mechanisms to manage potential risks arising from trade conflicts.
- (4) Promote market diversification and expansion, accelerate the technological innovation and design integration of AI-related products, and support growth with strong compliance management.

2. Long-term Plans

- (1) Strengthen partnerships with suppliers in Southeast Asia, Europe, and Japan to reduce reliance on any single market and enhance supply chain resilience.
- (2) Secure distribution rights for premium product lines from original manufacturers, actively expand into Southeast Asian and Indian markets, manage mainland China product lines, and progressively explore AI-related business opportunities in Northeast Asia, particularly Japan and South Korea.
- (3) Optimize the capital structure and pursue strategic collaboration opportunities with upstream, downstream, and peer companies to enhance operational flexibility and long-term competitiveness.

II. Market and Operation Overview

(I) Market Analysis

1. Sales regions of major products

Unit: Thousand NT\$; %

| Sales Region | | 2024 | | 2023 | |
|----------------|-----------|-------------|----------------|-------------|----------------|
| | | Amount | Percentage (%) | Amount | Percentage (%) |
| Domestic Sales | Taiwan | 32,578,903 | 29% | 34,114,396 | 32% |
| Export sales | China | 49,064,284 | 43% | 48,785,970 | 46% |
| | Hong Kong | 9,328,837 | 8% | 9,522,304 | 9% |
| | Others | 22,284,233 | 20% | 14,772,478 | 13% |
| Total | | 113,256,257 | 100% | 107,195,148 | 100% |

2. Market share

According to statistics from the globally renowned consulting firm Gartner, the global semiconductor distribution market is projected to reach USD 206.3 billion in 2024, representing a 7.5% increase compared to USD 191.9 billion in 2023.

The Company's revenue for 2024 is approximately USD 3.52 billion, accounting for 1.7% of the global market.

3. Future supply and demand of the market and its growth

According to the 2025 Global Semiconductor Industry Outlook published by Deloitte, the global semiconductor industry is estimated to grow by 19% in 2024, reaching an annual sales volume of USD 627 billion. Looking ahead, the semiconductor market is expected to experience even stronger momentum in 2025, with a projected 11% growth, bringing total sales to USD 697 billion, a new historical high.

The rapid expansion of AI applications is driving a significant increase in capital expenditures, which in turn is positively impacting the demand for AI chips and related components. How AI applications can further evolve and achieve commercial scalability will be a key focus area in the near future.

However, geopolitical tensions remain the most critical challenge ahead. U.S. tariff policies, global responses, and the potential for regional conflicts or warfare could heavily disrupt the globalized semiconductor industry and may even reshape its landscape.

In response, the Company remains committed to continuous innovation and delivering comprehensive solutions and services to customers, and is well-prepared to meet the challenges and uncertainties of the future.

4. Competitive Niches

(1) Excellent technical support capabilities

The current agency of distributors is required to provide excellent technical support capabilities in addition to the current market trends and leading the industry to enhance the added value of products. In addition to planning and development of high-tech talents, the Company will constantly introduce new products, technologies and new trends to the customers, so that customers can keep abreast of new products, new ideas, and new concepts. Besides, the Company employs professional technical personnel to assist clients in handling of issues. The Company has a long-term development and training plan for technical personnel, and has accumulated precious professional knowledge during seamless partnerships with renowned brands including ST, NXP, Silicon Labs and Skyworks. Therefore, the technical competences of professional workers at the Company far surpass the standards that original manufacturers require for when selecting agents. In addition, the Company can immediately provide the best product mixes to customers and help them with product planning through technical support, while also facilitate original manufacturers to respond to market trends to immediately update the designs for key components, thereby coordinating upstream vendors and downstream customers and serving in a technical marketing-oriented function.

(2) Comprehensive agency product line

The completeness of product mix affects the customers' intention to place orders. Having a comprehensive product line is an important contributing factor for the Company to acquire customer orders. Hence, figuring out ways to acquire and maintain diverse, complete and competitive product mixes is critical for industry operators to securing customer orders and product sales. In recent years, EDOM's sales units strove to research and develop based on market demand and to seize market trends. The Company actively seeks for agency opportunities to

competitive suppliers with our remarkable and complete retail channels. Currently, we have more than a dozen agency product lines and can fulfill customers' need for one-stop shop convenience. Furthermore, the Company's Field Application Engineers (FAE) conduct appropriate design-in on agency components to provide customers with total solutions, which helps to gradually enhance the Company's industry competitiveness.

(3) Stability of agency rights

The stability of the agency rights is to provide customers with stable source of supply, and to provide customers with a solid foundation for the Company's profitability and the key factors for the distribution of semiconductor components. The Company has observed the principle of win-win and mutual benefit with upstream suppliers. Products that are sold by the Company can achieve excellent performance and have been recognized by upstream manufacturers. The Company has won the best agency awards in the past. This shows that the Company has performed remarkably well in stabilizing agency rights.

(4) Excellent marketing strategies

For professional semiconductor components agents, through our strength in terms of professionalism and logistics management, we effectively and quickly provide diverse services to satisfy our customers. Also, we take just-in-time (JIT) as the essential element of our services, which is the necessary key to keep abreast of the market. The Company has established the global distribution system (Japanese branch, Korean branch, Hong Kong Branch, Singapore Branch, and Shenzhen and Shanghai-based company) meet customers' needs for one-stop shop. We will also improve products' mobility and enhance negotiation stakes with new suppliers.

5. Favorable and Unfavorable Factors of Development Prospect and Response Strategies

(1) Favorable factors

A. The products of the nominee of the brand are recognized by the market recognition.

The Company's agency brands and products, such as high-performance analog and mixed signal IC from Silicon Labs, amplifiers from Skyworks, sensor and power technology from STMicroelectronics, are all leading firms in their respective fields, and are highly sought after by domestic and foreign businesses, indicating that the Company's agency products are fairly well-acknowledged by the market.

B. Professional pre- and after-sale service

Relying on our professional technical support competences, not only can the Company provide real-time market demand to suppliers and assist customers to quickly solve problems and create new products; moreover, the planning and consulting team, comprised of the Company's dedicated marketing and application engineers, can also assist customers to achieve their planning through the most economic and effective means. We can also provide total solution through joint development or providing original development, therefore, the Company has developed positive and stable partnership with both upstream suppliers and downstream customers.

- C. The Company's sales channels are the value of the industry's vertical data industry
The current situation of the electronic industry is in the advantageous situation of the industry. The Company's dollar agent distributors can help them reduce the selling and selling costs. The market-related information is available to facilitate the consolidated Company's sales and purchase of goods, and thus provides timely and timely access to the required components and technical support. The role of the semiconductor parts and components is also highly appreciated and the value of the downstream customers can be seen as the consolidated Company's downstream customers are highly dependent on the market. The Company is recognized and awarded by upstream suppliers for our positive performance, and the downstream customers also acknowledge the values of our assistance. It is obvious that the Company has fortified a solid and irreplaceable market stature over the years.

(2) Unfavorable Factors

- A. Intense price competition resulting in low gross margins.
- B. Short product life cycles
- C. Reliance on imported products, leading to exposure to foreign exchange risk
- D. Uncertainty regarding distribution rights for agency products
- E. High capital costs in the financial markets

(3) Response measures:

- A. The Company will actively expand the market for large-scale bulk components, actively expand the market of bulk procurement and customized price. The Company will also gradually increase distribution channel of special purpose components. Due to its irreplaceability and higher gross profit, the Company will enjoy reduction in risk due to price competition, and enhance the Company's market competitiveness. In addition, the Company also continuously added to the transaction terms and credit line management to prevent the crisis from abnormal accounts.
- B. Maintain good interaction with the upstream and downstream customers and maintain the market trend and product trends through the application of engineering personnel, business personnel and the first line contact with the customer. The Company also regularly holds management meetings to determine sales plans and revises sales estimates based on sales, orders, and inventory levels to achieve accurate sales forecast. In addition, the Company will also strive to pursue product integrity and diversification to avoid the market risks of single products and to eliminate the characteristics of the electronic products cycle generally.
- C. During purchase and sales, the Company strives to transact using the same currency to achieve natural hedging and to mitigate possible losses from exchange rate fluctuations as needed.
- D. General contracts and suppliers entered into the agency business contracts with suppliers in general, generally one to two years, and if the agreement is renewed by both parties, there is no risk of co-operation between the channels and suppliers. The Company has invested in equity investment in certain major electronic parts

and components, which enhances the cooperation between the original manufacturers to ensure the stability of the agency rights and supply sources. In addition, the Company also provides comprehensive and maximum channel business values to strengthen our agency rights through exceptional technical support competences and by real-time report on demands from downstream customers.

- E. Due to the characteristics of the industry, distributors of electronic components have rapid inventory turnover, and on the other hand, they have strong capital needs. Due to this feature, the company has close contacts with banks, and the news that the Fed will continue to raise interest rates this year will inevitably have an impact on the company's financial costs. Looking ahead, the company will seek appropriate opportunities to expand capital to improve its capital structure and reduce its reliance on banks in order to create better profit performance.

(II) Major applications and production process of the primary products

1. Major uses of the primary products

| Main Products | Functions and Uses |
|------------------------|--|
| Integrated circuits | Including drawing chip and wireless RF frequency-forming devices, mainly applied to: host board, personal computers, tablet computers, drawing cards, mobile phones, smart phones, mobile phones, online devices, mobile devices, mobile devices, etc. |
| CPU | The CPU type product is a high-end smart card chip and a variety of microprocessors that are built-in, the high-end smart cards and various types of processors, which are used to perform the data encryption calculations, Mainly used for the financial card products and various electronic products in the high safety class. |
| Memory | Mainly used for static access memory (SRAM) and flash memory (Flash), the main application is: the main business unit, personal computer, drawing card, memory card, mobile phone, notebook computers, etc. |
| Electronic components | Mostly computer testing instruments, mainly used in: main board, personal computers, notebook computers, computer displays, etc. |
| Distributed components | Mainly used for the logic component and exchange control system (IC), the main purpose is to: main board, personal computers, notebook computers, etc. |
| Others | Mainly used for each type of software, mainly for: personal computers, graphics cards, tablet computers, smart phones, smart phones, notebook computers, etc. |

2. Production process: Omitted (the Company is not a manufacturing company).

(III) Supply of primary raw materials: Omitted (the Company is not a manufacturing company).

(IV) List of major customers accounting for 10 percent or more of the Company's total procurement and sales in either of the two most recent years:

1. Names, sales amounts and proportions of customers accounting for 10 percent or more of the Company's total sales amount in either of the two most recent years, and specify changes thereof:

Unit: Thousand NT\$; %

| Project | 2024 | | | | 2023 | | | |
|---------|------------|-------------|-----------------------------|------------------------------|------------|-------------|-----------------------------|------------------------------|
| | Name | Amount | Percentage of Net Sales (%) | Relationship with the issuer | Name | Amount | Percentage of Net Sales (%) | Relationship with the issuer |
| 1 | Customer A | 14,605,593 | 13% | None | Customer A | 20,384,260 | 19% | None |
| 2 | Others | 98,650,664 | 87% | | Others | 86,810,888 | 81% | |
| | Net sales | 113,256,257 | 100% | | Net sales | 107,195,148 | 100% | |

In 2024, sales to a major customer amounted to approximately NTD 14.6 billion, representing a decrease of around NTD 5.8 billion compared to 2023. This decline was primarily due to adjustments in the customer's business operations.

2. Names, purchase amounts and proportions of vendors accounting for 10 percent or more of the Company's total purchase amount in either of the two most recent years, and specify changes thereof:

Unit: Thousand NT\$; %

| Project | 2023 | | | | 2022 | | | |
|---------|--------------|-------------|--|--------------------------------------|--------------|-------------|--|--------------------------------------|
| | Company Name | Amount | Percentage of total annual procurement (%) | Relationship with the issuer (merge) | Company Name | Amount | Percentage of total annual procurement (%) | Relationship with the issuer (merge) |
| 1 | Vendor A | 45,906,099 | 42% | None | Vendor A | 45,294,736 | 44% | None |
| 2 | Vendor B | 19,625,131 | 18% | None | Vendor B | 15,649,478 | 15% | None |
| | Others | 44,132,923 | 40% | | Others | 42,927,033 | 41% | |
| | Net purchase | 109,664,153 | 100% | | Net purchase | 103,871,247 | 100% | |

In 2024, sales from Supplier A remained consistent with the previous year. This stability was primarily attributed to the steady performance of electronic products, which continued to enjoy reliable demand due to their trusted applications in end-user products.

Sales from Supplier B increased in 2024 compared to the previous year. The growth was mainly due to the semiconductor industry entering a post-pandemic recovery phase, following a period of inventory correction in 2023. As the industry emerged from the downturn, it experienced a rebound in demand, creating new growth opportunities.

III. Number of Employee in the Most Recent Two Years and Up to the Publication Date of the Annual Report as well as Their Distribution Ratios in Terms of Average Years of Service, Average Age, and Academic Qualification

| | Year | Ended until April, 30, 2025 | 2024 | 2023 |
|------------------------------------|--------------------|-----------------------------|---------|---------|
| Number of employees | Business unit | 495 | 515 | 571 |
| | Management unit | 261 | 262 | 274 |
| | Total | 756 | 777 | 845 |
| Average age | | 43 | 42 | 41 |
| Average Year of Services | | 8.9 | 8.7 | 7.7 |
| Academic degree distribution ratio | Doctor | 0.26% | 0.13% | 0.12% |
| | Master | 11.51% | 11.84% | 11.12% |
| | University/College | 82.67% | 82.24% | 83.20% |
| | High school | 4.5% | 4.76% | 4.50% |
| | Below Senior High | 1.06% | 1.03% | 1.07% |
| | Total | 100.00% | 100.00% | 100.00% |

IV. Disbursements for Environmental Protection
Environmental Losses, Sanctions, and Future Countermeasures as of the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report

As the Company operates in the electronic distribution industry, which is not classified as a manufacturing sector, there have been no losses or penalties incurred due to environmental pollution in the most recent year or up to the date of this report.

Nevertheless, the Company remains committed to environmental stewardship and actively supports government initiatives related to energy conservation and carbon reduction. All procured products are compliant with relevant environmental regulations and standards.

In line with the global shift toward green energy transformation, the Company is also exploring the use of renewable energy sources. Leveraging its technical capabilities and resources, the Company collaborates with leading industry partners to assist sectors such as agriculture, forestry, fisheries, and animal husbandry in achieving growth in areas related to environmental sustainability.

V. Employee Relations Management

(I) Specify the Company's employee welfare policies, continuing education, training, retirement systems and implementation status, the agreement between employees and employer, and measures to assure employees' rights and interests:

1. Employee welfare policies, continuing education, training, retirement systems and implementation status thereof:

(1) Competitive compensation and benefits system:

- ◆ Guaranteed 14-month annual salary.
- ◆ Performance bonuses awarded based on company performance and individual employee contributions.
- ◆ Comprehensive insurance coverage, including labor insurance, national health insurance, group insurance (with optional dependent coverage at employee expense and company-sponsored coverage for expatriate dependents), and travel accident insurance.
- ◆ Employee care programs, such as regular health checkups (with discounted packages for dependents), free parking,

mobile/transportation subsidies, educational subsidies for children of expatriates, and congratulatory or condolence allowances.

- ◆ Vibrant company events, including annual year-end banquets and New Year gatherings.
- ◆ On-site massage services provided by visually impaired therapists to help relieve stress and promote wellness.
- ◆ 0.5 days of flexible leave each quarter to encourage a healthy work-life balance.

(2) The Company has established an Employee Welfare Committee that provides marriage, childbirth, funeral, and hospitalization allowances; birthday and festival gifts; and discounts at affiliated stores. The committee also regularly organizes company trips and supports diverse employee clubs, such as basketball, yoga, golf, running, and arts & culture clubs. These activities encourage a healthy lifestyle and promote strong family and parent-child relationships.

(3) Employee Care and Health Support

The Company employs full-time nursing staff and on-site physicians to address daily healthcare needs and provide professional consultation on physical and mental well-being.

(4) Talent Development and Training Programs

The Company has established an employee training policy, offering structured development programs to enhance career competencies. Regular training sessions are arranged, and subsidies are provided for external training courses. To broaden employees' international perspectives, the Company offers cross-border assignments and facilitates knowledge-sharing with industry veterans, helping employees strengthen their professional skills and capabilities.

(5) Comprehensive Retirement System

For employees under the old pension scheme, the Company contributed 6% of total monthly salaries to a retirement reserve fund from July 2000 to August 2005. Starting in September 2005, following actuarial evaluation and implementation of the new pension scheme, contributions were adjusted to 2.3% of total monthly salaries, deposited into a supervised retirement fund account at the Bank of Taiwan, managed by the Company's Labor Pension Supervisory Committee.

For employees under the new pension scheme, starting from July 2005, the Company has contributed no less than 6% of the employee's monthly salary to the individual pension accounts established at the Bureau of Labor Insurance, in accordance with the Labor Pension Act.

2. Agreement between employees and employer, and measures to assure employees' rights and interests:

(1) To ensure that employees fully understand their rights and comply with relevant rules, the Company has established Work Rules and various internal management policies that clearly define the rights and obligations of both labor and management.

(2) The Company has designated personnel and internal audit supervisors to handle employee complaints. Employees can communicate issues related to Company policies or the working environment via internal email systems or the Company's website, enabling effective two-way communication.

- (3) A workplace misconduct grievance mechanism is in place to provide employees with a healthy and safe working environment, free from unlawful harassment or abuse.
 - (4) In accordance with the Company's Articles of Incorporation, if there is profit in a given year, no less than 3% must be allocated as employee remuneration, to recognize and reward employee contributions.
- (II) Specify losses arising as a result of labor disputes in the most recent year up to the publication date of this Annual Report, and disclose potential losses in the current and future periods as well as and countermeasures:

The Company holds regular labor-management meetings every three months to foster a harmonious and constructive relationship between employees and management.

As of the most recent fiscal year and up to the date of this annual report, there have been no losses incurred due to labor disputes. Barring any unforeseen external changes in labor relations, no material losses are expected to arise from labor-related issues in the foreseeable future.

VI. Information security management

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

1. Cyber Security Risk Management Framework

To ensure the effective implementation of the Company's information security policies and commitments, an Information Security Task Force was established in Q4 2021, chaired by the General Manager. The task force includes more than 20 dedicated IT personnel and collaborates with external cybersecurity teams to define clear project objectives.

A total of five major cybersecurity projects have been launched:

- a. Implementation of cybersecurity risk management.
- b. Establishment of comprehensive access control mechanisms, including management of data centers, workstations, mobile devices, physical access control, network restrictions, user access privileges, regular password updates, and daily offsite system backups.
- c. Encryption of confidential information transmissions and real-time updates of antivirus software.
- d. Regular vulnerability scans, penetration tests, and disaster recovery drills.
- e. Periodic review and cleanup of idle or privileged accounts.

To enhance employee awareness and internal communication, the Company recognizes that many information security incidents stem from human error or negligence. Therefore, internal awareness campaigns and social engineering drills are conducted periodically. In addition, annual cybersecurity training sessions are held for all employees.

The Company has also established a data backup mechanism for all critical systems. Unscheduled disaster recovery drills are conducted annually to ensure systems can be promptly restored in the event of unexpected disasters or human error. These efforts are aligned with the Company's system recovery objectives, aiming to ensure effective protection of customer privacy and minimize damage in the event of an incident.

2. Cyber Security Policy

The company follows the spirit and norms of ISO 27001 to carry out the inspection and notification of information security, and formulates business secret management measures and personal data management measures with reference to government regulations. In the future, the Information Security Committee will also develop an information security policy to protect the company's information assets and ensure the security of information collection, processing, transmission, storage and circulation.

3. Specific management plan and resources invested in the cyber security management

As a result of the aforementioned comprehensive efforts, the Company established a set of evaluation mechanisms in 2024 to assess whether the objectives defined in our information security policy have been achieved. A total of four key performance indicators (KPIs) were used for evaluation:

1. Number of major service host vulnerability incidents
2. Average information security training hours per employee
3. Click-through rate in social engineering simulation exercises
4. Number of system recovery drills for information service hosts conducted at offsite locations

According to the statistical analysis of actual performance:

1. No information security incidents occurred that impacted Company operations
2. No complaints were received from regulatory authorities or customers
3. Average information security training time per employee was 2 hours
4. Click-through rate for social engineering simulations was 2.64%
5. One offsite disaster recovery drill was successfully conducted

All evaluation metrics met or exceeded the targets set for the year.

With the rapid advancement of technology, methods of cyberattacks targeting enterprises have also evolved. In response, the Company began implementing a comprehensive upgrade of both software and hardware infrastructure in 2024 to significantly enhance information security protection.

On the software side, the Company deployed next-generation antivirus solutions, including EDR (Endpoint Detection and Response) and SOC (Security Operations Center) systems. These provide more responsive and advanced defense capabilities, preventing malware attacks and elevating the overall level of protection. With the assistance of cybersecurity consulting teams, the Company also completed a range of security health checks, such as packet inspection and vulnerability scanning, to ensure compliance with cybersecurity control standards.

On the hardware side, improvements were made to Data Center management mechanisms to ensure high service quality and customer satisfaction. The Company upgraded server hardware, virtualized server infrastructure, and established failover mechanisms between hosts, thereby ensuring uninterrupted system services.

In 2024, the integration of EDR/SOC enabled correlation-based threat analysis to detect real-time cybersecurity risks, including endpoint attacks and lateral movement infections. A cyber threat intelligence warning mechanism was also established to proactively prevent abnormal behaviors such as unauthorized access, suspicious browsing, or file downloads—achieving the goal of prevention over remediation.

Furthermore, these enhancements were aligned with the Information and Communication Security Governance Guidelines for TWSE/TPEx-listed Companies, expanding the scope of cybersecurity governance to the institutional level. The Company remains committed to continuously improving its cybersecurity defenses to ensure uninterrupted business operations and robust data protection.

- (II) List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

VII. Important Contracts

| Nature | Contracting parties | Starting and Ending Dates | Main Content | Restrictive Provision |
|-----------------------|---|---|---|---|
| Distribution Contract | Astera Labs, Inc. | July 23, 2019 onward Terminates when either party actively terminates the contract. | Distribution of Astera 's products | Restriction over region of distribution |
| Distribution Contract | Invensense Inc. | August 20, 2008 to August 19, 2009. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of all product lines of Invensense | Restriction over region of distribution |
| Distribution Contract | Marvell Asia Pte. Ltd. | September 22, 2017 onward Both parties can negotiate to extend the effective period | Distribution of Marvell products | Restriction over region of distribution |
| Distribution Contract | MPS International Ltd. | 2023/11/01- 2023/10/31 Terminates when either party actively terminates the contract. | Distribution of MPS products | Restriction over region of distribution |
| Distribution Contract | NVIDIA International, Inc. | July 1, 2000 to June 30, 2001. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of all product lines of Nvidia | Restriction over region of distribution |
| Distribution Contract | SanDisk International Limited | April 1, 2013 to December 31, 2014. Both parties can negotiate to extend the term. | Distribution of SanDisk products | Restriction over region of distribution |
| Distribution Contract | Silicon Laboratories Inc. | January 1, 2019 to December 31, 2019. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | Silicon Laboratories Distribution of all product lines | Restriction over region of distribution |
| Distribution Contract | Skyworks Solutions Inc. | March 1, 2008 to February 28, 2009. Both parties can negotiate to extend the term. | Distribution of all product lines of Skyworks | Restriction over region of distribution |
| Distribution Contract | Sony Taiwan Limited | November 12, 2014 to November 11, 2015. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of Sony products | Restriction over region of distribution |
| Distribution Contract | STMicroelectronics Asia Pacific Pte Ltd | January 1, 2010 to December 31, 2010. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | STMicroelectronics Distribution of all product lines | Restriction over region of distribution |

| Nature | Contracting parties | Starting and Ending Dates | Main Content | Restrictive Provision |
|-------------------------|---|---|---|---|
| Distribution Contract | Synaptics Incorporated | August 12, 2022 to August 11, 2022. The contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of Synaptics products | Restriction over region of distribution |
| Distribution Contract | Western Digital Technologies, Inc. | 2018/07/06-2022/07/05 contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of WD's products | Restriction over region of distribution |
| Distribution Contract | HannStar Color Crystal Co., Ltd. | 2014/05/01-2015/04/30 contract will be automatically extended if neither parties actively terminate the contract when it expires. | Distribution of HannStar's products | Restriction over region of distribution |
| Distribution Contract | Longsys Electronics (Hong Kong) Co., Ltd. | 2020/1/1-2020/12/31 | | Restriction over region of distribution |
| Long-term Loan Contract | Six banks | 2023/10/03 (first drawdown date) – 2028/10/03 | To supplement operating working capital in the amount of NT\$1 billion or its equivalent in U.S. dollars. | |
| Long-term Loan Contract | Six banks | 2022/08/08 (first drawdown date) - 2027/08/08 | To repay existing debt and supplement operating working capital in the amount of NT\$2.5 billion or its equivalent in U.S. dollars. | |

Chapter 5 Review and Analysis of Financial Position and Financial Performance, and Risk Management

I. Financial Position:

In the accounting items of the balance sheet for the latest year, regarding the situation whereby the amount changes by 20% or more and NT\$10 million, the reasons for the changes are as follows:

Unit: Thousand NT\$; %

| Accounting Item \ Year | 2024 | 2023 | Difference | | Explanation of Reasons |
|--------------------------------|------------|------------|-------------|----------------------|------------------------|
| | | | Amount | Percentage of Change | |
| Current Assets | 24,676,739 | 27,746,272 | (3,069,533) | -11.06% | - |
| Funds and Investments | 1,082,250 | 588,456 | 493,794 | 83.91% | Explanation1 |
| Property, Plant, and Equipment | 705,170 | 698,011 | 7,159 | 1.03% | - |
| Intangible Assets | 254,742 | 281,286 | (26,544) | -9.44% | - |
| Other Non-current Assets | 987,249 | 471,650 | 515,599 | 109.32% | Explanation2 |
| Total Assets | 27,706,150 | 29,785,675 | (2,079,525) | -6.98% | - |
| Current Liabilities | 21,772,414 | 23,720,610 | (1,948,196) | -8.21% | - |
| Non-current Liabilities | 1,346,761 | 1,101,754 | 245,007 | 22.24% | Explanation3 |
| Total Liabilities | 23,119,175 | 24,822,364 | (1,703,189) | -6.86% | - |
| Share Capital | 2,698,298 | 2,698,298 | 0 | 0.00% | - |
| Retained Earnings | 673,110 | 1,500,402 | (827,292) | -55.14% | Explanation4 |
| Total Equity | 4,586,975 | 4,963,311 | (376,336) | -7.58% | - |

Explanation:

1. Primarily due to strategic investments in financial assets measured at fair value through other comprehensive income (FVOCI).
2. Mainly attributable to an increase in deferred income tax assets resulting from a net loss after tax in 2024.
3. Primarily due to the recognition of a contingent loss related to the arbitration case with Pegatron, leading to an increase in provisions.
4. Mainly attributable to the significant net loss in 2024, resulting from the recognition of a contingent loss related to the Pegatron arbitration case.

II. Financial Performance

Unit: Thousand NT\$

| | 2024 | 2023 | Amount Increased (Decreased) | Percentage of Change (%) |
|-----------------------------------|-------------|-------------|---------------------------------|--------------------------------|
| Net operating income | 113,256,257 | 107,195,148 | 6,061,109 | 6% |
| Operating Costs | 109,664,153 | 103,871,247 | 5,792,906 | 6% |
| Gross profit | 3,592,104 | 3,323,901 | 268,203 | 8% |
| Operating Expenses | 1,964,964 | 1,810,084 | 154,880 | 9% |
| Operating profit | 1,627,140 | 1,513,817 | 113,323 | 7% |
| Non-Operating Income and Expenses | (2,322,772) | (1,471,725) | (851,047) | 58% |
| Pre-tax Interest | (695,632) | 42,092 | (737,724) | (1753%) |
| Income Tax | (129,863) | 35,966 | (165,829) | (461%) |
| Net Profit | (565,769) | 6,126 | (571,895) | (9336%) |

- (I) Analysis of Increase or decrease of change:
 In 2024, the Company's operating revenue increased by approximately 6% compared to the previous year, while gross profit grew by around 8%. This growth was primarily driven by the gradual stabilization of market uncertainties and the surge in AI-related business opportunities, which boosted overall sales performance.
 Correspondingly, operating expenses increased by approximately 9% year-over-year, in line with the growth in business volume. In terms of non-operating income and expenses, the arbitration case with Pegatron reached a resolution. Following the principle of prudence, the Company fully recognized the contingent loss in this fiscal year, resulting in a 58% increase in non-operating expenses compared to the previous year.
 As a result, the Company incurred a net loss of NT\$566 million in 2024.
- (II) Reason for changes in main business contents of the Company: the Company has not changed the main business contents.
- (III) Expected sales volume and its basis, possible impact on the Company's future financial operations and response plans:
 The Company primarily sells various types of electronic components, each with highly variable market conditions and pricing. Therefore, sales volume alone is not a suitable measure for business performance.
 Looking ahead to 2025, although the semiconductor industry is expected to benefit from strong AI-driven demand, there remain several uncertainties—including geopolitical tensions and warfare—that may affect market dynamics. The Company will adopt a more prudent approach in managing inventory levels and credit terms, while continuing to develop more competitive product lines to outperform overall market growth.

III. Cash Flow

Cash Flow Review and Analysis:

(1) Analysis of Cash Flow Changes in the Most Recent Fiscal Year:

Unit: Thousand NT\$

| Cash Balance at the Beginning of Year ① | Net Cash Flow from Operating Activities Throughout the Year | Annual Cash Inflows ② | Cash Balance, End of Year ① + ② | Remedial Measures for the Anticipated Shortage of Cash | |
|---|---|-----------------------------|---------------------------------------|---|----------------|
| | | | | Investment Plan | Financial Plan |
| 1,905,684 | 1,925,847 | 646,478 | 2,552,162 | — | — |

1. Net cash inflow from operating activities amounted to NT\$1,925,847 thousand, primarily due to proactive inventory management in response to market changes, resulting in a significant decrease in ending inventory compared to the previous year.
2. Net cash outflow from investing activities totaled NT\$644,053 thousand, mainly attributable to an increase in strategic investments.
3. Net cash outflow from financing activities amounted to NT\$1,278,321 thousand, primarily due to the repayment of short-term borrowings based on funding needs.

(2) Improvement plans for liquidity shortage: Not Applicable.

(3) Analysis of the cash liquidity of the coming year

Unit: Thousand NT\$

| Cash Balance at the Beginning of Year ① | Net Cash Flow from Operating Activities Throughout the Year | Annual Cash Inflows ② | Cash Balance, End of Year ① + ② | Remedial Measures for the Anticipated Shortage of Cash | |
|---|---|-----------------------------|---------------------------------------|---|----------------|
| | | | | Investment Plan | Financial Plan |
| 2,552,162 | (180,142) | 202,958 | 2,755,120 | — | — |

1. Operating Activities:
Operating cash flow in 2025 (Year 114) is expected to be a net outflow, primarily due to the cyclical nature of the economy. In addition, changes in accounts receivable turnover—driven by financing needs and borrowing interest rates—are also expected to impact cash flow from operations.
2. Investing Activities:
A net cash outflow is anticipated, mainly resulting from diversified investments in high-potential emerging technologies and capital expenditures for replacing outdated equipment.
3. Financing Activities:
Net cash inflow is expected, as the Company may increase borrowings or raise capital depending on funding requirements.
4. Remedial measures for expected short of cash: Not applicable.

IV. Impact of Material Capital Expenditures on Corporate Finances and Business in the Most Recent Year: None.

V. Investment Policy for the Most Recent Year, the Main Reasons for the Profits/Losses Generated thereby, the Improvement Plans, and Investment Plans for the Coming Year:

The Company's investment policy is primarily guided by considerations of future growth potential and strategic collaboration.

For the current fiscal year, the Company recognized NT\$13,121 thousand in profit from equity-method investments. This improvement was mainly due to the organizational restructuring of the investee company, which resulted in synergistic benefits and progress in operational performance, reversing the losses recorded in previous years.

Looking forward, the Company will actively support the investee in expanding its business scope and, if necessary, may provide additional assistance after conducting a careful evaluation.

VI. Risk Assessment and Analysis

(I) The impact of interest rate, exchange rate fluctuations and inflation on corporate profits and losses and future countermeasures:

1. The impact of interest rate and exchange rate fluctuations in the most recent year on the Company's profits and losses and future response measures:

(1) The ratio of interest income and expenditure and exchange gains and losses as to the consolidated Company's operating income in the years 2024 and 2023:

Unit: Thousand NT\$

| | 2024 | 2023 |
|---------------------------------------|-------------|-------------|
| Exchange (Loss) Gain (A) | 23,686 | 28,790 |
| Net Interest Income (Expenditure) (B) | (1,412,426) | (1,567,445) |
| Operating Income (C) | 113,256,257 | 107,195,148 |
| A/C | 0.02% | 0.03% |
| B/C | 1.25% | 1.46% |

(2) The Company's specific measures in response to the changes in interest rates and exchange rates fluctuations:

A. The Company conducts most of its purchases and sales transactions in U.S. dollars, and thus exchange rate fluctuations have a direct impact on its profit and loss. However, because purchase and sales amounts largely offset each other, a natural hedging effect is achieved. Additionally, the Company makes use of real-time foreign exchange market information provided by partner banks to support its foreign exchange risk mitigation strategy.

B. The Company regularly evaluates bank borrowing interest rates and maintains close communication with banks to obtain more favorable lending terms. In 2024 (Year 113 of the ROC calendar), borrowing costs in the capital market remained high compared to prior years. As a result, interest expenses accounted for approximately 1.25% of total revenue. The Company will continue to closely monitor interest rate trends in the financial markets going forward.

2. Impact of inflation on the Company's profit or loss in the most recent year and future response measures:

As the Company is a semiconductor components and electronic components agent, life cycles of relevant products are short and technology continues to improve. Therefore, inflation has less impact on relevant industries. The Company also maintains close relations with suppliers and customers, and stays up-to-date on the changes in the relevant market. Inflation is not expected to affect the Company's operations in 2025.

(II) Policies for engaging in high-risk and high-leverage investments, capital loans to others, endorsements and guarantees, and derivatives transactions in the most recent year, the main reasons for profits or losses and future response measures:

The Company focuses on the development of its core business and has not engaged in high-risk and highly leveraged investments and derivative transactions. In addition, the transactions of loans to others, and endorsements and guarantees, all are conducted in line with the Company's Regulations Governing Lending of Funds and Making of Endorsements/Guarantees.

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

1. Future R&D plans:

The Company is a professional semiconductor and electronic component distributor. Our dedicated application engineers will complete the product plan by the most economical and effective means, provide the suppliers with the real-time market demand with the professional technical support ability, and assist the customers to solve the new product problem, or develop the Total Solution on behalf of the customer. In the future, the Company will seek professional talents as needed and in reference to trend of changes in electronic products, and to invest resources toward accurate R&D plans.

2. Expected R&D Expenditure:

With rapid technological changes in the semiconductor industry and the short life cycle of products, the Company maintains our position as a market leader in technology and continuously invests in professionals, equipment or key technologies to meet the needs of business development. Based on past experience, the research and development expenses for 2025 are estimated to be NT\$242,022 thousand.

(IV) The impact of changes in important domestic and foreign policies adopted and legal environment on the Company's financial operations and countermeasures:

The legal and accounting personnel of the Company shall have sufficient professional knowledge to keep abreast of changes in various laws and regulations, and to work closely with law firms, accounting firms and other professional consultants to propose contingency measures and plans in case of changes in laws.

(V) Impact of technological and market changes on the Company's finances and business and countermeasures:

1. Impact on the Company's financial operations:

The Company is a professional semiconductor and electronic component distributor, and technological changes and industry changes will help the Company to achieve agency over more innovative products and to bring more business opportunities. The Company also upholds professionalism,

provides quality customer service, and maintains positive relations with customers in the hopes of becoming a leading supplier when innovative applications are launched.

2. Proactive measures:

By visiting customers, information exchange, and organizing seminars to maintain positive interactions with downstream customers, the Company can rapidly seize market trends. In addition, through introducing new agency product lines, the Company can also diversify its agency products and satisfy customer demand with a one-stop shop and service through diversified products.

(VI) The impacts of change of corporate image on the enterprise crisis management and the countermeasures:

The Company has received multiple awards from prominent media outlets such as CommonWealth Magazine and Business Weekly. It has also been consistently recognized as a top channel partner in supplier evaluations. Moving forward, the Company will continue to expand its business with a strong focus on delivering professional services and maintaining a positive corporate image.

As of the date of this report, the Company maintains a favorable public image and has not encountered any events requiring corporate crisis management.

(VII) Expected benefits, possible risks, and response measures for mergers and acquisitions:

Not applicable.

(VIII) Expected benefits and potential risks of any plant expansion and response measures:

The company did not purchase fixed assets for business use in the most recent year and the most recent quarter.

(IX) Risks associated with any concentration of sales or purchasing operations and response measures being or to be taken:

The Company maintains a diversified sales portfolio, and in 2024, only one customer accounted for more than 10% of total net revenue. Therefore, the Company is not exposed to a significant concentration risk on the sales side.

On the procurement side, the top two suppliers accounted for approximately 60% of total purchases in 2024. These suppliers hold strong positions in their respective product segments and are key players in the consumer electronics market, which explains their higher share.

While the Company maintains strong and stable relationships with these principal suppliers, it is also actively working to secure distribution rights for other promising product lines. This strategy is expected to gradually reduce supplier concentration risk and enhance the Company's operational flexibility and resilience.

(X) The impact and risks of a substantial transfer or change of shares of Directors or major shareholders holding more than 10% of the Company's shares, and related response measures:

The Directors and major shareholders holding more than 10% of the shares of the Company are stable and optimistic about the operation and future prospects of the Company. Although there may be share transfers from relevant personnel due to personal factors (such as investment planning and tax considerations), there has not been any material transfer in the near future causing risks to the Company.

(XI) The effect upon and risk to the Company associated with any change in governance personnel or top management and response measures being or to be taken: Not applicable.

(XII) If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of this Annual Report shall be disclosed:

In January 2023, the Company received a notice of arbitration from the Chinese Arbitration Association, Taipei, in connection with a claim filed by Pegatron Corporation. The arbitration arose due to alleged anomalies in products manufactured by Pegatron, which contained electronic components distributed by the Company and originally supplied by its principal vendor. Pegatron filed for arbitration to clarify the respective responsibilities between the two parties.

On September 2024, the Company received the arbitration award from the Chinese Arbitration Association. The tribunal ruled that EDOM shall pay Pegatron a total of USD 30,236,137, along with interest at an annual rate of 5.20% calculated from July 15, 2023, until the date of full payment. Arbitration costs are to be borne 52% by Pegatron, with the remaining 48% borne by the Company. All other claims made by Pegatron were dismissed.

The products sold by EDOM fully comply with the specifications provided by the original manufacturer and are capable of operating stably under designated conditions. Based on a comprehensive review of test reports and expert opinions from both academia and industry, the chip product in question was determined to be free of defects.

The Company expresses deep regret regarding the arbitration outcome and has retained legal counsel to file for annulment of the arbitration award. The Company will proceed with appropriate legal actions to safeguard the interests of its shareholders.

(XIII) Other material risks and countermeasures:

The Company has no other material risk matters to disclose.

VII. Other Important Matters: None.

Chapter 6 Special Notes

I. Information on Affiliates

The disclosure has been announced and filed on the Market Observation Post System (MOPS).

Access path: MOPS > Company-specific section > Electronic Document Download > Affiliated Enterprises – "Three Reports" Section

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Private Placement of Securities in the Most Recent Year and up to the Publication Date of the Annual Report: Not Applicable.

III. Other Necessary Supplements: None.

Chapter 7 Any Event Results in Material Impact on the Shareholders' Equity or Securities Prices as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that Has Occurred in the Most Recent Year and up to the Publication Date of the Annual Report: None.

EDOM Technology Co., Ltd.

Statement on Internal Control System (ICS)

Date: March 11, 2025

The Company makes the following statement according to the self-evaluation conducted of its internal control system of 2024:

- I. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The objectives of internal control system (ICS) include achieving various objectives in business benefits and efficiency (including profitability, performance, and protection of assets and safety); ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting; and providing reasonable assurance.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the Company's ICS contains self-supervision mechanisms and the Company will take corrective actions immediately, once the deficiency is identified.
- III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. The ICS judgment item adopted by the Regulations is to divide the ICS into 5 components in accordance with the procedures of management control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each constituent element includes a number of categories. For the aforementioned projects, please refer to the provisions of the Regulations.
- IV. The Company has already adopted the aforementioned Regulations to evaluate the effectiveness of its internal control system design and operating effectiveness.
- V. Based on the aforementioned audit findings, the Company holds that as of December 31, 2024, its internal control procedures (including the procedures to monitor subsidiaries), effectiveness and efficiency of operations, reliability, timeliness, transparency of reporting, and compliance with relevant legal regulations, and design and enforcement of internal controls, are effective. The aforementioned goals can be achieved with reasonable assurance.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. If any of the contents disclosed above contain falsehood, concealment, or other illegality will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed in the Board of Directors meeting on March 11, 2025 with none of the nine attending Directors expressing objections; all Directors affirmed the content of this Statement.

EDOM Technology Co., Ltd.

Chairman: Tseng Yu-I (signed or sealed)

President: Yu Chun-Chieh (signed or sealed)