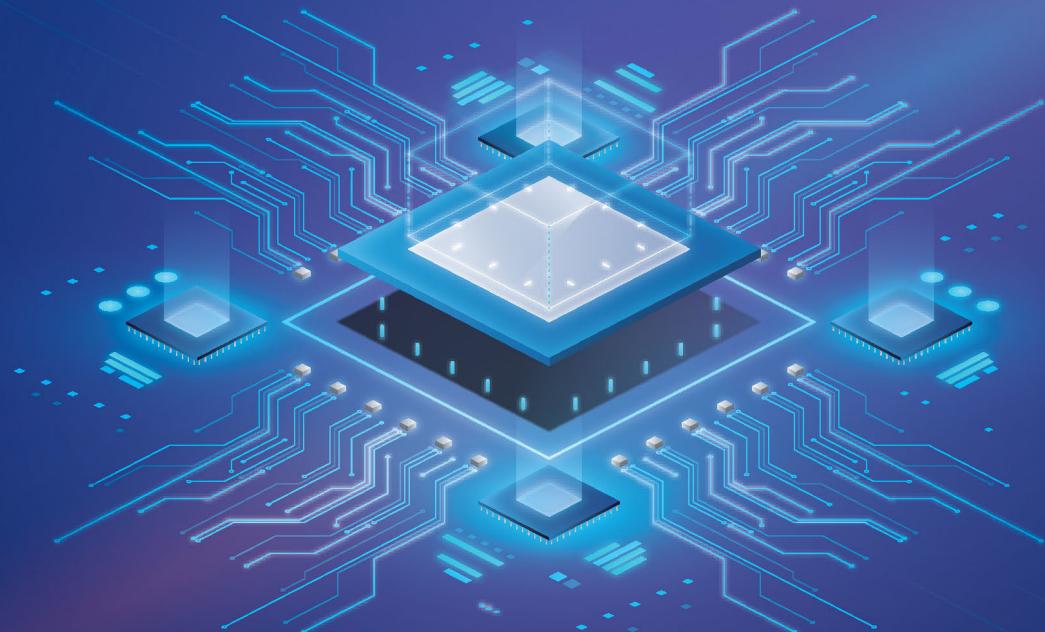




臻鼎科技控股  
Zhen Ding Tech. Holding

Stock Code : 4958

# 2024 Annual Report



Company website: <https://www.zdtco.com>

Market Observation Post System: <https://mops.twse.com.tw>

Printed on March 31, 2025

THIS IS A TRANSLATION OF THE 2024 ANNUAL REPORT (THE "ANNUAL REPORT") OF ZHEN DING TECHNOLOGY HOLDING LIMITED (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE ANNUAL REPORT SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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**Auditors**

Name: Sheng-Chung Hsu, CPA and Chieh-Ju Hsu, CPA

Name of Firm: PricewaterhouseCoopers Taiwan

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**Trading venue/inquiry method for listing and trading of overseas securities:**

Singapore Exchange website: <https://www.sgx.com>

Shenzhen Stock Exchange website: <https://www.szse.cn>

**Corporate Website**

URL: <https://www.zdtco.com>

## **Addresses and telephone numbers of the head office, main areas of operation, subsidiary companies, and branch companies:**

### **Head Office:**

#### **Zhen Ding Technology Holding Limited**

Address: P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands

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- Zhen Ding Technology Co., Ltd.**

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- Boardtek Electronics Corporation**

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Telephone: (886)3-483-9611

### **Subsidiary companies in China:**

- Avary Holding (Shenzhen) Co., Limited**

Address: 27F, Building A, Pengding Age Building, No. 2038, Haixiu Rd., Haibing Community, Xin'an Subdistrict, Bao'an District, Shenzhen, Guangdong Province

Telephone: (86)755-3381-0388

- Fu Bo Industry (Shenzhen) Co., Ltd.**

Address: AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China

Telephone: (86)755-3381-0388

- Kui Sheng Technology (Shenzhen) Co., Ltd.**

Address: AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China

Telephone: (86)755-3381-0388

- Avary Holding Investment (Shenzhen) Co., Ltd.**

Address: AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China

Telephone: (86)755-3381-0388

- **Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.**

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Telephone: (86)755-3386-8888

- **Avary Property Management Services (Shenzhen) Co. Ltd.**

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Telephone: (86)755-3323-4596

- **Yaoding Environmental Energy Technology (Shenzhen) Limited**

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Telephone: (86)755-3381-0388

- **Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.**

Address: No.168, Fushikang Road, Huai'an Economic and Technological Development Zone, Jiangsu Province, China

Telephone: (86)517-8351-6888

- **Qing Ding Precision Electronics (Huai'an) Co., Ltd.**

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Telephone: (86)517-8351-6888

- **Huai'an Jia Wei Industrial Development Co., Ltd.**

Address: Room A306, Building 2, No. 111, Yingbin Avenue, Huai'an Economic and Technological Development Zone, Huai'an, Jiangsu Province, China

Telephone: (886)3-383-5678

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Address: No. 8, Pengding Road, Huai'an Economic and Technological Development Zone, Jiangsu Province, China

Telephone: (86)517-8351-6888

- **Yaoding Environmental Energy Technology (Huai'an) Limited**

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Telephone: (86)517-8351-6888

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Telephone: (86)335-5308-888

- **Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.**

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- **Zhuhai Hengqin Avary Investment Limited Partnership**

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Telephone: (86)755-3381-0388

### **Subsidiary companies in other regions:**

- **Monterey Park Finance Limited**

Address: Vistra Corporate Services Centre, Wickhams Cay 1l, Road Town, Tortola, VG1110, British Virgin Islands

Telephone: (886)3-383-5678

- **Coppertone Enterprises Limited**

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- **FAT Holdings Limited**

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- **Leading Interconnect Semiconductor Technology Limited**

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- **Pacific Fair International Limited**

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- **Mayco Industrial Limited**

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Telephone: (886)3-383-5678

- **Leading Interconnect International Limited**

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Telephone: (886)3-383-5678

- **Garuda International Limited**

Address: Unit B, 26/F., CKK Commercial Centre, 289 Hennessy Road, WanChai, Hong Kong  
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- **Avary Singapore Private Limited**

Address: 9 Raffles Place, #26-01, Republic Plaza, Singapore (048619)  
Telephone: (886)3-383-5678

- **Zhen Ding Technology Singapore Private Limited**

Address: 9 Raffles Place, #26-01, Republic Plaza, Singapore (048619)  
Telephone: (886)3-383-5678

- **Avary Technology (India) Private Limited**

Address: No.28, Padur Road, Kuthambakkam Village, Poonamalle Taluk, Thiruvallur District, Tamil Nadu 600124, India  
Telephone: (91)9176-999-602

- **Zhen Ding Technology India Private Limited**

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Telephone: (91)9176-999-602

- **Zhen Ding Developer India Private Limited**

Address: Unit No.02, 3rd Floor, No.27 Kamaraj Colony, 3rd Street, Kodambakkam, Chennai, TN 600024, India.  
Telephone: (91)9176-999-602

- **Peng Shen Technology(Thailand) Co., Ltd.**

Address: 288 Moo 5, Nonsi Sub-district, Kabin Buri District, Prachin Buri Province 25110, Thailand  
Telephone: (886)3-383-5678

## **Board Members :**

<b>Title</b>	<b>Name</b>	<b>Nationality or Registry</b>	<b>Selected Education &amp; Work Experiences</b>
Chairman	Chang-Fang Shen	REPUBLIC OF CHINA	Honorary Doctor of Science of Chung Yuan Christian University Bachelor of Department of Business Administration, Chinese Culture University President, Unicap Electronics Industrial Corp. President, Hualien Promisedland Resort Executive Vice President, Pacific Securities Vice President of Underwriting, Asia Securities Section Chief, Export-Import Bank of the Republic of China
Director	Foxconn (Far East) Limited Representative : CHE-HUNG YU	REPUBLIC OF CHINA	Master in Law, American University, United States Representative of Institutional Director, ShunSin Technology Holdings Limited
Director	Ting-Chuan Lee	REPUBLIC OF CHINA	EMBA, National Taiwan University Master of Chemical Engineering, National Central University General Manager, Subtron Technology Co., Ltd. Vice President, Unimicron Technology Corp. Manager, Compeq Manufacturing Company Limited
Independent Director	Shin-Cheng Yeh	REPUBLIC OF CHINA	PhD in Civil and Environmental Engineering, Cornell University, USA Minister of State of the Executive Yuan CEO of the National Sustainable Development Committee, Executive Yuan Political Deputy Minister of the Environmental Protection Administration, Executive Yuan Professor/Dean of the Graduate Institute of Environmental Education, National Kaohsiung Normal University
Independent Director	Gin-Ing Hu	REPUBLIC OF CHINA	MBA, Florida International University Master of Computer Science, Barry University, USA Supervisor of Powerchip Semiconductor Manufacturing Corporation CFO and Spokesperson, Acer Inc. President and Vice Chairman of Videoland Television Network Chief Executive Officer of Asia Television Limited, Hong Kong Director of CA & CTA Ltd., Hong Kong
Independent Director	Chun-Chung Chen	REPUBLIC OF CHINA	University of Texas at Dallas (UTD), USA Doctor of International Management Associate Professor of International Business, Yuan Ze University

## Honors and Recognitions:

### **S&P Global**

Scored 78 in the ITC Electronic Equipment, Instruments & Components category of the S&P Global Corporate Sustainability Assessment (CSA) and featured in the S&P Global Sustainability Yearbook 2024 for three consecutive years



The Company ranked in the top 6% to 20% of the Corporate Governance Evaluation of Listed Companies, and it was once again selected as a TWSE Corporate Governance 100 Index constituent stock.



The MSCI ESG rating was maintained as "BB", and the Company's performance in "Conflict Minerals Management (Controversial Sourcing)" ranked among the top 25% of global peers.



Received an A in Water Safety Rating, the highest rating, and B in Climate Change Rating of CDP.



CATI rating ranked 7th in the IT/ICT industry.  
Ranked 6th in the Green Supply Chain CITI Index for IT/ICT industry



Selected as a constituent stock of the FTSE4-Good TIP Taiwan ESG Index for five consecutive years



Received low-risk rating in Sustainalytics ESG Risk Assessment



The ISS ESG rating "C+", obtaining the "Prime" grade.



The subsidiary Avary Holding received the Wind ESG Rating of A, ranking fourth in the industry.

# Zhen Ding Technology Holding Limited

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## CHAPTER 1. LETTER TO SHAREHOLDERS

In 2024, the political and economic landscape has been full of ups and downs. Factors such as inflation, monetary policies, and geopolitical tensions have posed numerous challenges for businesses. In the face of this complex market environment, Zhen Ding Tech Group has achieved significant progress across the board through the joint efforts of all employees and in close collaboration with strategic partners, customers, and shareholders. The Company's total revenue reached NT\$171.664 billion, with outstanding performance in all four major application segments. Notably, the Company's revenues from mobile communications, IC substrates and servers, automotive, and optical communications all hit record highs. The increasingly higher demand of AI products for hardware performance is driving advancements in product architecture design and materials. The Company anticipates accelerated growth in the coming year, which is expected to continue generating new opportunities and growth momentum.

The Company's 2024 business overview and future outlook.

### I. Revenue Overview

In 2024, our consolidated revenue was NT\$171.664 billion, increasing by 13.4% compared to 2023. Our consolidated net profit after tax was NT\$13.096 billion (the consolidated net profit after tax attributable to the parent company was NT\$9.180 billion), increasing by 38.9% compared to 2023. The earnings per share of the consolidated net profit after tax attributable to the parent company was NT\$9.67.

### II. Understand Industry Trends and Strengthen Global Presence

Following the wave of technological innovation, and against the backdrop of rapid advancements in artificial intelligence, the Company is actively deploying AI applications across the “cloud, network, and edge.” We are driving the digitalization and greenification of the PCB industry. In 2024, AI-related products accounted for 45% of the Company's consolidated revenue, and this figure is expected to exceed 70% in 2025. In the AI server sector, the Company is already involved in prototyping next-generation products and new architectures with our customers. For optical communication products, we have successfully entered mass production and the products are contributing to revenue. High-end products are also undergoing customer sampling and certification. In the AI-related consumer electronics segment, such as smartphones and computers, the Company is actively collaborating with customers on the development of new products. In the future, demand for advanced PCBs featuring finer lines and higher layer counts is expected to continue rising.

To meet the growing production capacity demands driven by product iterations, the Company has continued to expand our capacity investments in the Shenzhen,

Huai'an, and Qinhuangdao Parks. In anticipation of the sustained strong demand for high-end products driven by AI, the Company has taken proactive steps by planning to transform the Kaohsiung plant into an AI campus, which will be dedicated to the design and manufacturing of related advanced products. The Company has also established an R&D center in line with customer product and technology development to support the increasing global demand for AI and high-end products. We aim to strengthen the Company's competitive edge in the market. In addition to its existing flexible PCB production capacity, the Kaohsiung AI Park has also announced plans to invest NT\$8 billion and NT\$2 billion in the establishment of production capacity for ABF substrates used in advanced packaging and high-layer-count, high-density (HLC+HDI) rigid PCBs, respectively. These investments are aimed at meeting the comprehensive AI product application needs of our customers.

The new plant in Prachinburi, Thailand, which broke ground in December 2023, completed equipment installation for phase 1 in February 2025. Trial production is set to begin in the first half of this year, followed by small-scale mass production in the second half. The plant will primarily focus on high-end server, automotive, and optical communication applications to meet the growing demand for these products. The addition will further fuel the Company's growth momentum and enhance the completeness of our global production layout. We anticipate that operational performance will reach new highs next year.

In addition, the Company has acquired land in Qingpu, Taoyuan, for the establishment of our Taiwan operations headquarters. The site is planned to become the Zhen Ding Age Building, with Eslite establishing a presence as well. Construction began in February this year. The project aims to strengthen inter-plant collaboration, bring together supply chain partners, and generate the benefits of an industrial cluster. The headquarters will also serve as a hub for talent recruitment and development, as well as a platform for enhancing value through industry chain collaboration. It will offer a convenient space for customers, partners, and employees to work, while also helping to attract more talent to the Company, driving both industry growth and the local economy.

### **III. Shoulder Social Responsibility and Achieve Sustainable Development**

As a company committed to social responsibility and sustainable development, Zhen Ding continues to travel down the Environmental, Social, and Governance (ESG) path, receiving numerous international recognitions along the way. Last year, the Company was awarded the highest "A" rating in the area of water security and was selected for the S&P Global Sustainability Yearbook for the third consecutive year. Our performance ranks above 98% of our peers in the global electronic equipment and components industry, and makes us first in the PCB industry.

The Company is committed to promoting corporate governance and sustainable development across all aspects of our operations. In terms of climate action, we are actively implementing carbon reduction and greenhouse gas mitigation measures through process improvements, in-house solar power generation, and the purchase of green electricity. At the same time, the Company is actively implementing our sustainable water resource strategy by enhancing water conservation management and adopting innovative technologies to steadily increase our water reuse rate year by year. The newly established Yaoding Environmental Energy Technology (Shenzhen) Limited is dedicated to ecological protection and environmental management. It provides energy-saving management services and explores innovations and applications in green energy technologies. Yaoding supports the Company in completing our green transformation. In addition, in the areas of supply chain management and product responsibility, the Company continues to promote green manufacturing and the development of a green supply chain. We have implemented systematic management of chemical safety and responsible mineral sourcing. In the MSCI ESG rating for conflict minerals management, the Company continues to rank in the top 25% among our global peers. In terms of social inclusion, the Company regularly conducts human rights risk identification and performs related due diligence. We have established mitigation and remediation plans for potential risks, using both internal assessments and external audits to comprehensively protect and uphold employee rights. The Company places strong emphasis on gender equality, human rights protection, and talent development. We strive to create a diverse and inclusive workplace. With our commitment to sustainable operations, the Company integrates social resources to realize our long-term sustainability vision.

#### **IV. Continue to Promote the One ZDT Core Strategy**

Over the years, Zhen Ding has defined "One ZDT" as our core strategy, leveraging a one-stop service model to enhance operational efficiency. In response to globalization and market competition, innovation and transformation remain key focuses. By the end of 2024, the Company had accumulated 1,868 effective global patents. To ensure steady development, Zhen Ding continues to expand our diverse product portfolio and strengthen our presence across the PCB industry chain. The Company has seen significant growth in the substrate field, entering a phase of rapid growth with annual revenue up 75.6%. ABF substrate capacity utilization continues to rise, with successful certification by key customers on the 2nm platform. This shows that our capabilities align with cutting-edge semiconductor processes. Future capacity utilization rates are expected to grow further, with the strategic focus of development on mid-to-high-end products. BT substrates have also maintained over 80% utilization, with ongoing growth driven by new customers and orders for new products.

In addition, enhancing production efficiency is a key part of the Company's innovation and transformation strategy. Zhen Ding is actively advancing toward smart manufacturing and digital transformation by introducing advanced manufacturing technologies and processes. Through data analysis, the Company is refining our existing production flows to achieve automation and intelligence, thereby improving quality control and consistency. Aligned with customer strategies and in close collaboration with suppliers, Zhen Ding remains committed to excellence in a rapidly evolving market. With a spirit of perseverance, agility, and vigilance, the Company continues to identify new growth opportunities across various fields, driving the Group toward higher goals.

## **V. Future Prospects**

In 2025, the world will face an increasingly complex and unpredictable political and economic landscape, bringing greater challenges to market stability and certainty. However, the rapid advancement and maturation of emerging technologies, such as AI and robotics, are creating unprecedented opportunities and growth potential in the industry. Despite the mix of opportunities and challenges, we remain confident in our ability to adapt with agility, break through conventional thinking, and identify opportunities among the risks. By exploring new growth drivers in emerging technological fields, and with the united efforts of our employees, shareholders, suppliers, and partners, we are committed to achieving steady growth and mutual success. Together, we will create a bright future for the Company's long-term development.

Chairman

**Chang-Fang Shen**

## CHAPTER 2. Company Introduction

### I. Company and Group Profile:

Zhen Ding Technology Holding Limited was founded in 2006. Subsidiaries include Avary Holding (Shenzhen) Co., Ltd. (Avary Holding 002938.SZ), Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., and BoardTek Electronics Corp. Products are widely used in end products such as smartphones, network devices, tablets, wearable devices, notebooks, servers, base stations, smart appliances, automobiles, and medical equipment.

Under the leadership of Chairman Chang-Fang Shen, Zhen Ding Tech. Group has fostered a management team with extensive experience. The Company cooperates with leading global customers and uses advanced technologies to establish a comprehensive manufacturing base with high efficiency and low costs. This base is designed to develop an efficient, reasonable, automated, and unmanned modern manufacturing process. According to Prismark Printed Circuit, the Company was rated as the largest PCB manufacturing company in the world for eight consecutive years since 2017.

While pursuing innovation, the pollution prevention and resources recycling are the Company's social responsibilities and the foundation of sustainable development. Therefore, our investee companies and subsidiary companies have taken on the responsibility of establishing new production sites that meet environmental protection standards and implement pollution prevention and wastewater treatment standards that are superior to government regulations.

Currently, the investee companies and all subsidiaries have passed clean production reviews and they continue to implement greenhouse gas inventory and other carbon emissions reduction management to promote ideals of green environmental protection and establish a green corporate culture. Environmental protection is the most important responsibility and mission of the Company. The Companies uphold the ideas of "One ZDT" (one-stop shopping service), continue to develop advanced production process technology and high-performance and cost-effective products. The Company will continue to lead industry developments, strengthen its core competitiveness, and promote its core values of "integrity, responsibility, innovation, excellence, and benefiting all". Through talent recruitment, the Company will elevate its overall management standard and meet international standards for research and development, production, sales, and operational management. Furthermore, environmental protection and work safety management will be continuously improved to uphold the principles of fair treatment towards employees, the environment, and suppliers. As the Company continues to grow with its strategic partners and innovate and develop, it will move towards the mission of "developing technology, benefiting humanity, protecting the environment, and making the world a better place".

All employees of the Group shall maintain a positive and aggressive attitude and focus on their production and operations to create a comprehensive industry platform and develop related industry. The ultimate goal is continuously promote the Company's leading position in the industry and maximize profits of the Company and Shareholders.

**II. Group Structure:** Please refer to page 197 of the Annual Report for more information.

**III. Risk Matters:** Please refer to pages 162 to 178 of the Annual Report for more information.

## CHAPTER 3. Corporate Governance

### I. Information Regarding Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Subsidiaries

#### (I) Director Information

##### 1. Board Members:

March 31, 2025

Title	Nationality or Registry	Name	Gender Age	On-board Date	Term	Date first elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse & Minors		Shares Held by Nominee Arrangement		Selected Education & Work Experiences	Concurrent position in the Company and/or other companies	Board Members who has a spouse or relative within two degrees of consanguinity serving as a manager or director at ZDT		Footnote (Note 3)	
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name		
Chairman	Republic of China	Chang-Fang Shen	Male 71~80	2023.05.30	3	2006.06.05	4,588,000	0.484%	4,688,000	0.490%	-	-	-	-	Honorary Doctor of Science of Chung Yuan Christian University Bachelor of Department of Business Administration, Chinese Culture University President, Unicap Electronics Industrial Corp. President, Hualien Promisedland Resort Executive Vice President, Pacific Securities Vice President of Underwriting, Asia Securities Section Chief, Export-Import Bank of the Republic of China	Note 2	-	-	-	
Director	CAYMAN ISLANDS	Foxconn (Far East) Limited	-	2023.05.30	3	2008.02.18	305,515,627	32.260%	305,515,627	31.936%	-	-	-	-	-	-	-	-	-	
Director Representative	Republic of China	CHE-HUNG YU	Male 61~70	-	-	-	-	-	-	-	-	-	-	Master in Law, American University, United States Representative of Institutional Director, ShunSin Technology Holdings Limited	Note 2	-	-	-		
Director	Republic of China	Ting-Chuan Lee	Male 51~60	2023.05.30	3	2020.06.19	80,000	0.008%	120,000	0.013%	-	-	-	-	EMBA, National Taiwan University Master of Chemical Engineering, National Central University General Manager, Subtron Technology Co., Ltd. Vice President, Unimicron Technology Corp. Manager, Compeq Manufacturing Company Limited	Note 2	-	-	-	
Independent Director	Republic of China	Shin-Cheng Yeh	Male 51~60	2023.05.30	3	2023.05.30	-	-	-	-	-	-	-	PhD in Civil and Environmental Engineering, Cornell University, USA Minister of State of the Executive Yuan CEO of the National Sustainable Development Committee, Executive Yuan Political Deputy Minister of the Environmental Protection Administration, Executive Yuan Professor/Dean of the Graduate Institute of Environmental Education, National Kaohsiung Normal University	Note 2	-	-	-		

Title	Nationality or Registry	Name	Gender Age	On-board Date	Term	Date first elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse & Minors		Shares Held by Nominee Arrangement		Selected Education & Work Experiences	Concurrent position in the Company and/or other companies	Board Members who has a spouse or relative within two degrees of consanguinity serving as a manager or director at ZDT			Footnote (Note 3)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Independent Director	Republic of China	Gin-Ing Hu	Female 61~70	2023.05.30	3	2023.05.30	-	-	-	-	-	-	-	-	MBA, Florida International University Master of Computer Science, Barry University, USA Supervisor of Powerchip Semiconductor Manufacturing Corporation CFO and Spokesperson, Acer Inc. President and Vice Chairman of Videoland Television Network Chief Executive Officer of Asia Television Limited, Hong Kong Director of CA & CTA Ltd., Hong Kong	Note 2	-	-	-	
Independent Director	Republic of China	Chun-Chung Chen	Male 51~60	2023.05.30	3	2023.05.30	-	-	-	-	-	-	-	-	University of Texas at Dallas (UTD), USA Doctor of International Management Associate Professor of International Business, Yuan Ze University	Note 2	-	-	-	

Note 1: Independent Director Chen-Fu Chien resigned from the position of independent director and various functional committees on February 27, 2025.

Note 2: Directors' concurrent duties in the company and in other companies are summarized in the table below:

Title	Name	Concurrent position in the Company and/or other companies
Chairman	Chang-Fang Shen	CSO, Zhen Ding Technology Holding Limited Chairman, Zhen Ding Technology Co., Ltd. Chairman, Avary Holding (Shenzhen) Co., Ltd. Director of Monterey Park Finance Limited Director of FAT Holdings Limited Director of Pacific Fair International Limited Director of Mayco Industrial Limited Director of Coppertone Enterprises Limited
Director Representative	Che-Hung Yu	Director, Avary Holding (Shenzhen) Co., Ltd. Supervisor, Garuda Technology Co., Ltd. Supervisor, Zhen Ding Technology Co., Ltd. Senior Assistant Vice President of Hon Hai Precision Industry Co., Ltd. Representative of Institutional Director of Syntrend Creative Park Co., Ltd.
Director	Ting-Chuan Lee	Executive Director, Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. Executive Director of Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. Director of Leading Interconnect International Limited
Independent Director	Shin-Cheng Yeh	Professor of the Graduate Institute of Sustainability Management and Environmental Education, National Taiwan Normal University
Independent Director	Gin-Ing Hu	Chairman of Invista Investment Co., Ltd. Chairman, BeneLife Management Ltd. Independent Director of Acer Synergy Tech Co., Ltd. Independent Director of Vigor Kobo Co., Ltd. Independent Director, ADATA Technology Co., Ltd. Director, Zhongxing Agriculture and Forestry Development Co., Ltd. Supervisor, SmartBee Intelligence Co., Ltd. Supervisor, He Mei Industrial Co., Ltd.
Independent Director	Chun-Chung Chen	Associate Professor of International Business, National Taiwan University Independent Director of ATEN International Co., Ltd.

Note 3: Where the Chairman of the Board of Directors and the President or person of an equivalent post (most senior manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None

2. Major shareholders of Institutional Director:

March 31, 2025

Name of Institutional Director	Major shareholders of Institutional Director
Foxconn (Far East) Limited	Hon Hai Precision Industry Co., Ltd.

3. Major Shareholder of Institutional Shareholder that is an Institutional Shareholder and Percentage of Shares Held (Top 10 Shareholders):

March 31, 2025

Major Shareholder of Institutional Director	Major Institutional Shareholders	Shares Held (shares)	Shares Held (%)
Hon Hai Precision Industry Co., Ltd.	Terry Gou	1,742,198,518	12.54%
	Bureau of Labor Funds	245,428,741	1.77%
	Standard Chartered Bank in custody for LGT Bank Investment Account	176,525,239	1.27%
	Citibank in custody for Government of Singapore Investment Account	173,242,233	1.25%
	Standard Chartered Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	168,952,135	1.22%
	Norges Bank	161,440,951	1.16%
	JPMorgan Chase Bank N.A. in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	152,553,761	1.10%
	ChinaTrust in custody for Yuanta Taiwan Excellence 50	139,160,792	1.00%
	Deutsche Bank in custody for iShares Emerging Markets ETF Investment Account	107,127,928	0.77%
	Chunghwa Post Co., Ltd.	96,129,353	0.69%

4. Professional qualifications and experience of Directors and independence information disclosure of Independent Directors:

Criteria	Professional qualifications and experience	Independence	Number of positions as an independent director in other public companies
Name and title			
Chang-Fang Shen (Chairman)	<p>1. Has experience in business, corporate governance, finance, accounting, and work experience necessary for the business of the Company.</p> <p>2. Once held the positions of President of Unicap Electronics Industrial Corp., President of Hualien Promisedland Resort, Executive Vice President of Pacific Securities, and Vice President of Underwriting of Asia Securities.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>		None
Foxconn (Far East) Limited Representative: Che-Hung Yu (director representative)	<p>1. Has experience in law and work experience necessary for the business of the Company.</p> <p>2. Currently serving as Senior Assistant Vice President of Hon Hai Precision Industry Co., Ltd., and Representative of Institutional Director of Syntrend Creative Park Co., Ltd.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 of the Company Act.</p>	N/A	None
Ting-Chuan Lee (Director)	<p>1. Have experience in information technology and work experience necessary for the business of the Company.</p> <p>2. Served as Vice President of Unimicron Technology Corp.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>		None

Criteria Name and title	Professional qualifications and experience	Independence	Number of positions as an independent director in other public companies
Shin-Cheng Yeh (Independent Director)	<p>1. Has experience in sustainable development, risk management, and work experience necessary for the business of the Company.</p> <p>2. Currently serving as Professor of the Graduate Institute of Sustainability Management and Environmental Education, National Taiwan Normal University.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>	<p>1. The Independent Directors of the Company are in compliance with the independence criteria.</p> <p>2. Including, but not limited to, whether the independent director, their spouse, or their relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliates, do not hold shares of the Company, and are not acting as directors, supervisors, or employees of companies that have specific relationships with the Company.</p>	None
Gin-Ing Hu (Independent Director)	<p>1. Has experience in finance, accounting, audits, corporate governance, information technology, and work experience necessary for the business of the Company, as well as CPA certification in the United States and Hong Kong.</p> <p>2. Currently serving as Chairman of Ing-Da Investment Co., Ltd., and independent director of Acer Synergy Tech Corp., Vigor Kobo Co., Ltd. and ADATA Technology Co., Ltd..</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>		3
Chun-Chung Chen (Independent Director)	<p>1. Has experience in business, corporate governance, finance, and work experience necessary for the business of the Company.</p> <p>2. Currently serving as Associate Professor of International Business, National Taiwan University, and independent director of ATEN International Co., Ltd..</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>	<p>3. Has not received remuneration for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years.</p>	1

## 5. Diversity and Independence of the Board of Directors

### (1) Board Diversity:

- The Company has stipulated in the Corporate Governance Best Practice Principles that diversity shall be considered in the composition of board members. Directors who are also managers in the Company may not take up more than one-third of all seats. In addition, appropriate diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which shall include, without limitation, the following two major aspects:
  1. Basic qualifications and values: Gender, age, nationality, culture, etc. Among the Board, female directors account for one third of all directors.
  2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Each board member shall have the necessary knowledge, skill, and experience to perform their duties. To achieve an ideal level of corporate governance, the Board of Directors should be equipped with the following abilities:
    1. Ability to make sound business judgments.
    2. Ability to perform accounting and financial analyses.
    3. Business management skills.
    4. Crisis management skills.
    5. Industrial knowledge.
    6. An international market perspective.
    7. Leadership skills.
    8. Decision-making capabilities.
- The current Board of Directors of the Company consists of 6 directors, with 3 being independent directors. The specific management goals and implementation of director diversification policies are as follows:

Management objectives	Achievement status (Note)
Increase the percentage of female directors	Achieved. One female director has been added, resulting in a female directorship ratio of 14%
Directors who serve as managers of the Company concurrently shall not exceed one third of the Board of Directors	Achieved. The percentage of directors serving as managers of the Company is 29%
Percentage of independent directors exceeds one-third	Achieved. The percentage of independent directors is 43%
Independent directors serve for a maximum of three consecutive terms	Achieved
Possess diverse industry experiences, professional knowledge and skills	Achieved

Note: The calculation is based on the number of seats (7) held by incumbent directors on the date of publication of the Annual Report.

● Board Diversification Implementation:

Diversification items Name	Basic Composition			Professional knowledge and industry experience																Sustainable Development	
	Nationality and Gender	Age	Number of Years Acting as Independent Director of the Company	Employee of the Company		Banks		Securities		Business Management		Asset Management		Finance		Accounting		Information Technology			
				9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years	9 years or 3 to 9 years	Below 3 years		
Chang-Fang Shen	Republic of China (Male)	71~80		✓		✓		✓		✓		✓		✓		✓		✓		✓	
Che-Hung Yu	Republic of China (Male)	61~70								✓								✓		✓	
Ting-Chuan Lee	Republic of China (Male)	51~60				✓				✓								✓		✓	
Shin-Cheng Yeh	Republic of China (Male)	51~60	✓							✓									✓		✓
Gin-Ing Hu	Republic of China (Female)	61~70	✓							✓		✓		✓		✓		✓		✓	
Chun-Chung Chen	Republic of China (Male)	51~60	✓							✓		✓		✓		✓				✓	

Diversification items Name	Professional Capability								Decision-making capabilities
	Ability to make sound business judgments	Ability to perform accounting and financial analyses	Ability to manage a business	Ability to handle crisis	Industrial knowledge	An international market perspective	Leadership ability		
Chang-Fang Shen	✓	✓	✓	✓	✓	✓	✓	✓	✓
Che-Hung Yu	✓		✓	✓		✓	✓	✓	✓
Ting-Chuan Lee	✓		✓	✓	✓	✓	✓	✓	✓
Shin-Cheng Yeh	✓		✓	✓		✓	✓	✓	✓
Gin-Ing Hu	✓	✓	✓	✓		✓	✓	✓	✓
Chun-Chung Chen	✓	✓	✓	✓		✓	✓	✓	✓

The percentage of directors serving as employees of the Company is 29%. Three directors are 51 to 60 years old, two directors are 61 to 70 years old, and one director is 71 to 80 years old. In order to increase the ratio of female directors, the Company has added a female director during the 5th-term election of directors in 2023. Due to the nature of the industry in which the Company operates, the proportion of female professionals is relatively low. However, to continue promoting gender equality in the composition of the Board of Directors, the Company will actively seek qualified female professionals who meet its expertise and skill requirements. Suitable candidates will be nominated in the next full re-election of directors, with the goal of achieving at least one-third representation for either gender on the Board.

(2) Independence of the Board of Directors:

The Company's current Board of Directors consists of 6 members, including 3 directors and 3 independent directors. The percentage of independent directors is 50%. All independent directors of the Company comply with the regulations of the "Regulations on Establishment of Independent Directors of a Public Offering Company and Matters to be Complied with". There are no situations falling under Subparagraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act among the directors and independent directors. The Board of Directors of the Company is independent, and information on the professional qualifications and experience of the directors and the independence of the independent directors can be found on pages 10 to 11 of the Annual Report.

6. Succession Planning and Implementation of Members of the Board of Director

(1) Regarding the succession planning for the Board of Directors, the Company has proactively cultivated senior executives to join the Board of Directors. The executives are well-versed in the operations of the Board of Directors and the business of the units in the Group. Currently, there are several senior management experts in the Group, providing a rich pool of talent for director selection. Besides considerations related to diversity, directors who also serve as managers of the Company shall not exceed one third of the Board of Directors. The Company will focus on gender equality and the directors must have the knowledge, skills, and competency to carry out their duties.

(2) The Company continues to implement director succession planning, and establishes the director candidate database according to the following standards:

- Integrity, responsibility, innovation, and decision-making ability. The standards comply with the core values of the Company and improves the professional knowledge and abilities related to management of the Company.
- Possesses industry experience related to the business of the Company.
- The participation of the member is expected to provide an effective and diverse Board of Directors that complies with the requirements of the Company.
- The Company's Corporate Governance, Sustainability, and Nominating Committee shall conduct qualification reviews for the nomination and selection of directors and independent director candidates, in order to effectively select a suitable director candidate when there is a vacancy in the Board or if new director positions are added.

(II) Information Regarding President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Subsidiaries

March 31, 2025

Title	Nationality	Name	Gender	On-board Date	Number of shares held		Spouse & Minor Children Shareholding	Shares Held by Nominee Arrangement	Selected Education & Work Experiences	Current Position at Other Companies	Managers who has a spouse or relative within two degrees of consanguinity serving as a manager at ZDT		Footnote
					Number of shares	Shareholding percentage					Title	Name	
President	Republic of China	Chen-Fu Chien	Male	2025.03.01	-	-	5,000	0.001%	Ph.D of Decision Science and Operations, University of Wisconsin - Madison, USA Director of the Ministry of Science and Technology "IC Industry Alliance" program and the "Tsinghua-TSMC Manufacturing Center of Excellence" Chairman, Chinese Institute of Industrial Engineers	Lecture Professor and Executive Vice President, National Tsing Hua University (on secondment) Independent Director, Airoha Technology Co., Ltd. Independent Director, ASPEED Technology Inc. Director of Artificial Intelligence for Intelligent Manufacturing Systems (AIMS) Research Center	-	-	Note 1
Vice President	Republic of China	Jing-Hsien Hsieh	Male	2021.08.30	-	-	-	-	Masters, Department of Administration Police, Central Police University Deputy Commissioner, Criminal Investigation Bureau, National Police Agency, Ministry of the Interior Commissioner, Yilan County Police Bureau	-	-	-	
Senior Manager (Corporate Governance Officer)	Republic of China	Duen Ling	Female	2021.05.07	10,000	0.001%	-	-	Bachelor's degree, Tatung University Department of Underwriting, Asia Securities President, Apex Investment Consulting Co., Ltd. Supervisor, Ways Technical Corp., Ltd.	-	-	-	
Assistant Vice President (Financial Officer)	Republic of China	Eddie Chiang	Male	2023.08.09	-	-	-	-	MBA, University of Illinois Bachelor of Department of Information Management, National Central University Director, ANZ Banking Group Taipei Branch Vice President, Fubon Bank (Hong Kong) Limited Deputy General Manager, ABN AMRO Taipei Branch	-	-	-	
Senior Deputy Manager (Accounting Officer)	Republic of China	Shih-Te Chou	Male	2024.03.12	71	-	-	-	Masters, Accounting and Public Finance, Feng Chia University Deputy Manager, Lucky-Brand Industrial Co., Ltd.	-	-	-	

Note 1: Former Chairman Chang-Fang Shen was dismissed from his concurrent position of President on March 1, 2025. Upon resolution of the Board of Directors, Chen-Fu Chien was appointed to the position of President.

(III)Remunerations to directors, president, and vice presidents in the most recent year

1. Remuneration Paid to Directors and Independent Directors

December 31, 2024; Unit: NT\$ thousands

Title	Name	Remunerations Paid to Directors				Amount and Ratio of Total A, B, C and D to Net Income (Note)	Compensation Earned as an Employee of the Company or of the Company's Consolidated Entities				Amount and Ratio of Total A, B, C, D, E, F and G to Net Income (Note)	Compensation from Non-consolidated Affiliates or Parent Company							
		Remuneration (A)		Pension (B)			Remuneration (C)		Allowances (D)		Salary, Bonus and etc. (E)		Pension (F)		Employees' Remuneration (G)				
		The Company	Consolidated Entities	The Company	Consolidated Entities		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Stock	Cash	Stock			
Chairman	Chang-Fang Shen	48	48	45,659	45,659	45,707 0.50%	31,973	31,973	- - - - - - - -	149,060 149,060 - - - - - -	226,740 226,740 2.47% - - - - -	226,740 226,740 2.47% - - - - -	- - - - - - - -						
Director	Foxconn(Far East) Limited																		
Representative	Che-Hung Yu																		
Director	Ting-Chuan Lee																		
Independent Director	Chen-Fu Chien																		
Independent Director	Shin-Cheng Yeh																		
Independent Director	Gin-Ing Hu																		
Independent Director	Chun-Chung Chen																		

(1) Please describe the policies, structure, systems, standards, and structures for the payment of independent director remuneration, and the relationship of the remuneration amount according to the associated responsibilities, risks, and investment time:

Director remuneration is determined in accordance with Article 13.5 of the Articles of Association, following the Company's "Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees". Evaluation criteria include individual director involvement in company operations, understanding of director responsibilities, interaction with the management team, internal controls, enhancement of decision-making quality, and contribution to company performance (net profit after tax, earnings per share, and return on equity), along with consideration of future industry risks and trends. Remuneration is set reasonably by the Board of Directors based on the advice of the Remuneration Committee and industry benchmarks. The Company reviews and adjusts remuneration annually based on actual operating conditions and relevant regulations to achieve a balance between sustainable operation and risk management.

(2) In addition to the table above, in the most recent fiscal year, compensation for services provided by directors of the company (including as a non-employee advisor for all companies/investees under the parent company/in the Financial Report) is as follows: None.

Note: Net income after tax refers to the net profit attributable to owners of the parent company as stated in the Company's consolidated financial statements for 2024.

Table of Remunerations Paid to Directors

Remuneration Range	Name of Directors				
	Sum of first 4 remunerations (A+B+C+D)			Sum of first 7 remunerations (A+B+C+D+E+F+G)	
	The Company		Consolidated Entities	The Company	
Less than NT\$1,000,000	Legal representative: Che-Hung Yu		Legal representative: Che-Hung Yu		Legal representative: Che-Hung Yu
NT\$1,000,000 to NT\$2,000,000	-		-		-
NT\$2,000,000 to NT\$3,500,000	Foxconn, Ting-Chuan Lee, Chen-Fu Chien, Shin-Cheng Yeh, Gin-Ing Hu, and Chun-Chung Chen		Foxconn, Ting-Chuan Lee, Chen-Fu Chien, Shin-Cheng Yeh, Gin-Ing Hu, and Chun-Chung Chen		Foxconn, Chen-Fu Chien, Shin-Cheng Yeh, Gin-Ing Hu, and Chun-Chung Chen
NT\$3,500,000 to NT\$5,000,000	-		-		-
NT\$5,000,000 to NT\$10,000,000	-		-		-
NT\$10,000,000 to NT\$15,000,000	-		-		-
NT\$15,000,000 to NT\$30,000,000	-		-		-
NT\$30,000,000 to NT\$50,000,000	Chang-Fang Shen		Chang-Fang Shen		-
NT\$50,000,000 to NT\$100,000,000	-		-		Ting-Chuan Lee
Above NT\$100,000,000	-		-		Chang-Fang Shen
Total	8		8		8

## 2. Remunerations of the President and Vice Presidents

December 31, 2024; Unit: NT\$ thousands

Title	Name	Salary (A)		Pension (B)		Bonus and allowance (C)		Employee's Compensation (D)				Amount and Ratio of Total A, B, C and D to Net Income (Note)		Compensation from Non-consolidated Affiliates or Parent Company	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities		
								Cash	Stock	Cash	Stock				
President	Chang-Fang Shen	8,439	8,439	-	-	14,973	14,973	105,860	-	105,860	-	129,272	1.41%	129,272 1.41%	
Vice President	Jing-Hsien Hsieh														-

Note: Net income after tax refers to the net profit attributable to owners of the parent company as stated in the Company's consolidated financial statements for 2024.

Table of Remunerations Paid to Directors

Compensation Range	Name of President and Vice Presidents	
	The Company	Consolidated Entities E=(A+B+C+D)
Less than NT\$1,000,000	-	-
NT\$1,000,000 to NT\$2,000,000	-	-
NT\$2,000,000 to NT\$3,500,000	-	-
NT\$3,500,000 to NT\$5,000,000	-	-
NT\$5,000,000 to NT\$10,000,000	Jing-Hsien Hsieh	Jing-Hsien Hsieh
NT\$10,000,000 to NT\$15,000,000	-	-
NT\$15,000,000 to NT\$30,000,000	-	-
NT\$30,000,000 to NT\$50,000,000	-	-
NT\$50,000,000 to NT\$100,000,000	-	-
Above NT\$100,000,000	Chang-Fang Shen	Chang-Fang Shen
Total	2	2

3. Managerial Officer's Name and the Distribution of Employee Bonus

Unit: NT\$ thousands

	Title	Name	Stock	Cash	Total	Total as percent of net income after tax (%) (Note)
Officers	President	Chang-Fang Shen	-	155,560	155,560	1.69%
	Vice President	Jing-Hsien Hsieh				
	Assistant Vice President	Eddie Chiang				
	Senior Manager	Duen Ling				

Note: Net income after tax refers to the net profit attributable to owners of the parent company as stated in the Company's consolidated financial statements for 2024.

(IV) Includes the analysis results for the ratios of the net incomes to individual and each financial report, and that all of the Company's total remuneration amounts paid to the Company's directors, President, and Vice Presidents in the last 2 years; and specify the relevance between the payment remuneration policies, standards and combinations, remuneration setting procedures, operating performances, and future risks:

1. Analysis of the ratio of remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, the president, and vice presidents of the Company to the net profit after taxes:

Unit: NT\$ thousands

Item	2023		2024	
	Amount	%	Amount	%
Directors, President and Vice Presidents	87,163	1.41%	247,704	2.70%
Net profit attributable to owners of the parent company	6,188,729	100.00%	9,179,689	100.00%

2. The Company's policies and standards of paying remunerations, and packages of remuneration; the procedure for making such decisions; and relation to business performance and future risks:

(1) Director remuneration is determined in accordance with Article 13.5 of the Articles of Association. The Company may set aside no more than half percent (0.5%) of the profit for the current year as remuneration for directors. Based on the Company's Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees, evaluation criteria include individual director involvement in company operations, understanding of director responsibilities, interaction with the management team, internal controls, enhancement of decision-making quality, and contribution to company performance (net profit after tax, earnings per share, and return on equity), along with consideration of future industry risks and trends. Remuneration is set reasonably by the Board of Directors based on the advice of the Remuneration Committee and industry benchmarks. The Company reviews and adjusts remuneration annually based on actual operating conditions and relevant regulations to achieve a balance between sustainable operation and risk management.

(2) The performance evaluation and remuneration policies, systems, standards, and structures of senior managers are stipulated by the Remuneration Committee. By integrating the ESG sustainability framework covering Environmental, Social, and Governance aspects, the senior management team is entrusted with the responsibility and commitment to promote corporate sustainability. Through the performance evaluation mechanism for senior management, ESG performance is incorporated into the assessment criteria for determining annual variable remuneration for senior managers. The interests of the Company and senior managers are combined to make corporate sustainability a common goal. Starting in 2024, the long-term incentive plan for senior managers is implemented through a stock ownership trust. The plan includes a 10-year holding period and a clawback clause, ensuring alignment with the Company's long-term performance and shareholder interests.

Variable remuneration	Percentage	Evaluation criteria
Financial indicators of the Company	70%	Net profit after tax, earnings per share, and shareholders' return on equity (ROE)
ESG performance indicators	30%	External ESG assessment: Corporate governance assessment, S&P Global Corporate Sustainability Assessment (CSA), MSCI ESG Rating, FTSE Russell ESG Rating, Sustainalytics ESG Risk Rating (20%)
		Environmental protection indicators: Total amount of recycled water and green electricity used (10%)

## II. Implementation of Corporate Governance

### (I) Operations of the Board of Directors

The Company convened a total of 6 meetings of the Board of Directors in 2024 and the details of attendance are as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance rate (%)	Footnote
Chairman	Chang-Fang Shen	6	0	100%	
Director	Foxconn (Far East) Limited Representative: Che-Hung Yu	6	0	100%	
Director	Ting-Chuan Lee	6	0	100%	
Independent Director	Chen-Fu Chien	6	0	100%	Resigned on February 27, 2025
Independent Director	Shin-Cheng Yeh	6	0	100%	
Independent Director	Gin-Ing Hu	6	0	100%	
Independent Director	Chun-Chung Chen	6	0	100%	

Other items that shall be recorded:

- I. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, independent director's opinions, and the Company's response to such opinions should be recorded:
  - (I) Conditions listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit and Risk Committee, and therefore, is not subject to the regulations stipulated in Article 14-3 of the Securities and Exchange Act. Please refer to Section (II) Audit and Risk Committee Operations of this chapter for relevant information.
  - (II) Aside from the above matters, other resolutions adopted by the Board of Directors to which an independent director has expressed objections or qualified opinions on record or in writing: None.
- II. When a director recuses himself/herself from proposals involving the conflict of interest, the

director's name, the proposal, cause for the conflict of interest, and the voting shall be specified:

- (I) On March 12, 2024, the 5th meeting of the 5th Board of Directors passed the proposal to release directors from the non-competition restrictions: Independent Director Ms. Gin-Ing Hu was a stakeholder in this matter. He voluntarily abstained from the discussion and voting process. Upon inquiry by the Chairman and with no objections from other attending directors, the proposal was passed as presented.
- (II) On August 13, 2024, the 8th meeting of the 5th Board of Directors passed the 2023 remuneration distribution proposal for directors: Chairman Chang-Fang Shen was a stakeholder in this matter. He voluntarily abstained from the discussion and voting process, and designated Mr. Chen-Fu Chien, an independent director, as the Acting Chairman. Passed as proposed after the acting Chairman consulted all attending directors.
- (III) On August 13, 2024, the 8th meeting of the 5th Board of Directors passed the 2023 remuneration distribution proposal for managers (including Assistant Vice Presidents and above): Chairman Chang-Fang Shen was a stakeholder in this matter. He voluntarily abstained from the discussion and voting process, and designated Mr. Chen-Fu Chien, an independent director, as the Acting Chairman. After the acting chairman consulted with all the directors present, the representative of institutional director, Mr. Che-Hung Yu, stated that as a representative of institutional director, their internal procedures had not yet been completed, and therefore he would refrain from expressing an opinion on this matter. The remaining directors raised no objections, and the proposal was approved as presented.
- (IV) On August 13, 2024, the 8th meeting of the 5th Board of Directors passed the employee stock trust for managers: Chairman Chang-Fang Shen was a stakeholder in this matter. He voluntarily abstained from the discussion and voting process, and designated Mr. Chen-Fu Chien, an independent director, as the Acting Chairman. Passed as proposed after the acting Chairman consulted all attending directors.

III. The frequency and period, scope, method and content of evaluation of the Company's Board of Directors' self (or peer) evaluation. The implementation of the Board of Directors evaluation is as shown in the table below:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Measures
Once a year and completed before the end of the first quarter of the following year.	2024.01.01~2024.12.31	Board Meetings	Corporate Governance and Investor Relations Division self-evaluation	<ul style="list-style-type: none"><li>1. Level of participation in the Company's operations.</li><li>2. Improvement of the quality of the Board of Directors' decision making.</li><li>3. Composition and structure of the Board of Directors.</li><li>4. Election and continuing education of the directors.</li><li>5. Internal controls.</li></ul>

		Individual board members	Board member self-assessment	<ol style="list-style-type: none"> <li>1. Familiarity with the Company's goals and mission.</li> <li>2. Understanding of the role and responsibilities of directors.</li> <li>3. Level of participation in the Company's operations.</li> <li>4. Internal relations management and communication.</li> <li>5. Professionalism and continuing education of directors.</li> <li>6. Internal controls.</li> </ol>
		Functional committees	Corporate Governance and Investor Relations Division self-evaluation	<ol style="list-style-type: none"> <li>1. Level of participation in the Company's operations.</li> <li>2. Understanding of the committee's role and responsibilities.</li> <li>3. Improvement in the quality of decision-making by the functional committees.</li> <li>4. The composition of functional committees and the election of committee members.</li> <li>5. Internal controls.</li> </ol>
An evaluation shall be conducted by an external professional institution or expert team at least once every 3 years.	2023.11.01~2024.10.31	Board of Directors and various functional committees	External professional independent institution	<ol style="list-style-type: none"> <li>1. Composition and division of labor of the Board of Directors.</li> <li>2. Guidance and supervision of the Board of Directors.</li> <li>3. Delegation and risk management of the Board of Directors.</li> <li>4. Communication and collaboration of the Board of Directors.</li> <li>5. Self-discipline and improvement of the Board of Directors.</li> </ol>
(I) The 2024 Board of Directors and Functional Committees Performance Evaluations of the Company were reported to the Board of Directors on March 11, 2025. The description is as follows:				<ol style="list-style-type: none"> <li>1. Average score of the Board of Directors self evaluation: 4.93 points (out of 5).</li> <li>2. Average score of the Board member self evaluation: 4.99 points (out of 5).</li> <li>3. Average score of the Audit Committee self evaluation: 4.95 points (out of 5).</li> </ol>

4. Average score of the Remuneration Committee self evaluation: 4.95 points (out of 5).
5. Average score of the Sustainable Development Committee self evaluation: 4.94 points (out of 5).
6. Average score of the Risk Management Committee self evaluation: 4.71 points (out of 5).
7. Average score of the Nominating Committee self evaluation: No meeting was convened as there were no relevant proposals in 2024.

The Board of Directors and Functional Committees are well-operated, fulfilling supervision, and strengthening management functions, enhancing corporate governance performance.

(II) In 2024, the Company engaged the independent and non-affiliated external organization, Taiwan Corporate Governance Association, to conduct an evaluation of the Board's performance. The assessment covered the five key dimensions of board composition and division of labor, guidance and supervision, delegation and risk management, communication and collaboration, and self-discipline and improvement. The evaluation was carried out through questionnaires and virtual interviews. The organization issued a Board of Directors performance evaluation report on January 10, 2025. The Company reported the suggestions and future improvement plans to the Board of Directors on March 11, 2025.

1. Overall result:

(1) The composition of the Board of Directors fully considers factors such as shareholding structure, independence, diversity, and professional expertise. Board members possess backgrounds and experience in corporate management, law, chemical engineering, finance and accounting, international strategy, smart manufacturing technologies, and sustainable development. The independent directors bring expertise across various fields, enabling the integration of diverse perspectives into decision-making. This enhances the Company's effectiveness in business innovation, risk management, long-term strategy, and sustainable management. Overall, the Board of directors' composition aligns with the Company's operational development and strategic goals, supporting future business expansion.

(2) The Company regularly invites directors, external experts, and management teams to convene the Business Strategy Committee to formulate mid- and long-term strategies. We also arrange for directors and independent directors to visit various plants and communicate with employees in person, so that directors can develop a deep understanding of the Company's operating strategies and risks. The Company's Board of Directors conducts meetings openly. The Chairman respects the diverse expertise of board members and facilitates effective communication through formal meetings and other channels, thereby demonstrating strong and effective leadership. Independent directors also actively participate in performing their duties. They interact closely and communicate frequently with the management teams at board and functional committee meetings, providing professional advice and guidance and

forming a good board meeting culture.

2. Evaluation suggestions and future improvement plans:

No.	Evaluation suggestions	Future improvement plans
1	Include senior manager succession and training plans within the supervision scope of functional committees, and report the operation of talent development mechanisms regularly to the Board of Directors.	The Company has included the senior manager succession and training plans within supervision scope of the Remuneration Committee. The operations of the plans are reported to the Board of Directors at least once a year.
2	The Board of Directors and functional committees set term-specific goals in alignment with the Company's staged development. Self-evaluation questionnaires are reviewed to implement rolling adjustments. The results are submitted to the Chairman and the conveners of the functional committees for review and to provide feedback or improvement suggestions.	The Company amended the "Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees" to align the evaluation content with the Company's operations and needs. The Chairman and the conveners of each functional committee are responsible for completing self-evaluation questionnaires for the Board and respective committees, more accurately reflecting actual operational conditions.
3	(1) To strengthen the whistleblower mechanism, direct communication channels are set up to independent directors, or independent directors are allowed to receive letters of complaint simultaneously. (2) The Company's internal audit officer should take into account the opinions of the Audit Committee when setting work objectives and evaluating performance.	(1) The Company's Ethical Corporate Management Work Group and Risk Management Executive Task Force receive reports and risk management whistleblower reports, and report them to the Audit and Risk Committee and the Board of Directors at least once a year to facilitate the Board's understanding and response. (2) The Audit Officer will undergo annual performance interviews during one-on-one meetings with independent directors each year. Professional feedback and guidance from the independent directors will be taken into consideration when setting the annual KPI indicators for the Audit Officer.

(III) The Company's Rules for Evaluating Board of Directors and Functional Committee Performance and evaluation results have been disclosed on the Company's website.

IV. Programs this year and in the most recent year for strengthening the functionality of the Board (establishment of an audit committee, improve transparency, etc.) and the evaluation of such measures:

(I) To enhance the functions and responsibilities of the functional committees, on December 26, 2024, the Company's Board of Directors approved the merger of the Risk Management Committee with the Audit Committee. The Audit Committee was renamed the Audit and Risk Committee. At the same time, the Nominating Committee was merged with the Sustainability Committee, and duties related to reviewing corporate governance were added. The new name of the committee is the Corporate Governance, Sustainability, and Nominating Committee. The committees assist the Board of Directors in fulfilling their supervisory duties.

(II) Improving Information Transparency: After each board meeting, the Company promptly posts important board resolutions on the Market Observation Post System to safeguard shareholder rights. We also hold corporate briefings from time to time to enhance investor understanding of the Company's financial and business information.

(II) Operations of the Audit and Risk Committee

The Company established the Audit Committee on June 7, 2011, which is composed of all independent directors. To enhance the functions and responsibilities of the functional committees, on December 26, 2024, the Company's Board of Directors approved the merger of the Risk Management Committee with the Audit Committee, renamed the "Audit and Risk Committee". Meetings are convened at least once every quarter.

The term of the committee members is from May 30, 2023 to May 29, 2026. A total of 5 meetings were held in 2024. The attendance of independent directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance rate (%)	Footnote
Independent Director Convener	Chen-Fu Chien	5	0	100%	Resigned on February 27, 2025
Independent Director	Shin-Cheng Yeh	5	0	100%	
Independent Director	Gin-Ing Hu	5	0	100%	
Independent Director	Chun-Chung Chen	5	0	100%	

Other items that shall be recorded:

I. The date of the Audit and Risk Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit and Risk Committee, and the Company's handling of the resolutions of the Audit and Risk Committee shall be recorded under any of the following circumstances in the operations of the Audit and Risk Committee meeting:

(I) Items listed in Article 14-5 of the Securities and Exchange Act.

Meeting date and period	Key Resolutions and the Company's follow-up implementation
2024.03.12 (4th meeting of the 5th term)	<p>1. Passed 2023 "Internal Control System Statement".      2. Passed the 2023 Business Report.      3. Passed the 2023 Consolidated Financial Statements.      4. Passed the distribution of earnings and cash dividends for 2023.      5. Passed the proposal for the appointment and remuneration for the certifying CPAs.      6. Passed the adjustment of the limit on the amount of endorsements/guarantee made by the Company to a wholly-owned subsidiary of the Company.      7. Passed the change of the Company's Accounting Officer.      8. Passed the release the prohibition on Directors from participation in competitive business.</p> <p>Opinions of Independent Directors: None</p> <p>Resolution result: For Proposal 8, the stakeholders recused themselves from discussion and voting. The remaining attending members approved the proposal.</p> <p>Actions taken by the Company in response to the opinion of the Committee:      Proposal 4: Presented in the board meeting and passed by all attending directors after being amended according to director suggestions.      Proposal 8: The stakeholders recused themselves from discussion and voting. The remaining attending members approved the proposal.      The remaining proposals were presented in the board meeting and passed by all attending directors.</p>
2024.05.10 (5th meeting of the 5th term)	<p>1. Passed the Company's first quarter consolidated financial statements for 2024.      2. Passed the adjustment of the limit on the amount of endorsements/guarantee made by the Company to a wholly-owned subsidiary of the Company.</p> <p>Opinions of Independent Directors: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee:      All proposals were presented in the board meeting and passed by all attending directors.</p>
2024.08.13 (6th meeting of the 5th term)	<p>1. Passed the Company's second quarter consolidated financial statements for 2024.</p> <p>Opinions of Independent Directors: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee:      All proposals were presented in the board meeting and passed by all attending directors.</p>
2024.11.08 (7th meeting of the 5th term)	<p>1. Passed the Company's third quarter consolidated financial statements for 2024.      2. Passed the Company's 2025 Audit Plan.</p>

	<p>Opinions of Independent Directors: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee:</p> <p>All proposals were presented in the board meeting and passed by all attending directors.</p>
2024.12.26 (8th meeting of the 5th term)	<p>1. Passed the Sustainable Information Management Measures formulated by the Company.</p> <p>2. Passed the establishment of a Southern Taiwan Science Park Branch and equipment investment by the Company's wholly-owned subsidiary company, Boardtek Electronics Corporation.</p> <p>Opinions of Independent Directors: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee:</p> <p>All proposals were presented in the board meeting and passed by all attending directors.</p>
<p>(II) Aside from the above matters, other resolutions that are passed by a two-thirds majority or more of the Board of Directors but without being passed by the Audit and Risk Committee: No such situations occurred this year.</p>	
<p>II. When an independent director recuses himself/herself from proposals involving the conflict of interest, the independent director's name, the proposal, cause for the conflict of interest, and the voting shall be specified:</p> <p>(I) On March 12, 2024, the 4th meeting of the 5th Board of Directors passed the proposal to release directors from the non-competition restrictions: Independent Committee Member Ms. Gin-Ing Hu was a stakeholder in this matter. He voluntarily abstained from the discussion and voting process. Upon inquiry by the Chairman and with no objections from other attending members, the proposal was passed as presented.</p>	
<p>III. The Audit and Risk Committee assists the Board of Directors in performing its duty to oversee the accounting, auditing, and financial reporting processes in the Company and the quality of financial management, as well as risk management. Matters reviewed include:</p> <ol style="list-style-type: none"> <li>1. Financial statement audit and accounting policies and procedures.</li> <li>2. Evaluation of the effectiveness of internal control systems and related policies and procedures.</li> <li>3. Matters concerning the personal interests of Directors.</li> <li>4. Material asset or derivatives transactions.</li> <li>5. Material loans, endorsements, or guarantees.</li> <li>6. Offering or issuance of securities.</li> <li>7. Derivative financial products and cash investments.</li> <li>8. Legal compliance.</li> <li>9. Grievance reports.</li> <li>10. Fraud prevention program and fraud investigation report.</li> <li>11. Enterprise information security.</li> <li>12. Enterprise risk management.</li> <li>13. CPA qualification, independence, and performance assessment.</li> </ol>	

14. Appointment, dismissal and compensation of CPAs.
15. Appointments and dismissal of finance, accounting and internal audit managers.
16. Other material items required by the Company or competent authorities.

**IV. Communication Between Independent Directors and Head of Internal Audit Office and CPAs:**

**(I) Records of communication between independent directors and accountants:**

Date	Communication subject	Guidance comments
2024.03.08 (Meeting before Audit Committee meeting)	<p>Verbal Communication:</p> <ol style="list-style-type: none"> <li>1. CPAs reported the 2023 company business performance and financial analysis.</li> <li>2. 2023 Audit Report: The type of audit report issued by CPAs, materiality for the current period, major audit items, material adjusting entries and unadjusted entries, related party transactions, group financial report auditing, fraudulent and non-compliance events, quality of accounting practices, post-event matters, and customer declarations.</li> <li>3. Verification of CPA independence.</li> <li>4. CPAs communicated and discussed independent directors' inquiry.</li> </ol>	The Audit Committee approved the financial report and presented it to the Board of Directors for approval, and announced and submitted it to the competent authority as scheduled.
2024.08.09 (Meeting before Audit Committee meeting)	<p>Verbal Communication:</p> <ol style="list-style-type: none"> <li>1. CPAs reported the company business performance and financial analysis for the first half of 2024.</li> <li>2. Audit Report for the first half of 2024: The type of audit report issued by CPAs, materiality for the current period, major audit items, material adjusting entries and unadjusted entries, related party transactions, group financial report auditing, fraudulent and non-compliance events, quality of accounting practices, post-event matters, and customer declarations.</li> <li>3. Verification of CPA independence.</li> <li>4. CPAs communicated and discussed independent directors' inquiry.</li> </ol>	The Audit Committee approved the financial report and presented it to the Board of Directors for approval, and announced and submitted it to the competent authority as scheduled.

(II) Records of communication between independent directors and internal auditors:

Date	Communication subject	Guidance comments
2024.03.12 (Audit Committee)	1. Implementation results of the audit plan for the fourth quarter of 2023 and improvements to defect tracking. 2. Discussion of the Company's 2023 Effectiveness Statement of Internal Control System.	The Audit Committee has no opinions on this report.
2024.05.10 (Audit Committee)	Implementation results of the audit plan for the first quarter of 2024 and improvements to defect tracking.	The Audit Committee has no opinions on this report.
2024.08.13 (Audit Committee)	Implementation results of the audit plan for the second quarter of 2024 and improvements to defect tracking.	The Audit Committee has no opinions on this report.
2024.11.08 (Separate communication meeting with independent directors before Audit Committee meeting)	1. Execution of internal audits in the first three quarters of 2024. 2. Improvement of deficiencies in the last two years. 3. Update on customs certification of group legal entities. 4. Applicability of newly announced laws and regulations. 5. Discussion of the Company's 2025 audit plan.	The independent directors had no opinions related to the communication meeting.
2024.11.08 (Audit Committee)	1. Implementation results of the audit plan for the third quarter of 2024 and improvements to defect tracking. 2. Discussion of the Company's 2025 audit plan.	The Audit Committee has no opinions on this report.

**(III) Corporate governance practice and compliance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies when establishing and disclosing its corporate governance code of conduct?	✓		The Company stipulated and disclosed best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies on the Company's website and in the annual report.	No discrepancies
II. Shareholding structure and shareholders' equity of the Company	✓			
(I) Does the Company have the internal operating procedure for handling shareholders' suggestions, questions, disputes, or legal action in place and abide by it?	✓		(I) To protect shareholders' rights and interests, the Company has established the "Corporate Governance Best Practice Principles" and assigned a spokesperson to process shareholders' recommendations and questions. Disputes and litigation are processed by the Legal Affairs Division in accordance with the Corporate Governance Best Practice Principles.	No discrepancies
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(II) The Company reports changes in the number of shares held by insiders each month on the Market Observation Post System (MOPS) designated by the Financial Supervisory Commission in accordance with regulations. We also possess the list of major shareholders of the Company and individuals with ultimate control over main shareholders.	No discrepancies
(III) Does the Company establish and carry out risk	✓		(III) The assets and financial management duties of	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
management and firewall mechanism within affiliated companies?			affiliated companies are independent from one another and the implementation of risk management and firewall mechanism are processed in accordance with the internal control system of the Company to prevent irregular transactions.	
(IV) Does the Company have internal regulations in place to prevent its people from trading securities based on information yet to be public on the market?	✓		(IV) The Company has established the "Procedures for the Prevention of Insider Trading" to prevent the Company's insiders and employees from using information that has not been disclosed on the market to purchase and sell securities.	No discrepancies
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors devised and implemented a plan for a more diverse composition of the board with concrete management goals?	✓		(I) Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors should consider diversity. Our current Board of Directors consists of six members, including three directors and three independent directors. The members possess leadership decision-making abilities, industry knowledge, international perspectives, and professional skills, and are experienced in leadership, operational judgment, management, and professional knowledge. To continue to improve gender equality in the composition of the Board of Directors, the Company has added a female director	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Besides the Remuneration Committee and the Audit Committee set up according to law, does the Company have other types of functional committees in place that it spontaneously set up?	✓		<p>in the comprehensive 5th-term board election in 2023. Please refer to pages 12 to 14 of the Annual Report for the board diversification implementation.</p> <p>(II) The Company has voluntarily set up the Nominating Committee, the Sustainable Development Committee, the Risk Management Committee, and the Ethical Corporate Management Work Group. For information on the exercise of related functions and their operating status, please refer to pages 45 to 48 of the Annual Report. To enhance the functions and responsibilities of the functional committees, on December 26, 2024, the Company's Board of Directors approved the merger of the Risk Management Committee with the Audit Committee. The Audit Committee was renamed the Audit and Risk Committee. At the same time, the Nominating Committee was merged with the Sustainability Committee, and duties related to reviewing corporate governance were added. The new name of the committee is the Corporate Governance, Sustainability, and Nominating Committee. The committees assist the Board of Directors in fulfilling their supervisory duties.</p>	No discrepancies
(III) Has the company established and implemented methods for assessing the	✓		<p>(III) The Company has established the "Rules for Evaluating Board of Directors and Functional</p>	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
performance of the Board of Directors, conducted performance evaluation annually, presented the performance evaluation results to the Board of Directors, and used the results as reference for individual director remuneration and re-election nomination?			<p>Committee Performance" and the revision was approved by the Board of Directors on December 18, 2023. The Rules require an internal evaluation every year. An evaluation shall be conducted by an external professional institution or expert team at least once every 3 years.</p> <p>In 2024, the Company commissioned the external organization Taiwan Corporate Governance Association to conduct a performance evaluation of the Board of Directors for the period from November 1, 2023, to October 31, 2024. The organization issued the Board of Directors performance evaluation report on January 10, 2025, and the suggestions and future improvement plans were reported to the Board of Directors on March 11, 2025.</p> <p>The internal performance evaluation results of the Board of Directors for 2024 have been submitted to the Board of Directors on March 11, 2025, and will be used as a reference for individual director's remuneration and nomination for reappointment. Please refer to pages 21 to 23 of the Annual Report for more details.</p>	
(IV) Does the Company regularly evaluate the independence of its certified public	✓		(IV) 1. Every year, based on the Company's "CPA Evaluation and Audit Assessment Measures" and	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
accountant (CPA)?			<p>by referencing the Audit Quality Indicators (AQIs, including five dimensions: profession, quality control, independence, monitoring, and innovation, along with thirteen indicators), we confirm that the CPAs have no other financial interests or business relationships besides the fees for attestation and taxation cases. This confirms that they meet the evaluation criteria for independence and suitability of the Company. After approval by the Audit and Risk Committee and the Board of Directors, the Company conducted reviews of the appointment and fees.</p> <p>2. The most recent 2 years were discussed by the Audit Committee on March 12, 2024 and by the Audit and Risk Committee on March 11, 2025, and were reported to the Board of Directors for resolution. The items of the CPA independence evaluation are shown in Note 1 below.</p>	
IV. Does the Company have a suitable number of competent corporate governance personnel? Has it appointed a chief governance officer responsible for corporate governance matters (including but not limited to providing information for directors to perform their duties, assisting	✓		<p>The Board of Directors' meeting on May 7, 2021, appointed a corporate governance supervisor to protect shareholders' rights and strengthen the functions of the Board of Directors. The supervisor has rich experience in finance and other aspects. The supervisor's main responsibilities are to handle matters related to the Board of Directors and shareholders' meetings, prepare minutes</p>	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
directors with regulatory compliance, and preparing meeting minutes for Board meetings and shareholders' meetings)?			of the Board of Directors' and shareholders' meetings, assisting directors to take office and continue their education, providing directors with materials necessary for business execution, and assisting directors in complying with laws and regulations.	
V. Does the Company have a communication channel in place with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholders only section on its website to properly address stakeholders' concerns such important corporate social responsibilities?	✓		The Company has set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers) and it uses telephone, email, or meetings to adequately respond to stakeholders' inquiries on significant corporate social responsibility issues. The communication status was reported to the Board of Directors on May 30, 2024.	No discrepancies
VI. Does the Company appoint a professional shareholder services agency to handle affairs related to General Shareholders' Meetings?	✓		The Company has engaged Grand Fortune Securities to handle affairs related to General Shareholders' Meetings and ex-dividend matters.	No discrepancies
VII. Disclosure of information (I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status? (II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson	✓ ✓		(I) The Company discloses financial information and corporate governance items on its English and Chinese website, <a href="https://www.zdtco.com">https://www.zdtco.com</a> . (II) The Company has established a company website in Chinese and English. The Corporate Governance and Investor Relations Division, along with the spokesperson, is responsible for the collection and disclosure of company information in Chinese and	No discrepancies No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
system, and disclosing the process of investor conferences on the company's website)?  (III) Does the company publicly disclose its annual financial report at the end of the accounting year within the prescribed time limit, and publicly disclose its Q1, Q2, and Q3 financial reports and monthly operation status ahead of the prescribed time limit?		✓	English, implementing the spokesperson system, and providing related information for corporate briefings on the MOPS and company website at least one day before the corporate briefing.	The Company handles it in accordance with the financial report announcement and reporting period specified in Article 36 of the Securities and Exchange Act of the place where the company is listed.
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance (Including but not limited to employee's rights, employee care, investor relations, supplier relations, stakeholders' rights, further studies of directors, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the directors of the Company)?	✓		1. Employee rights and benefits: To mitigate employees' risks of excessively long working hours, the Company has established regulations on working hours and regularly inspected and managed employees' attendance to protect their legal rights. 2. Investor relations: The Company values investors' interest. In addition to publishing related information on MOPS and the sustainability responsibility section of the company website in accordance with regulations, it also assigned dedicated personnel to process shareholders' recommendations. 3. Supplier relations: Supplier relations are processed in accordance with the Company's regulations for operations. Partners perform their obligations in accordance with contracts to protect the rights of both	No discrepancies

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>parties. The Company maintains good relations with suppliers.</p> <p>4. Rights of stakeholders: Where necessary, stakeholders may communicate and provide recommendations to the Company through the telephone or mail. The Company has established the "Contact Us" section on company website to collect relevant messages from stakeholders and properly respond to corporate social responsibility issues of concern to the stakeholders to protect their legal rights and interests.</p> <p>5. Implementation of risk management policies and risk assessment standards: The Company has established various internal control systems and internal management regulations for risk management and assessment. The Company analyzes, tracks, and responds to high-risk incidents that may affect operations to improve risk management mechanisms.</p> <p>6. Implementation of customer relations policies: The One ZDT one-stop shop ideal of the Company continues to develop advanced production technologies and high performance and cost effective products. We continue to lead industry developments and strengthen our core competitiveness. We select the right customers and established a classification system. The Company is building good upstream, midstream, and downstream</p>	

Assessment items	Implementation Status			Deviate from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>relationships and finding new product development opportunities. We establish good, stable relationships with customers and create company profits together. We will achieve world class R&amp;D, manufacturing, sales, and operation management for Zhen Ding.</p> <p>Please refer to Notes 2 to 5 below for other important information.</p>	
<p>IX. Describe the status of improvements, priority for improvement, and measures based on the most recent corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange:</p> <p>As of the publication of the annual report, the 2024 Corporate Governance Evaluation results have not been announced. Only the 2023 evaluation results have been disclosed.</p> <p>(1) A total of 952 listed companies and 754 listed and OTC companies have undergone corporate governance evaluation in 2023, totaling 1,706 companies. The Company scored 99.97 points in the corporate governance evaluation. The range of our ranking by listed companies: 6%~20%; Ranking among electronics companies with a market value of more than NT\$10 billion: 11%~20%.</p> <p>(2) The Company has numerous improvement measures in place to address the items which failed the 2023 evaluation. These measures include: Publishing the 2023 Sustainability Report in English on July 31, 2024; and investing resources to support domestic cultural development, etc.</p>				

## Note 1: Assessment of CPA independence

The CPA performs self-assessment using the Company's CPA Assessment and Performance Evaluation sheet, and submits the assessment result to the Audit and Risk Committee for evaluation and review. The evaluation standards are as follows:

Item	Specific Criteria	Evaluation Results	Compliance with Independence
1	The CPA does not have significant financial interest in his/her trustor.	None	Yes
2	The CPA and the trustor do not have any inappropriate relationship.	None	Yes
3	The CPA and assistants regularly participate in evaluations conducted by the industry association or other related organizations maintain their honesty, fairness and independence.	Yes	Yes
4	The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.	None	Yes
5	The CPA may not permit others to practice under his/her name.	None	Yes
6	The CPA may not hold shares of the trustor.	None	Yes
7	The CPA may not engage in lending and borrowing of money with the trustor except for regular transactions in the finance industry.	None	Yes
8	The CPA may not engage in joint investments or benefit sharing with the trustor.	None	Yes
9	The CPA may not concurrently serve as a regular employee of the trustor and receive a fixed salary.	None	Yes
10	The CPA may not collect any commission related to his/her service.	None	Yes
11	Has any CPA's tenure lasted for more than seven consecutive years, or is any CPA's reappointment less than two years from replacement?	None	Yes
12	Does the CPA have experience in audits in related to the electronics industry?	Yes	Yes
13	Does the CPA communicate appropriately with the Audit Committee before the audit planning process and maintained records of such communication?	Yes	Yes
14	Does the CPA communicate with the Audit Committee frequently (e.g. before submitting audit reports) and maintained records of such communication? (At least twice each year)	Yes	Yes
15	Does the CPA propose recommendations regarding the Company's internal controls or business management to the Audit Committee?	Yes	Yes
16	Whether the CPA received letters from the competent authority for securities regarding adjustments and improvements for the quality of audits.	None	Yes
17	Can the CPA control the implementation of overseas audits to ensure consistency and validity of audits across the world?	Yes	Yes

Note 2: Status of Directors' Continuing Education in 2024

Title	Name	Date	Course Title	Number of hours
Chairman	Chang-Fang Shen	2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3
Director Representative	Che-Hung Yu	2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3
Director	Ting-Chuan Lee	2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3
Independent Director	Chen-Fu Chien (Resigned on February 27, 2025)	2024.07.26	Obligations and Responsibilities of Companies, Directors, and Supervisors under the Securities and Exchange Act	3
		2024.10.25	How the Board of Directors and Executive Managers Review ESG Reports: ESG information disclosure standards	3
Independent Director	Shin-Cheng Yeh	2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3
Independent Director	Gin-Ing Hu	2024.08.22	Securities regulations and corporate governance	3
		2024.08.23	Global Trends and Risk Management of Digital Innovative Technology and AI Development	2
		2024.08.23	Labor law compliance - Prevention, reporting, and disciplinary measures for sexual harassment in the workplace	1
		2024.08.23	Introduction to IFRS Sustainability Disclosure Standards and Sharing of Domestic and International Net-Zero Carbon Emission Trends	3
		2024.09.21	Battle of the Wafer: TSMC's World-leading Key Technologies and Business Opportunities	3
		2024.09.21	Discussing the Best Practice Principles and Cases of Ethical Management, Corporate Governance, and Sustainable Development (Including Gender Equality)	3
Independent Director	Chun-Chung Chen	2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3

Note 3: Continuing education of managers, the Audit Officer, and the Corporate Governance Officer in 2024

The Company's Chairman, Chang-Fang Shen, also served as the President in 2024. Please see Note 2 above for his continuing education status.

Title	Name	Date	Course Title	Number of hours
Accounting Officer	Shih-Te Chou	2024.07.22~2024.07.31	Initial Continuing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	30
Corporate Governance Officer	Duen Ling	2024.06.26	Seminar on Practical Sharing of Board Performance Evaluation (2024)	3
		2024.07.03	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024.08.06	Sustainable Knowledge Empowerment Course - Electronics Industry	6
		2024.10.04	2024 Seminar on Prevention of Insider Trading	3
		2024.10.18	Brand communication and stakeholder management	3
		2024.11.08	Protection and Defense of Trade Secrets in Technology Companies	3
		2024.11.08	Corporate Fraud Prevention - How to deal with whistleblower reports?	3
Audit Officer	Ching-Rong Yen	2024.04.16	Seminar on IT audit practices	6
		2024.06.05	Information Governance and Internal Controls and Audits (Personal Data, Trade Secrets Protection, and Artificial Intelligence)	6

Note 4: The Company purchases liability insurance for all Directors (including Independent Directors)

Insured Individuals	Insurance Company	Insured amount (NT\$)	Insured period (start and end)	Insurance Status
All directors and key manager	Ace American Insurance Company	614,100,000	2024.01.01~2024.12.31	Renewed

\* Starting in 2012, the Company has purchased liability insurance for directors (including independent directors) and key managers. At the board meeting on March 12, 2024, the premium purchased for directors (including independent directors) of US\$20,000,000 in 2024, insurance coverage, and insurance rates were reported.

Note 5: Regarding the intellectual property rights management plan and results

Improving how an enterprise manages its intellectual property rights enables the enterprise to reinforce its independent innovation capability. The Company has proposed four major strategies for intellectual property rights management, which are "accumulation", "focus", "innovation", and "increased benefits". Six major directions for intellectual property management have also been stipulated, including "Building a Professional Team," "Establishing Management Systems," "Managing Certifications and Branding," "Focusing on

Core Technologies," "Deploying High-Quality Patents," and "Implementing Management Systems," and the effectiveness of their implementation have been monitored. In response, the Company proactively implements technical investigations before the development of new products and new processes to avoid infringing on the intellectual property rights of others. In the new technology development stage, it investigates market applications and advanced technology conditions, introduces risk assessments, and implements confidentiality management. The documents, equipment, and areas of the company are controlled to avoid the risk of leakage. For the research and development results of independent core key technologies, various intellectual property rights are actively deployed.

(1) Management system results:

In order to provide complete and effective patent, trade secret, and other intellectual property management, the Company has established and implemented the "Intellectual Property Rights Management Manual", the "Intellectual Property Rights Application Procedures" and the "Intellectual Property Rights Policies and Investigation Operation Measures for Third-Party Manufacturers", the "Confidentiality Management Operating System" and other related regulations for management.

(2) Intellectual property achievements:

Patent deployment - Mainly includes Taiwan, Mainland China, and the United States, strengthening its competitive advantages. In 2024, the Company proposed 340 patent applications and received approval for 220 patents. As of December 31, 2024, 3,866 patent applications were submitted and the number of patents obtained totaled 1,868 patents. The Company is expected to propose 200 patent applications in 2025, in order to protect the results of self-developed technological advancements. In addition, research and development technology secrets are crucial technological achievements for the Company and are essential intellectual assets that influence the Company's competitive advantage. They also serve as the driving force behind the culture of sustainable innovation. As of December 31, 2024, new research and development technology secrets totaled 980. The implementation status and results in 2024 have been reported to the Board of Directors on March 11, 2025.

(3) Attained certification

The Company is an important legal representative in China. According to the local intellectual property management policies, we have completed the implementation of the intellectual property regulations and obtained the certification.

- Qing Ding Precision Electronics (Huainan) Co., Ltd.:

Initially passed the "Enterprise Intellectual Property Management GBT-29490" certification on June 18, 2020, and passed recertification on June 10, 2023. The certification is valid until June 17, 2026.

- Avary Holding (Shenzhen) Co., Limited:

Initially passed the "Enterprise Intellectual Property Management GBT-29490" certification on June 16, 2021, and passed recertification on August 20, 2024. The certification is valid until August 28, 2027.

- Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.:

Initially passed the "Enterprise Intellectual Property Management GBT-29490" certification on July 4, 2022. The certification is valid until July 3, 2025.

- Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.:

Initially passed the “Enterprise Intellectual Property Management GBT-29490” certification on December 3, 2024. The certification is valid until December 17, 2027.

**(IV) If the Company has a Remuneration Committee or Nominating Committee, disclose its composition and operations**

**1. Information on members of the Remuneration Committee:**

December 31, 2024

Identity	Name	Criteria	Independence	Number of other public companies in which the member also serves as a member of their remuneration committee
		Professional qualifications and experience		
Independent Director Convener	Chen-Fu Chien	<p>1. Has experience in smart manufacturing, AI, circular economy, corporate governance, and work experience necessary for the business of the Company.</p> <p>2. Currently serving as Lecture Professor and Executive Vice President of National Tsing Hua University and independent director of AIROHA Technology Corp. and ASPEED Technology Inc.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 and Article 27 of the Company Act.</p>	<p>1. Independence of the Remuneration Committee members of the Company.</p> <p>2. Including, but not limited to, whether the person, person's spouse, or their relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliates, do not hold shares of the Company, and are not acting as directors, supervisors, or employees of companies that have specific relationships with the Company.</p>	2
Independent Director	Gin-Ing Hu	Please refer to the “Professional qualifications of Directors and independence information disclosure of Independent Directors” table on pages 10 to 11 of the Annual Report.		3
OTHER	Cheng-En Ko	<p>1. Work experience in business, finance, accounting, and other areas relevant to the business of the Company.</p> <p>2. He currently serves as the Chairman of the Supervisory Board of Avary Holding (Shenzhen), Independent Director and Remuneration Committee Member of CHANG TYPE Industrial Co., Ltd., Independent Director and Remuneration Committee Member of ITEQ Corp., Remuneration Committee Member of ATEN International Co., Ltd., and Remuneration Committee Member of Usun Technology Co., Ltd.</p> <p>3. Does not contain matters related to all paragraphs of Article 30 of the Company Act.</p>	<p>3. Has not received remuneration for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years.</p>	4

## 2. Operation Status of the Remuneration Committee:

- I. The Company established the Remuneration Committee on July 20, 2011, which consists of 3 members. The Committee helps the Board of Directors stipulate and review the remuneration policies, systems, standards and structures, and performance of directors and managers regularly.
- II. Current term of office: From May 30, 2023 to May 29, 2026. A total of 3 meetings were held in 2024. The attendance of the committee members is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance rate (%)	Footnote
Convener	Chen-Fu Chien	3	0	100%	Resigned on February 27, 2025
Committee member	Gin-Ing Hu	3	0	100%	
Committee member	Cheng-En Ko	3	0	100%	

Other items that shall be recorded:

- I. If the Board of Directors did not adopt or revise the recommendations of the compensation committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the compensation committee: The Company's Directors have fully expressed their opinions in the meeting and they did not fail to adopt or revise the remuneration committee's proposals.
- II. If there are objections or reservations by the members that have been recorded in writing during the remuneration committee resolution, the remuneration committee meeting's date, period, motion content, the opinions of all of the members, and treatment of the member's opinions must be disclosed in detail: Members of the Company's Remuneration Committee have fully expressed their opinions in the meeting and there were no records or written statements of dissenting or qualified opinions.
- III. Material Resolutions of the Remuneration Committee:

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.03.12 (3rd meeting of the 5th term)	<p>1. Passed 2023 remuneration distribution proposal for Directors and employees.  Opinions of Remuneration Committee members: None  Resolution result: Approved by all members present at the meeting.  Actions taken by the Company in response to the opinion of the Committee: All proposals were presented in the board meeting and passed by all attending directors.</p>
2024.08.13 (4th meeting of the 5th term)	<p>1. Passed 2023 remuneration distribution proposal for Directors.  2. Passed the 2023 remuneration distribution proposal for managers (including Assistant Vice President and above).  3. Passed the employee shareholding trust for managers.  Opinions of Remuneration Committee members: None  Resolution result: Approved by all members present at the meeting.  Actions taken by the Company in response to the opinion of the Committee: All proposals were presented in the board meeting and passed by all attending directors.</p>

<p>2024.12.26 (5th meeting of the 5th term)</p>	<p>1. Passed the principles for the Company's 2024 performance evaluation and year-end bonus distribution and list of managerial officers (including Assistant Vice President and above) for distribution. Opinions of Remuneration Committee members: None Resolution result: Approved by all members present at the meeting. Actions taken by the Company in response to the opinion of the Committee: All proposals were presented in the board meeting and passed by all attending directors.</p>
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### **3. Profile of Corporate Governance, Sustainability, and Nominating Committee members and operating status information:**

I. The qualifications for appointment and the duties of the Corporate Governance, Sustainability, and Nominating Committee members:

1. Qualifications for appointment: The Committee reports to the Board of Directors. It is composed of at least 3 directors, with independent directors accounting for over half of the members, chosen by the Board of Directors. The term of the Audit Committee shall be the same as the term of the Board of Directors.

2. Responsibilities:

(1) Stipulate the professional knowledge, skills, experience, gender, age, nationality, culture, and other diverse backgrounds and independence standards required for directors. Based on these requirements, it seeks, reviews, and nominates director candidates.

(2) Review the Company's Corporate Governance Best Practice Principles.

(3) Stipulate, implement, and enhance the Company's sustainable development policy, annual plan, and strategy.

(4) Review, track, and revise the implementation status and results of sustainable developments.

(5) Supervise the disclosure of sustainable information and review the Sustainability Report.

(6) Supervise operations related to the Company's Sustainable Development Best Practice Principles.

(7) Other matter to be handled by the Committee according to Board of Directors' resolutions.

II. Professional qualifications, experience, and operating status of the Corporate Governance, Sustainability, and Nominating Committee members:

1. On December 26, 2024, the Company's Board of Directors approved the merger of the Nominating Committee with the Sustainability Committee, and duties related to reviewing corporate governance were added. The new name of the committee is the Corporate Governance, Sustainability, and Nominating Committee. New committee members were also appointed.

2. Profile of Corporate Governance, Sustainability, and Nominating Committee members:

December 31, 2024

Identity	Name	Professional qualifications and experience
Chairman (Convener)	Chang-Fang Shen	Please refer to the "Professional qualifications of Directors and independence information disclosure of Independent Directors" table on pages 10 to 11 of the Annual Report.
Independent Director	Chen-Fu Chien	Please refer to the Profile of Remuneration Committee Members table on page 43 of the Annual Report.
Independent Director	Shin-Cheng Yeh	Please refer to the "Professional qualifications of Directors and independence information disclosure of Independent Directors" table on pages 10 to 11 of the Annual Report.

3. Current term of office: From December 26, 2024, to May 29, 2026.

4. The original term of the Nominating Committee was from May 30, 2023, to December 26, 2024. No meeting was convened as there were no relevant proposals in 2024.

5. The original term of the Sustainable Development Committee was from May 30, 2023, to December 26, 2024. A total of 3 meetings were held in 2024. The attendance of the committee members is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance rate (%)	Footnote
Convener	Chang-Fang Shen	3	0	100%	
Committee member	Chen-Fu Chien	3	0	100%	
Committee member	Shin-Cheng Yeh	3	0	100%	

Other items that shall be recorded:

- I. If the Board of Directors did not adopt or revise the recommendations of the Sustainable Development Committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the Sustainable Development Committee: The Company's Directors have fully expressed their opinions in the meeting and they did not fail to adopt or revise the Sustainable Development Committee's proposals.
- II. If there are objections or reservations by the members that have been recorded in writing during the Sustainable Development Committee resolution, the Sustainable Development Committee meeting's date, period, motion content, the opinions of all of the members, and treatment of the member's opinions must be disclosed in detail: Members of the Company's Sustainable Development Committee have fully expressed their opinions in the meeting and there were no records or written statements of dissenting or qualified opinions.
- III. Material Resolutions of the Sustainable Development Committee:

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.05.30 (2nd meeting of the 2nd term)	<p>1. Passed the Company's 2023 Sustainability Report.</p> <p>Comments of the Sustainable Development Committee members: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee: Proposal presented in the board meeting and passed by all attending directors.</p>
2024.08.13 (3rd meeting of the 2nd term)	<p>1. Passed the amendment to the Company's Sustainability Report Preparation and Verification Processes.</p> <p>Comments of the Sustainable Development Committee members: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee: Proposal presented in the board meeting and passed by all attending directors.</p>
2024.12.26 (4th meeting of the 2nd term)	<p>1. Passed the outline for the compilation of the Company's 2024 Sustainability Report.</p> <p>Comments of the Sustainable Development Committee members: None</p> <p>Resolution result: Approved by all members present at the meeting.</p> <p>Actions taken by the Company in response to the opinion of the Committee: Proposal presented in the board meeting and passed by all attending directors.</p>

#### 4. Profile of Risk Management Committee members and information on the operating status:

- I. On December 26, 2024, the Company's Board of Directors approved the merger of the Risk Management Committee with the Audit Committee. The "Audit Committee" was renamed the "Audit and Risk Committee", which is composed of all independent directors. For the responsibilities of the committee, please refer to matters for review by the Audit and Risk Committee on pages 27 to 28 of the Annual Report. For the professional qualifications and experience of members, please refer to the Profile of Remuneration Committee Members table on page 43 and the Professional Qualifications of Directors and Independence Information Disclosure of Independent Directors table on pages 10 to 11 of the Annual Report.
- II. The original term of the Risk Management Committee was from December 18, 2023, to December 26, 2024. A total of 2 meetings were held in 2024. The attendance of the committee members is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance rate (%)	Footnote
Convener	Chang-Fang Shen	2	0	100%	
Committee member	Chen-Fu Chien	2	0	100%	
Committee member	Gin-Ing Hu	2	0	100%	

Other items that shall be recorded:

- I. If the Board of Directors did not adopt or revise the recommendations of the Risk Management Committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the Risk Management Committee: The Company's Directors have fully expressed their opinions in the meeting and they did not fail to adopt or revise the Risk Management Committee's proposals.
- II. If there are objections or reservations by the members that have been recorded in writing during the Risk Management Committee's resolution, the Risk Management Committee meeting's date, period, motion content, the opinions of all of the members, and treatment of the member's opinions must be disclosed in detail: Members of the Company's Risk Management Committee have fully expressed their opinions in the meeting and there were no records or written statements of dissenting or qualified opinions.
- III. Material resolutions of the Risk Management Committee:

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.03.12 (1st meeting of the 1st term)	1. Passed the amendments to the "Risk Management Policies for the Group". Opinions of the Risk Management Committee: None Resolution result: Approved by all members present at the meeting. Actions taken by the Company in response to the opinion of the Committee: Proposal presented in the board meeting and passed by all attending directors.
2024.08.13 (2nd meeting of the 1st term)	There were no important matters for discussion.

**(V) Promotion status of sustainable development and discrepancy with industry standards in sustainable development practices and reasons, as well as implementation status of climate-relate information**

1. Promotion status of sustainable development and discrepancy with industry standards in sustainable development practices and reasons

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
I. Does the Company have a governance structure for promoting sustainable developments and exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing sustainable development, and let the Board of Directors entrust the high-ranking management with the implementation and supervise the status?	✓		I. Composed of the Chairman and two independent directors, the Sustainable Development Committee was established on December 28, 2021. It reports to the Board of Directors and oversees the ESG Execution Committee and four major working groups: Sustainable Governance Group, Green Product Group, Environment and Energy Conservation Group, and Social Inclusion Group. The Chairman serves as the Chairman of the ESG Execution Committee. The Chairman is responsible for supervising the four main execution groups consisting of the Company's senior team, convening quarterly meetings, formulating short, medium, and long-term sustainability management goals, tracking implementation progress, and compiling an annual sustainability report. This report is submitted to the Board of Directors for approval upon decision by the Sustainable Development Committee. To enhance the functions and responsibilities of the functional committees, on December 26, 2024, the Company's Board of Directors approved the merger of the Nominating Committee with the Sustainability Committee, and duties related to reviewing corporate governance were added. The new name of the committee is the Corporate Governance, Sustainability, and Nominating	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>Committee.</p> <p>II. The implementation statuses of the organizations within the Company include, but are not limited to:</p> <p>(I) The Corporate Governance and Investor Relations Division shall act as the responsible unit for promoting sustainable development. The execution of tasks relating to resolutions adopted by the Corporate Governance, Sustainability, and Nominating Committee may be delegated to the convener or other Committee members for follow-up, with a written report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Corporate Governance, Sustainability, and Nominating Committee.</p> <p>(II) The implementation status of the current year shall be reported to the Board of Directors at least once a year. In 2024, a total of 3 committee meetings were convened. For the important resolutions, please refer to page 47 of the Annual Report.</p> <p>III. Sustainable development supervision status of the Board of Directors:</p> <p>(I) Each implementation team shall provide their annual plan, management approach and goals, and implementation status to the corporate governance unit every year.</p>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>(II) Each implementation team shall convene an implementation committee meeting each quarter to discuss the latest developments and future direction of related sustainable management policy stipulation and matters. The meeting minutes and related information shall be compiled and provided to the Corporate Governance and Investor Relations Division within 20 days of the end of the quarter.</p> <p>(III) Resolutions of the Committee shall be divided according to the division of duties amongst the organization and implemented by appropriate units.</p> <p>(IV) The Corporate Governance and Investor Relations Division is responsible for the following matters:</p> <ol style="list-style-type: none"> <li>1. Responsible for the meeting agenda, meeting minutes, follow up on resolutions, and attendance data and sign in.</li> <li>2. Collect and compile the meeting minutes and implementation results of each implementation center, and compile the information for discussion.</li> <li>3. Facilitating communication and coordination between various promotion units and integration of related activities.</li> <li>4. Responsible for the formulation and compilation of the report structure.</li> <li>5. Other matters that assist the Committee to fulfill its duties.</li> </ol>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
II. Does the Company conduct risk assessment of environment, society, and corporate governance issues related to company operations, and establish applicable risk management policy or strategy in accordance with principles of materiality?	✓		<p>The Company's risk management policy is to uphold corporate sustainable development ideals, introduce international trends, and actively promote and strengthen the Company's sustainable management to lower the potential risks from operations. The Company stipulated the "Risk Management Policy" through a Board of Directors' resolution on December 28, 2021. The Policy is to be used for reference during the formulation of business strategies, in order to ensure the long-term stable development of the Company's business and overall operations. The Company established the Risk Management Committee under the Board of Directors on December 18, 2023. On December 26, 2024, the Board of Directors approved the merger of the original Risk Management Committee with the Audit Committee in order to improve the operational efficiency of the functional committees and strengthen their powers. The Company's risk identification includes major issues related to the environment, society, and corporate governance. The Company's risk identification includes major issues related to the environment, society, and corporate governance. The scope of risk assessment covers all companies of the Group. For relevant information, please refer to pages 162 to 172 of the Annual Report.</p>	No discrepancies
III. Environmental Issues (I) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>(I) Because the Company is part of the PCB industry, we introduced ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 14064-1 Greenhouse Gas Audit, ISO 14067 Product Carbon</p>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(II) Does the Company endeavor to improve energy usage efficiency and use renewable materials which have a low impact on the environment?	✓		<p>Footprint Audit, etc. We implemented wastewater and sewage management system at production sites and we also established comprehensive exhaust gas management regulations and implemented waste management projects throughout the process to minimize the impact of wastewater, exhaust gas, and waste on the environment. In addition, the procurement departments conduct environmental protection and energy conservation evaluation when purchasing equipment to learn about water/electricity consumption, greenhouse gas emissions, and pollutant emissions. For the major plants that have received environmental management system certification, please refer to page 184 of the Annual Report for more information.</p> <p>(II) The Company introduced innovative energy-saving technologies. It is committed to increasing the efficiency of the use of various resources and using renewable materials with lower impact on the environment. The resource recycling rate of waste in 2024 was 92%. In 2024, multiple waste reduction projects were implemented, resulting in an estimated reduction of about 17,700 tons, and an introduction of recycled gold salt (71%), recycled solder paste (88%), and recycled copper foil (97%). Subsequently, we will continue to introduce green circular economy projects that involve electrolysis, various resource conservation, energy saving, and waste reduction. Please</p>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(III) Does the Company evaluate potential risks and opportunities brought by climate change, and take related response measures?	✓		<p>refer to page 140 of the Annual Report for more information.</p> <p>(III) The Company assessed the current and future potential risks and opportunities of climate change for the company and took the following measures to address climate-related issues:</p> <ul style="list-style-type: none"> <li>• Risk 1 - Extreme cold/heat: Severe cold weather may cause personnel to suffer from frostbite or shortages in operation, abnormal equipment, frozen explosions of fire and other fuel transportation pipelines. High temperature may cause heat stroke or food poisoning among personnel, abnormal equipment, and there is also a risk of spontaneous combustion of materials. Each department timely activates emergency preparedness work based on the forecast from weather channels. During hot weather, we use air conditioning to reduce the amount of time of high temperature operations and to cool down equipment. During extremely cold weather, we use heating through air conditioning to reduce the amount of time for low temperature operations. We prepare adequate anti-freezing agents, and the facilities department prepares anti-freezing bedding and coats, while the mechanical and electrical department ensures that equipment and management insulation measures are in place.</li> <li>• Risk 2 - Flood and drought: Floods may affect employee attendance and wastewater treatment systems, as well as cause interruptions in water supply, power supply,</li> </ul>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>logistics, and transportation, leading to production stoppage or reduction and resource losses. Droughts may result in inadequate process, daily, and fire-fighting water supply, which may affect production. We have prepared emergency plans and will take protective measures at the first sign of warning. In the event of heavy rainfall or flooding, we will take measures to prevent flooding, including building flood prevention facilities such as flood control stations and gates in each plant area. During prolonged high temperatures or periods of significant decrease in precipitation, we store water, check the water levels of all water tanks, and strengthen water conservation efforts.</p> <ul style="list-style-type: none"> <li>• Risk 3 - Regulations and low-carbon requirements of customers: To ensure global sustainable development, countries and customers around the world are joining the carbon neutrality movement. In the initial stages, companies will face enormous pressures due to significant changes in energy structure. We actively monitor global trends, improve energy efficiency in production, continuously introduce high-efficiency equipment and advanced energy-saving technologies, and proactively deploy renewable energy sources and forest restoration for ecological protection.</li> <li>• Opportunity 1 - New product and service development and innovation: Given the increasing demand in the market for</li> </ul>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(IV)Does the Company take inventory of its greenhouse	✓		<p>low-carbon and high-efficiency products, using recycled materials and introducing renewable energy sources in production can enhance product competitiveness, meet market demands, and increase the Company's accounts receivable.</p> <ul style="list-style-type: none"> <li>Opportunity 2 - Green building design: The new plant uses green building designs and smart building technology to reduce energy consumption, lower operating costs, increase asset value, and improve operational energy efficiency.</li> <li>Opportunity 3 - Renewable energy usage: We actively participate in the development of low-carbon technology, invest in renewable energy generation and energy storage development, improve the overall revenue performance of the Company, establish the Company's brand, and meet the expectations of stakeholders. As of 2024, the Company has a self-built solar power generation capacity of 5.1MW, with an annual electricity output of 5,903 MWh. In 2025, construction will continue, with an estimated capacity reaching 6.58 MW, resulting in a reduction of approximately 4,989 tons of carbon emissions. The Company is promoting the use of renewable energy, purchasing green energy, developing energy storage, and promoting carbon reduction in the supply chain. We are striving to achieve carbon neutrality as soon as possible.</li> </ul>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?			<p>conservation and carbon emissions reduction measures to reduce greenhouse gas emissions:</p> <ol style="list-style-type: none"> <li>1. The production departments and peripheral units shall establish energy and water conservation targets based on actual water and electricity consumption.</li> <li>2. In 2024, the Company continued to implement ISO 14064 certification to control carbon emissions more precisely. We establish reduction strategies based on business activities to respond to the impact of climate change on operations. In addition, the Company continues to request our main suppliers to obtain environmental management system certification to create a green supply chain and promote environmental protection ideals.</li> <li>3. In 2024, the Company was given grade B in the CDP Climate Change Assessment and grade A in the CDP Water Security Assessment. We shall continue to advance green upgrade and reforms and accelerate our efforts in becoming a company dedicated to the circular economy and green development.</li> <li>4. The Company continues to refine our management system. We were the first in the industry to introduce and pass Alliance for Water Stewardship (AWS) platinum certification. In 2024, the Company's main plants continued to pass the AWS platinum certification.</li> <li>5. In order to promote the recycling of waste, we continue to increase the waste recycling ratio. We have banned</li> </ol>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>landfilling to protect the natural environment. We were the first to obtain the UL 2799 Zero Waste to Landfill certification. In 2024, our main plants continued to pass the UL 2799 Zero Waste to Landfill Platinum-level certification audits.</p> <p>6. Please refer to pages 82 and 139 to 143 of the Annual Report for the Company's greenhouse gas emissions, water usage, and total weight of waste over the past two years.</p>	
<p>IV. Social Issues</p> <p>(I) Does the Company comply with relevant laws and regulations and internationally recognized covenants on human rights, and have related management policies and procedures in place?</p>	✓		<p>(I) 1. The Company also actively joined the international non-profit organization, Business for Social Responsibility (BSR) in 2021. Self-evaluation of human rights was conducted internally by the Company. The Company is dedicated to realizing its educational and social responsibilities, identifying potential risks, and completing alleviation and compensation measures, in order to further provide protections for employee labor and human rights. To mitigate human rights risks and ensure that the work environment, labor health and safety, and compliance with relevant laws and regulations are maintained during the work process, the Company stipulates related management policies and conducts human rights protection-related training and promotion for employees in accordance with the concept corporate sustainable development.</p> <p>2. The training and promotion of the Company are mainly</p>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(II) Does the company formulate and implement reasonable employee benefits measures (including compensation, leave, and other benefits), and appropriately reflect its business performance or achievement in employee compensation?	✓		<p>conducted through online and offline courses, announcements, communication channels, posters, SER policy card promotion, and promotion meetings. 100% of employees have completed human rights-related training in 2024. Related education and training will continue to be promoted to raise awareness on human rights protection.</p> <p>(II) The Company declared a reasonable salary compensation policy, and integrates the employee performance evaluation system with its corporate social responsibility policy. We also established an effective reward and disciplinary system, a performance evaluation system, and promotion and salary adjustment system for implementation. We appropriately reflected our business performance or achievement in employees' compensation. The company follows the principle of gender equality. In 2024, the proportion of female employees was 34.3%, and the proportion of female managers was 15.6%.</p>	No discrepancies
(III) Does the Company provide its employees with safe and healthy workplaces, and organize training on safety and health for its employees on a regular basis?	✓		<p>(III) The company emphasizes source control and requires that all equipment, tools, and instruments purchased must have safety protection measures. For processes with occupational hazards, evaluations are conducted, and measures such as ventilation, sealing, and noise reduction are implemented at the source. Regular inspections and maintenance of facilities are conducted, and hazard factors are tested and improved. Safety training for the employees are conducted.</p>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>Employees are required to wear protective equipment according to regulations before work. The Company's major plants in China, Taiwan, and India obtained "Occupational Health and Safety Management System ISO 45001:2018" external certification (valid through 2025). In 2024, there were no cases of major occupational accidents. The number of fire incidents, casualties, and the ratio of casualties to total employees were all zero. The number of people who suffered occupational accidents was 33, accounting for 0.062% of the total number of employees. The accidents were mainly due to the lack of safety awareness among employees. Each quarter, the Company conducts a "Safety Knowledge Assessment" for employees, covering general, manufacturing, equipment, and electromechanical safety knowledge. In 2024, assessments were completed for a total of 188,368 people. Apart from the education and training courses required by law, the "occupational safety column" has been added to the Company's internal publication, "Ding Shen Monthly". The safety videos are played on all televisions and advertising displays in all plants of the Company. The videos are played on a loop to convey safety related information and are changed regularly. Through the text messaging app "Ding Ding" and Ding Sheng E-Learning College app, safety information is dispersed to improve safety awareness and emergency response capabilities among employees.</p>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(IV) Does the Company offer its employees effective occupational empowerment training programs?	✓		(IV) The Company understands market trends, corporate development strategies, and functional differences in departmental business needs. By focusing on core talent competencies and embedding organizational cultural values, we nurture future talent and empower overseas business expansion. We aim to support the achievement of strategic goals and advancement of sustainable organizational growth. The Company established a talent training system and designed talent development education and training contents for corresponding job levels and departments to effectively integrate internal and external resources while systematically fostering all types of professionals required for organizational operations and development. By strengthening resource planning and implementation, system optimization, and talent assessment, the Company builds the most valuable talent supply chain for the organization. This approach ensures the effectiveness of training, enhances employee knowledge and skills, and reinforces core competitiveness.	No discrepancies
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and has it established relevant consumer or customer protection policies and grievance procedures?	✓		(V) 1. The Company takes responsibility for their products and services, and takes marketing ethics seriously. The R&D, procurement, production, operating, and service processes all ensure the transparency and security of product and service information. A "Code of Business Ethics" and ethical guidelines have been established, which include: fairness and impartiality, integrity and	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>honesty, customer satisfaction, and public accountability. These principles are implemented in business operations to prevent products or services from harming consumer rights, health, and safety.</p> <p>2. The Company adheres to the concept of fulfilling and practicing corporate social responsibility. In addition to joining RBA as a member and complying with the RBA Code of Conduct in 2021, the Company has established management systems including ISO 14001, ISO 45001, SA8000, and obtained valid certifications (which can be viewed on the Company's official website) to ensure that our global operations comply with requirements related to labor, health and safety, environment, ethical norms, and management systems. The Company also places great emphasis on privacy and personal data protection, strictly follows policies and relevant laws and regulations related to privacy and personal data management, and ensures the security of personal data of customers and employees.</p> <p>3. Exceeding customer expectation is one of the strategic goals in the Company's development. We provide excellent customized manufacturing services, continue to upgrade our manufacturing facilities, and actively participate in the early research, development, and designing of customers' products so that customers will rely on our products and services. In addition, we attach</p>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(VI) Does the Company formulate supplier management policies and request its suppliers to comply with applicable regulations regarding environmental protection, occupational safety and health or labor rights and to describe their implementation status?	✓		<p>importance to customer satisfaction ratings. We hope to bolster our competitiveness through continuous improvement of product quality and service contents, thereby becoming customers' long-term strategic partners. Furthermore, the Company strictly follows production control and quality management processes to manufacture physical PCBs according to the materials, electronic components, and design data provided by customers. When shipping products, we provide customers with information on the name of materials, ingredients, environmental test report (compliance with RoHS, HF, and REACH), and safety regulations. Relevant labels are attached to the outer box for customer identification. In 2024, the Company clearly labeled its products based on actual testing results and customer requirements. For any related inquiries or questions during the process, please contact us through the "Contact Us - Business Services" section on our company website or via email at <a href="mailto:zdt@zdtco.com..">zdt@zdtco.com..</a></p> <p>(VI) 1. The Company has established a comprehensive supply chain management system, which includes a department in charge of supplier management. By using the Supplier (Contractor) Management System, we systematically and comprehensively manage the quality, delivery, service, and prices of goods supplied. The Company also established the Supplier Corporate Social Responsibility</p>	No discrepancies

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>Management Regulations, Supplier Conflict Minerals Management Regulations, and other regulatory documents to conduct integrity, honesty, and supplier social responsibility management training for internal procurement staff, extending our social responsibility ideals to the supply chain and establish partnerships with suppliers for joint management. We require companies to adhere and commit to such regulations and ensure that all of their operations meet the applicable environmental laws, labor laws, and international corporate social responsibility regulations. We have requested suppliers to provide a Letter of Commitment before working with them. The Letter covers ethical conduct, human rights, and environmental aspects, as well as provisions that state that agreements shall be terminated or canceled when suppliers violate corporate social responsibility policies to an extent that poses significant impact on the environment and society. In 2024, 100% of our suppliers have signed this Letter.</p> <p>2. The Company's contracts with primary suppliers contain immediate termination clause for cases where the supplier violates corporate social responsibility and poses significant impacts to the environment and the society.</p> <p>3. According to management requirements, annual audits are conducted on qualified suppliers to drive improvement initiatives. This process continues until all relevant issues</p>	

Promoted items	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies	
	Yes	No	Summary		
			are addressed and resolved.		
V. Does the Company adopt internationally widely recognized standards or guidelines when producing sustainability reports and reports disclosing the Company's non-financial information? Does the company obtain a third-party assurance or verification for such reports?	✓		The Company's Sustainability Report was prepared according to the GRI Standards and CDP, TCFD, SASB, and RBA international initiatives and has obtained a limited assurance report issued by PricewaterhouseCoopers Taiwan on the selected subject matter information in accordance with the Assurance Standard No. 1 "Assurance Engagement of Examinations or Audits of Non-Historical Financial Information" of the Republic of China Accounting Research and Development Foundation, which is based on the International Standard on Assurance Engagement ISAE 3000. In the 2024 report, seven items obtained assurance. The sustainable development performance results are disclosed in the report and sustainability section of the website each year.	No discrepancies	
VI. If the Company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the principles and their implementation: The Company has established the "Sustainable Development Best Practice Principles", formulated related policies, and regularly reviews results. There are no deviations between actual operations and the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".					
VII. Other key information useful for understanding the status of sustainable development implementation: Please refer to the next section in the Annual Report for further details on corporate sustainable development.					

Note: (I) For information on the Company's systems and measures and implementation status with respect to environmental protection, community involvement, social contribution, social service, public interest, safety and health, and other social responsibility activities, please refer to the Company's website <https://www.zdtco.com> and related content in the Annual Report.

(II) The Company has received the following certifications: ISO 9001, ISO 14001, ISO 14064-1, ISO 14067, ISO 22301, ISO/IEC27001, ISO 31000, ISO 37301, ISO 45001, ISO 50001, IASE 3410, QC080000, IATF 16949, TL9000, Alliance for Water Stewardship (AWS), UL 2799 Zero Waste, and GBT-

29490. For relevant certificates, please refer to our company website <https://www.zdtco.com/en/csr/list/ESGData/ESGCertificationandVerification>.

(III) The Company places great emphasis on human rights issues and regularly discloses the following information regarding related risks:

Human rights policies and regulations, and specific management solutions:

The Company strictly abides by Taiwan's Labor Standards Act and the laws and regulations of People's Republic of China, including the Labor Law, Employment Contracts Law, Social Insurance Law and Provisions on the Prohibition of Using Child Labor. The Company constructs a human resource management system that collectively applies to Taiwan, Shenzhen, Hua'an, Qinghuangdao, and India to ensure that employees have reasonable working conditions and a safe and healthy work environment. The Company also supports international human rights standards. In compliance with the basic human rights principles such as the "United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the "Responsible Business Alliance Code of Conduct", the "United Nations Guiding Principles on Business and Human Rights", the International Labour Organization's (ILO) "Fundamental Conventions", including instruments such as "Right to Organize and Collective Bargaining Convention", "Abolition of Forced Labour Convention", "Worst Forms of Child Labour Convention", and "Discrimination (Employment and Occupation) Convention", as well as the laws and regulations of each location where we operate worldwide, we have established the "Human Rights Policy of Zhen Ding Tech. Group" to protect the rights and interests of our employees. Aside from the establishment the "Supplier Corporate Social Responsibility Management Regulations" to ensure that supply chain partners (including contractors) collectively uphold human rights, the Company also voluntarily complies with, regularly collects information on, and assesses the social laws of competent authorities and customer requirements to ensure the legitimacy and appropriateness of these laws and requirements. In addition to holding ourselves accountable, the Company requires all operational regions to comply with applicable labor and employment laws, making every effort to uphold the human rights of all stakeholders while ensuring the ongoing identification, monitoring, and management of all human rights risks.

The Company complies with the "Responsible Business Alliance (RBA)" and internationally recognized labor and human rights principles. The Business for Social Responsibility (BSR) organization assists the Company in conducting internal human rights evaluations and stipulating related internal management policies. In terms of human rights concerns such as labor, equal pay for equal work, child labor, discrimination/harassment, forced labor, human trafficking, freedom of association, provision of a safe working environment, and corporate culture building, we ensure that labor and human rights are protected through measures such as awareness-raising and regular risk assessment.

Zhen Ding Tech. Group adopts a PDCA cycle for quality management and conducts regular human rights due diligence investigations to assess human rights risks and potential impacts. If any human rights risks, potential impacts, or violations are identified during the due diligence process, proactive mitigation measures or remedial actions will be promptly taken. By assessing and identifying human rights risks, potential impacts or violations through human rights due diligence investigations, and evaluating the effectiveness of human rights governance, Zhen Ding Tech. Group will review its human

rights policy, regulations or procedures to ensure a more comprehensive implementation of human rights protection.

The mitigation and remedial measures for all major human rights issues mentioned below apply to all manufacturing sites of Zhen Ding Tech. Group:

Target	Major Human Rights Issues	Mitigation Measures	Remedial Measures
Employees	Occupational health, safety, and environment  Work hour management Anti-harassment Equal pay and benefits Forced labor and human trafficking Discrimination and tolerance Freedom of occupational choice Personal freedom and safety Freedom of association and channels for filing complaints	1. Each manufacturing site implements the ISO 45001 Occupational Health and Safety Management System, establishing the Company's occupational health and safety policy and system in accordance with RBA and relevant occupational health laws and regulations. 2. Provide multiple channels for education and training. 3. The Safety Committee reviews work safety incidents occurring within the Company's premises on a monthly basis, while monthly meetings at each plant analyze the causes and improvement measures for any work safety incidents that occurred in that specific month. 4. Regularly test occupational hazard factors in employee work areas.  In compliance with the basic human rights principles such as the "United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the "Responsible Business Alliance Code of Conduct", as well as the laws and regulations of each location where we operate worldwide, the Company regularly reviews the implementation status of its human rights policy to ensure the effective protection of human rights. <b>[Work hour management]</b> As required by the "Working Hours and Employee Overtime Regulations" and RBA, the Company strictly controls the working hours system and its implementation. <b>[Anti-harassment]</b> Formulated the "Sexual Harassment and Discrimination Prevention Management Measures" to prevent sexual harassment. Annual regular training assessments at all	1. Establish protocols for reporting and investigating occupational injuries. 2. Regularly conduct various drills and subsequent review of their outcomes. 3. Provide appropriate and legally compliant personal protective equipment for employees in various operational environments. 4. Enhance the promotion and enforcement of wearing personal protective equipment by employees on-site, with rigorous checks by site management. 5. Regularly provide occupational health examinations for employees in positions exposed to occupational hazards.  1. The Company formulated the "Human Rights Policy Statement". 2. Review and revise various management regulations to continuously improve systems and processes. 3. Conduct annual internal and external audits, including customer audits and RBA VAP audits, to optimize and enhance the Company's performance based on audit findings. 4. Through "identity verification of applicants in recruitment operations" and facial recognition and card swiping through the personnel system, employees' identities are confirmed to prevent child labor. 5. Use the early warning system to promptly remind and prevent employees from working overtime. Implement working hours monitoring. 6. Pay employees' remuneration in accordance with all remuneration-related laws, including minimum wage and overtime pay.

Target	Major Human Rights Issues	Mitigation Measures	Remedial Measures
		<p>levels and monthly on-site audits through random visits or telephone interviews.</p> <p><b>[Equal pay and benefits]</b> Implement a remuneration management system that is externally competitive and internally equitable. In addition to paying monthly salary, the Company also gives out various types of monetary rewards, including year-end performance bonuses, bonuses for continuous services, employee bonus, and monetary rewards for innovative research and development and for proposing improvement ideas.</p> <p><b>[Forced labor and human trafficking]</b> Formulated the "Humane Management Rules" SOP. Conduct annual training on the prohibition of forced labor and human trafficking for recruiters and employees. Set up a working hour early warning function in the attendance system to review and control employees' working hours on a daily basis. Annual regular training assessments at all levels and monthly on-site audits through random visits or telephone interviews.</p> <p><b>[Discrimination, diversity, and tolerance]</b> The Company respects diversity and inclusivity, strictly adhering to equal treatment principles, and is committed to creating and providing equal employment opportunities. No discrimination or differential treatment based on nationality, race, ethnicity, skin color, age, gender, gender identity, disability, pregnancy, marital status, religion, political affiliation, union membership, or any other factor shall be tolerated. The Company formulated the Regulations for the Protection of Special Groups to ensure fair treatment for female workers and provide women with human rights, health, and welfare protection in accordance with the law.</p> <p><b>[Freedom of occupational choice]</b></p>	<p>7. To keep the Company's general salary offers competitive and according to external economic changes, the Company plans and reviews remuneration policies of the Company's manufacturing sites. Utilizing salary survey reports from professional consulting firms, we also draft salary adjustment plans as needed by measuring the salary levels of the local market where the manufacturing site is located.</p> <p>8. The Company values diversity and inclusion, pays attention to issues concerning female employees, respects employees' self-pursuit, and welcomes more women to join our ranks. To care for women through their trimesters, nutritional meals for pregnant employees are provided, and pregnancy care certificates are issued to offer thoughtful services. Each production plant in the park is equipped with a breastfeeding room. Employees can leave work one hour earlier every day during the breastfeeding period to balance work and family. Childbirth incentives are provided for multiple pregnancies. In addition to the statutory maternity leave, an extra day of paid leave is provided to congratulate the mother and the newborn. When female employees return to work after childbirth, they can receive a gift from the Company.</p> <p>9. The Company formulated the "Employee Handbook" that clearly protects employees' freedom of association and collective bargaining rights, along with other relevant company regulations, and ensures that daily operations are conducted in compliance with the law.</p>

Target	Major Human Rights Issues	Mitigation Measures	Remedial Measures
		<p>Formulated the "Humane Management Rules" SOP to ensure that the principle of voluntary work is upheld in the hiring process for all employees.</p> <p><b>[Personal freedom and safety]</b></p> <p>Formulated the "Humane Management Rules", and the "Employee Safety Management Rules" to explicitly prohibit the implementation of any form of physical or movement restrictions and to ensure the safety of employees in their work operations.</p> <p><b>[Freedom of association and channels for filing complaints]</b></p> <p>The Company stipulated the "Management Regulations for the Right to Join Trade Unions and Collective Bargaining" and established diverse communication channels to protect the rights and interests of employees.</p>	
Suppliers/Contractors	Occupational health and safety	<ol style="list-style-type: none"> <li>Established the "Supplier Corporate Social Responsibility Management Regulations" to identify the risk levels of suppliers and conduct audits and controls based on their risk levels, aiming to mitigate SER risks.</li> <li>Signed the "Safety and Health Commitment Agreement" with suppliers to communicate the Company's occupational health management requirements.</li> </ol>	<ol style="list-style-type: none"> <li>Conduct annual audits on suppliers, track and monitor continuous improvement.</li> <li>Provide relevant education and training to suppliers.</li> </ol>
	Work hour management Freedom of occupational choice Equal pay and benefits	<ol style="list-style-type: none"> <li>To address human rights risks in the supply chain, conduct annual audits of suppliers to prevent the occurrence of risks.</li> <li>To mitigate human rights risks, educate and train suppliers on the importance of labor rights and practical implementation methods.</li> </ol>	<ol style="list-style-type: none"> <li>Conduct periodic spot checks and RBA SAQ assessments on suppliers.</li> <li>Require suppliers to implement improvement measures for human rights risks and continuously monitor their progress.</li> <li>Demand that suppliers provide compensation measures such as counseling or policy amendments for employees who have suffered human rights violations.</li> </ol>

Target	Major Human Rights Issues	Mitigation Measures	Remedial Measures
Customer	Data privacy and security	<p>1. Adhere to Taiwan's Personal Data Protection Act and other relevant data protection regulations in operational areas to ensure compliance among company employees and their collaborating partners, collectively striving to uphold data security and safeguard the rights of customers and other data subjects.</p> <p>2. Established the "Information Security Management Policy" as a management basis to protect the security of business-related information assets and operational data.</p> <p>3. Strengthen awareness of relevant regulations among company employees and suppliers involved in customer transactions through privacy, data protection, and information security management guidelines and advocacy efforts.</p>	<p>1. Conduct annual information security audits and internal reviews to ensure that information systems and network environments comply with security implementation standards. Strictly enforce information security policies and customer privacy protection measures to prevent leakage of company trade secrets and customer data.</p> <p>2. If investigations reveal company employees or suppliers engaging in violations of privacy rights, data protection policies, or applicable privacy and data protection regulations, promptly review and improve management measures. Communicate with customers to assess compensation measures on a case-by-case basis.</p> <p>3. Take disciplinary actions against individuals involved in violations according to applicable disciplinary regulations.</p>
Communities	Air pollution and noise	<p><b>[Air pollution]</b>            The Company reduces air pollutant emissions through the installation of waste gas scrubbers, dust collectors, and the use of activated carbon adsorption and innovative technologies. Regular independent and outsourced testing is conducted annually to track pollutant data and ensure compliance with regulations for all emissions, even significantly below the emission control standards.</p> <p><b>[Noise]</b>            The Company conducts boundary noise monitoring at each manufacturing site according to local regulations.</p>	<p><b>[Air pollution]</b>            The Company focuses on reducing and preventing atmospheric pollution from manufacturing, prevention, and detection aspects. Manufacturing aspect: Clean raw materials, intensive pollution source collection, and process optimization are used to reduce the generation of air pollutants. Prevention aspect: End-of-pipe pollution treatment technologies such as scrubbers, dust collectors, and activated carbon adsorption are employed for pollution control. Detention aspect: Regular outsourced testing is conducted to ensure compliance with air pollution emission standards.</p> <p><b>[Noise]</b>            The Company identifies sources of noise and implements improvements for specific noise sources by installing sound insulation facilities to reduce noise levels.</p>

## (1) Human Rights Protection Promotion and Training:

To mitigate human rights risks and ensure that the work environment, labor health and safety, and compliance with relevant laws and regulations are maintained during the work process, the Company conducts human rights protection-related training and promotion for employees in accordance with the concept corporate social responsibility. The training and promotion are mainly conducted through online and offline courses, announcements, communication channels, posters, SER policy card promotion, and promotion meetings. In 2024, the total number of training hours for human rights protection exceeded 600,000 hours, and 100% of employees have completed human rights-related training. The Company will continue to promote related education and training to raise awareness on human rights protection.

- Provide employees with awareness on compliance with relevant laws and regulations: The content includes prohibition of forced labor, prohibition of human trafficking, prohibition of child labor, equal pay for equal work, anti-discrimination, anti-harassment, management of working hours, wages and benefits, freedom of association, humane treatment, communication channels, occupational safety, and management systems.
- Implementation of promotion through communication channels: assist employees in resolving issues in work and life, and create a harmonious working environment where they are happy to communicate with each other.
- Provide complete occupational safety training: we provide different safety training for different workplace situations, such as new employee safety training, fire-fighting training, emergency first aid training, and on-the-job safety training.

## (2) Communication and complaint channels:

The Company values the opinions and rights of employees and advocates that everyone has the right to participate in the management of the company on an equal footing. All employees are welcome to give their opinions and suggestions on the management of the company or to complain about the unreasonable aspects of the company and its management level. In 2024, in order to better understand the needs of base level employees and listen to their voices, the Company has carried out the comprehensive promotion and upgrade of existing communication channels, such as employee communication hotlines, mailboxes, suggestion boxes and the employee service center. The Company has conducted diversified promotion of these measures through online, offline and multimedia methods. The online promotion methods include the internal corporate communication app (Ding+), Ding Sheng E-Learning College app, mini program Ding , and announcements on the company website. The offline promotion methods include orientation speeches for new employees, pocket-sized cards on social and environmental responsibilities, bulletin boards, and posters displayed around the living areas, workshops, cafeterias, and dorm entrances. The multimedia promotion methods include LED screens in living areas, garages, and displays and PA systems in the public areas of the dormitories. In addition to a number of channels for employee feedback, the identity of the complainants is kept confidential, and the complaint records are kept by dedicated personnel. The complaints are handled and responded to immediately

to effectively increase employee satisfaction. In addition to the proactive feedback from employees mentioned above, the Company also regularly organizes forums and meetings for employees, teachers, elite management, and young management. As of 2024, a total of 111 sessions have been held.

The Company believes that the successful fulfillment of the Company's operation targets relies on employees' dedication and contributions. A harmonious relationship between labor and management is therefore necessary to achieve solidarity among employees. We uphold the ideals of caring for employees and creating mutual prosperity. All policies are designed in ways to benefit employees and simultaneously create a positive work environment, so that both employers and employees can advance toward the common goal of pursuing growth for the Company. For this reason, the Company's internal control system and management regulations specify the duties and interest of employees. To protect the rights and interests of our employees, we also specify Work Rules in the Employee Handbook, which is made known to new employees and also available to employees at all times on the human resource digital platform.

### (3) Employee Welfare Committee and Union:

The Company has established the Employee Welfare Committee to implement various welfare activities in its manufacturing sites in Taiwan and India. In both Taiwan and India sites, 100% of employees are covered by collective agreements. Manufacturing sites in Taiwan convene labor-management meetings each quarter according to the law while the India site holds such meetings annually from January to March, to facilitate bidirectional communication and coordination on the Company's recent and future policies to reach a consensus. In addition, the Company has established Process for Employee Consultation and Complaint Management. Our employees can also use the Company's employee opinion box, digital platform, and other grievance channels to provide suggestions and feedback to the Human Resources Department or senior managers in order to ensure unrestricted communication.

A union has been established in the sites in China, in order to protect employee interests and provide various benefits. The labor union stipulates that all workers, regardless of ethnicity, race, gender, occupation, religious belief, and education level, can apply for membership through the employees' own will and approval by the grassroot trade union committees. At present, the percentage of employees covered by collective bargaining is 100% in each manufacturing site in China.

## 2. Implementation status of climate-related information

Item	Implementation status																											
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>(1) The Board of Directors oversees climate-related risks and opportunities and assigns the Corporate Governance, Sustainability, and Nominating Committee to organize personnel to supervise climate risk management.</p> <p>(2) The Corporate Governance, Sustainability, and Nominating Committee is responsible for reviewing the progress of climate change-related issues, appointing project managers to report to the Board of Directors annually on climate change-related issue strategies and operational directions, monitoring risk events, reviewing energy-saving and carbon reduction targets and annual budgets, and implementing results.</p>																											
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>The Company refers to the Financial Stability Board's (FSB) 2017 publication "Climate-Related Financial Disclosures (TCFD)" checklist to identify relevant risks and opportunities, and incorporates considerations of climate change risks into the Company's existing risk management framework for long-term tracking and ensuring governance outcomes.</p> <p>Climate risk descriptions and response strategies are as follows:</p> <table border="1" data-bbox="451 787 2091 1424"> <thead> <tr> <th data-bbox="451 787 586 840">Category</th><th data-bbox="586 787 720 840">Climate-related Issues</th><th data-bbox="720 787 990 840">Risks</th><th data-bbox="990 787 1125 840">Operational Impact</th><th data-bbox="1125 787 1260 840">Impact Period</th><th data-bbox="1260 787 1394 840">Likelihood of Occurrence</th><th data-bbox="1394 787 1529 840">Impact Severity</th><th data-bbox="1529 787 1799 840">Risk Management Measures</th><th data-bbox="1799 787 2091 840">Opportunities</th></tr> </thead> <tbody> <tr> <td data-bbox="451 840 586 1343">Policies and regulations</td><td data-bbox="586 840 720 1343">Renewable energy related regulations</td><td data-bbox="720 840 990 1343">National policies and regulations for the use of renewable energy proportions and equipment energy efficiency requirements at production sites are strengthening. To comply with regulations, there may be requirements to replace old equipment or mandatory purchase of a certain proportion of renewable energy. In the future, shortages in the supply of renewable energy and rising energy prices may occur, leading to increased operational costs and expenditures.</td><td data-bbox="990 840 1125 1343">Increase in operating costs Increased expenditures</td><td data-bbox="1125 840 1260 1343">Short-term</td><td data-bbox="1260 840 1394 1343">Low</td><td data-bbox="1394 840 1529 1343">High</td><td data-bbox="1529 840 1799 1343">1. Proactively adjust energy structure and collaborate with electricity suppliers in the market to sign long-term cooperation agreements in advance to ensure the supply of renewable energy 2. Research renewable energy development projects and initiate cooperation discussions in advance</td><td data-bbox="1799 840 2091 1343">Actively participate in renewable energy programs, purchase green electricity, increase the proportion of renewable energy use, meet the expectations of external stakeholders, gain customer recognition, and win the market</td></tr> <tr> <td data-bbox="451 1343 586 1424"></td><td data-bbox="586 1343 720 1424">GHG related regulations</td><td data-bbox="720 1343 990 1424">The Shenzhen plant is under the management of the Shenzhen trial carbon</td><td data-bbox="990 1343 1125 1424">Increased expenditures</td><td data-bbox="1125 1343 1260 1424">Medium-term</td><td data-bbox="1260 1343 1394 1424">High</td><td data-bbox="1394 1343 1529 1424">Medium</td><td data-bbox="1529 1343 1799 1424">1. Continuously conduct ISO 14064 verification, obtain certification, and establish</td><td data-bbox="1799 1343 2091 1424">Establish a sound carbon management system, control carbon management</td></tr> </tbody> </table>	Category	Climate-related Issues	Risks	Operational Impact	Impact Period	Likelihood of Occurrence	Impact Severity	Risk Management Measures	Opportunities	Policies and regulations	Renewable energy related regulations	National policies and regulations for the use of renewable energy proportions and equipment energy efficiency requirements at production sites are strengthening. To comply with regulations, there may be requirements to replace old equipment or mandatory purchase of a certain proportion of renewable energy. In the future, shortages in the supply of renewable energy and rising energy prices may occur, leading to increased operational costs and expenditures.	Increase in operating costs Increased expenditures	Short-term	Low	High	1. Proactively adjust energy structure and collaborate with electricity suppliers in the market to sign long-term cooperation agreements in advance to ensure the supply of renewable energy 2. Research renewable energy development projects and initiate cooperation discussions in advance	Actively participate in renewable energy programs, purchase green electricity, increase the proportion of renewable energy use, meet the expectations of external stakeholders, gain customer recognition, and win the market		GHG related regulations	The Shenzhen plant is under the management of the Shenzhen trial carbon	Increased expenditures	Medium-term	High	Medium	1. Continuously conduct ISO 14064 verification, obtain certification, and establish	Establish a sound carbon management system, control carbon management
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Item	Implementation status								
			<p>trading market, mandated to participate in inventory and carbon trading. Emission limits (per unit of industrial value-added emissions) have been set.</p> <p>In the future, if carbon quotas are not met, additional carbon emissions quotas may need to be purchased, potentially increasing operating costs</p>					<p>reasonable carbon management objectives</p> <p>2. Study development trends, collaborate with international organizations, and develop carbon management plans</p> <p>3. Actively participate in carbon trading markets</p>	<p>objectives, reduce costs associated with exceeding carbon emissions, win government policy support incentives, meet the expectations of external stakeholders, gain customer recognition, and win the market with good energy management. Based on current market developments, carbon can be transformed into corporate carbon assets.</p>
		Water resource related regulations	<p>Currently, there are no regulations governing water usage or recycling. The competent authority currently adopts an encouraging approach, allowing voluntary management by enterprises.</p>	<p>1. Increase in operating costs</p> <p>2. Operational disruptions</p>	Long-term	Low	Medium	<p>1. Implement water-saving measures, including wastewater reuse, workshop recycling, and process water conservation measures</p> <p>2. Implement advanced management systems and standards, such as the Clean Water Program and AWS, collectively promoted with customers.</p> <p>3. Monitor water usage indicators, conduct regular reviews, avoid waste, and continuously improve water resource utilization efficiency</p>	<p>Enhance water resource management performance, strengthen resilience to climate change, promote water resource efficiency improvement and diversification, reduce production costs, ensure business continuity, gain customer recognition, and increase customer trust</p>
		Energy saving (electricity limitation) related regulations	<p>Currently, there are no energy-saving or electricity limitation regulations in the industry to which our Company belongs.</p> <p>However, in the future, there might be electricity shortages, leading to restricted electricity consumption during production, such as restricting electricity usage for units with low energy consumption per unit of output.</p>	<p>1. Increase in operating costs</p> <p>2. Operational disruptions</p>	Long-term	Low	Medium	<p>1. Implement energy-saving measures, including energy-efficient production equipment and automatic power and water cutoff systems</p> <p>2. Utilize advanced energy-saving equipment, such as permanent magnet motors and magnetic levitation chillers</p> <p>3. Promote an energy management platform to monitor equipment activation and automatically analyze energy consumption</p>	<p>Enhance the Company's electricity usage efficiency, reduce production costs, develop energy storage solutions, ensure business continuity, gain customer recognition, and capture market opportunities</p>

Item	Implementation status							
							<p>rationality</p> <p>4. Monitor electricity usage indicators, conduct regular reviews, and continuously improve energy efficiency</p>	

Item	Implementation status								
			exceeding hazardous substance limits.					hazardous substances to enhance the Company's testing standards for hazardous substances and prevent their inflow and outflow.	
		Investment - ESG rating	Currently included in the FTSE4-Good TIP Taiwan ESG Index and Taiwan Corporate Governance 100 Index constituents. Failure to continuously improve ESG performance may affect the Company's reputation and consequently its fundraising capabilities.	Difficulty in financing	Short-term	High	Low	3. Introduce green recycling manufacturing technologies and the use of recycled materials, and develop low-carbon green products through the concepts of low-carbon and circular economy.	Obtain partner vendor accreditation, so that investors can decide whether to invest or borrow based on the Group's ESG performance to stabilize the Group's capital sources and stock prices.
	Physical	Extreme Heat/Drought	Extreme heat may cause heat stroke or food poisoning among personnel, equipment abnormalities, and the risk of spontaneous combustion of materials. Prolonged high temperatures can lead to drought, resulting in insufficient water supply for production, life, and firefighting needs, thereby affecting production	1. Increase in operating costs 2. Operational disruptions	Long-term	Low	Low	1. According to the meteorological forecast from the weather bureau, promptly notify all departments and supervise them to make emergency preparations 2. Lower the temperature with air conditioning, reduce the duration of high-temperature operations, and prepare anti-heatstroke and cooling drugs at health stations 3. Increase the frequency of	Strengthen the emergency response mechanism to enhance the Company's operational resilience

Item	Implementation status							
	Extreme cold	May cause personnel frostbite or food shortages, equipment abnormalities, freezing or bursting of firefighting and other fuel transportation pipelines, and raw material supply interruptions.	1. Increase in operating costs 2. Operational disruptions	Long-term	Medium	Low	1. According to the meteorological forecast from the weather bureau, promptly notify all departments and supervise them to make emergency preparations 2. Raise the temperature with air conditioning, reduce the duration of low-temperature operations, and prepare antifreeze medication at health stations 3. The accommodation department should prepare antifreeze blankets to meet the needs of employees who are unable to return home 4. The mechanical and electrical department should implement insulation measures for machinery, equipment, and pipelines	
	Heavy rainfall/Floods	Floods may affect employee attendance and wastewater treatment systems, as well as cause interruptions in water supply, power supply, logistics, and transportation, leading to production stoppage or reduction and resource losses	1. Increase in operating costs 2. Operational disruptions	Long-term	Medium	Low	1. Before heavy rainfall arrives, disseminate typhoon warnings from the local meteorological office. Upon receiving announcements of heavy rainfall, relevant departments should immediately prepare for storms 2. Activate contingency plans. The mechanical and electrical department should prepare drainage pumps and	None

Item	Implementation status							
								<p>conduct comprehensive system checks. The environmental engineering department should inspect sewage pipes for blockages, and all departments should inspect drainage outlets for blockages. If necessary, contact government agencies for assistance</p> <p>3. Each manufacturing site has flood prevention facilities such as drainage stations, floodgates, drainage pumps, and flood prevention facilities at entrances</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Please refer to the above "climate risk descriptions and response strategies".</p>							
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>In order to strengthen the risk management functions, the Group's risk management is based on (1) risk identification, (2) risk assessment, (3) risk control, (4) risk supervision, and communication. The Company clearly understands the scope of all risks and continues to effectively improve and control the risk factors through PDCA (Plan, Do, Check, Act). This will decrease the probability and severity of losses caused by the risks. The Company adopts appropriate measures to effectively implement risk management.</p>							
5. If scenario analysis is used to assess resilience to climate change risks, the	<p>To further assess the impact of climate change on the Company, in 2024, we conducted climate scenario analysis on the most significant physical risks and transition risks. We quantified the potential financial impact of climate risks to incorporate them into future decision-making. Water resource issues were chosen as the primary focus for physical risk scenario analysis, considering that extreme weather events will increasingly affect business operations due to climate change. Therefore, the Company selected "heavy rainfall and flood disasters",</p>							

Item	Implementation status
<p>scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>currently assessed to pose the most significant impact, as the event for quantifying the potential financial impact of physical risks under future scenarios of global environmental warming. By analyzing the results of the scenario analysis, we can proactively prepare and plan for future operations and contingencies.</p> <p>(1) For physical risks, the Company analyzed two scenarios: SSP5-8.5 and SSP1-2.6. These scenarios represent the worst-case scenario (SSP5-8.5) and a scenario where temperature increases align with the goals of the Paris Agreement (SSP1-2.6). We assessed the potential financial impact under these scenarios.</p> <p>For transition risks, the Company selected carbon pricing as the focus of climate scenario analysis. We evaluated the actual carbon fees and emissions costs that the Company may incur in Taiwan's carbon fee system and China's carbon emission trading system. We also considered the energy management costs incurred in response to carbon pricing and the increase in electricity costs in future operational environments due to adjustments in the power generation structure.</p> <p>(2) Targeting the carbon pricing issue mentioned above, the Company used the Nationally Determined Contributions (NDCs) and Net Zero 2050 scenarios defined by the Network for Greening the Financial System (NGFS) to analyze the potential financial impacts of our operations under current climate conditions and under the consensus goal of limiting global warming to 1.5°C by the end of the century as outlined in the Paris Agreement.</p> <p>(3) Regarding carbon pricing, the Company referred to the NGFS model and the Taiwan government's assessment of possible carbon fee prices. After comprehensive consideration, we have incorporated these factors into our modeling evaluation. For China's carbon pricing, we integrated the NGFS model and the prices in the China carbon trading market as the basis for assessing the costs of carbon emissions trading in China.</p> <p>The Company currently uses the Sea Level Rise Map assessment tool from the U.S. nonprofit climate organization Climate Central to evaluate sea level rise heights under different warming scenarios. We also analyze factors such as site terrain, altitude, factory elevation, and ground level differences to assess the risks at each operating site. Overall, the risk assessment results for all operating sites are categorized as low risk.</p> <p>(1) Simulation scenarios: Climate temperature rises leading to sea level rise scenarios.</p> <p>(2) If sea level rise causes seawater backflow, it may lead to poor drainage and increase the likelihood of localized flooding, resulting in additional operating costs for flood management. Although the sea level rise assessment for each manufacturing site is categorized as</p>

Item	Implementation status
	low risk, each site has constructed flood prevention facilities such as drainage stations, floodgates, drainage pumps, and flood prevention devices at entrances to mitigate potential extreme weather conditions such as heavy rainfall.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>(1) Plan for medium to long-term climate change adaptation measures and strengthen climate risk assessment and physical risk prevention.</p> <p>(2) Continuously develop renewable energy projects, expand the scope of solar energy projects, and strive to increase the proportion of green electricity usage.</p> <p>(3) Continuously promote the introduction of energy-saving and emission-reduction technologies and equipment, create energy-saving and carbon reduction achievements, and improve energy utilization efficiency.</p> <p>(4) Continuously conserve resources and promote recycling, develop waste reduction technologies, achieve 100% recycling of valuable metals, and evaluate recycling initiatives.</p> <p>(5) Achieve a wastewater recycling rate of over 50% by 2025, maintaining industry leadership.</p> <p>(6) Strengthen the green supply chain, continue to promote supplier risk assessment, advance environmental protection projects, and enhance the overall green value of the supply chain.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing: In order to further stimulate internal energy conservation and carbon reduction efforts, the Company has adopted an internal carbon pricing mechanism to internalize the external costs of GHG emissions. Our main production facilities are currently located in China, with only the Shenzhen site participating in carbon trading. Taking into account the situation at each location, we use the carbon price in the Shenzhen carbon market as a reference for our internal carbon pricing. The price is set at RMB 51.3 per ton of CO <sub>2</sub> equivalent (approximately NT\$231). When assessing the investment benefits of energy-saving and carbon reduction projects, we use internal carbon pricing to monetize the environmental benefits of carbon reduction, incorporating them into decision-making considerations, thereby supporting the implementation of energy-saving projects and the sustainable development of the Company.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and	Since 2007, the Company has been conducting annual GHG inventory independently, monitoring the carbon emissions of various subsidiary companies. We integrate the requirements of local governments with the Company's sustainable development strategy to formulate climate change management strategies and green development goals. We actively engage in various GHG reduction activities, with our GHG reduction strategy referencing methods such as SBTi. We evaluate diverse emission reduction scenarios and aim to achieve 100% renewable energy, with the goal of achieving net-zero emissions by 2050. In 2024, we purchased 978,437 MWh of green electricity, of which 268,424 MWh were solar energy and 710,013 MWh were wind energy.

Item	Implementation status
<p>the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	
<p>9. Greenhouse gas inventory, assurance status, reduction targets, strategies and specific action plans.</p>	<p>Filled out separately below in 2-1 and 2-2.</p>

2-1. Recent two-year GHG inventory and assurance status of the Company

2-1-1 GHG inventory information

Description of the GHG emissions (in metric tons of CO <sub>2</sub> e), intensity (metric tons of CO <sub>2</sub> e/NT\$ million), and data coverage for the past two years.							
Year	Scope of Review	Emissions (Metric tons CO <sub>2</sub> e)			Intensity (Metric tons of CO <sub>2</sub> e/NT\$ million)	Assurance Body	Description of Assurance
		Scope 1	Scope 2	Scope 3			
2024	Parent company	0	0	0	0	PwC	Limited assurance
	Subsidiary companies	109,237	401,904	56,624	2.98	PwC	Limited assurance
2023	Parent company	0	0	0	0	PwC	Limited assurance
	Subsidiary companies	79,045	371,414	23,726	2.98	PwC	Limited assurance

Note 1: The 2023 scope has been expanded to include the Parent company and 34 merged financial subsidiary companies, all of which belong to non-manufacturing industries. The merger of all Zhen Ding Tech. Group entities was completed in 2024.

2: Intensity (Metric tons of CO<sub>2</sub>e/NT\$ million) = (Scope 1 + Scope 2)/The Company's annual consolidated revenue

2-1-2 GHG assurance information

Description of the most recent two years' assurance status as of the printing date of the Annual Report, including the assurance scope, assurance body, assurance criteria, and assurance opinion.
Since January 1, 2023, the Company has adopted the ISAE 3410 standard for assurance, with limited assurance provided by the assurance body, PricewaterhouseCoopers, Taiwan.

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

Description of the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement of reduction goals.
<p>1. As the hardware construction was more complete in 2013, it is used as the baseline year for environmental data comparison. Baseline year 2013: Scope 1 emissions were 35,282 tons CO<sub>2</sub>e, Scope 2 emissions were 593,025 tons CO<sub>2</sub>e, Scope 3 emissions were 4,486 tons CO<sub>2</sub>e, and the combined Scope 1 &amp; 2 emission intensity was 9.74 tons CO<sub>2</sub>e/NT\$ million.</p> <p>2. The target for the reduction in carbon emission intensity by 2025 is 40%.</p> <p>3. Strategies and specific action plans: Currently, the Company's GHG inventory for Scope 3 includes seven major categories: purchase of products or services, fuel and energy-related activities, upstream transportation and distribution, downstream transportation and distribution, waste disposal, business travel, and employee commuting. It is planned to conduct inventory and disclosure for all categories of Scope 3 in the next two years.</p>

**(VI) Implementation of ethical corporate management and measures and departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons**

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and solutions	✓			
(I) Does the Company formulate ethical corporate management policies that have been approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board of Directors and management team to implementing policies?	✓		<p>(I) The Company has established the "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Operating Procedures and Code of Conduct", and "Code of Ethical Conduct", which have been approved by the Board of Directors and details the specific content of ethical management, in order to implement ethical management policies. The Company's external standard contract documents require the counterparty of transactions to comply with ethical management policies. The Board of Directors and senior management are actively implementing the ethical management policies. The policies shall be implemented in the Company's internal management and business activities, including employment conditions requiring employees to comply with ethical management policies.</p> <p>(II) The Company has listed unethical behavior related to the "Ethical Corporate Management Best Practice Principles" in the "Code of Ethical Conduct" and "Ethical Corporate Management Operating Procedures and Code of Conduct". Risk assessment measures have been formulated, including: Collect information through interviews, email tracking by the information unit, and other methods, identify higher risks through regular analyses and evaluations, and assist in the audit mechanism of the</p>	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
TWSE/GTSM Listed Companies?			internal audit unit, in order to stipulate measures against unethical behavior, such as bribery, providing illegal political contributions or gains, infringing intellectual property rights, unfair competition, etc. The Company must comply with laws and regulations when engaging in any activity. Before information is officially disclosed, participants must sign a confidentiality agreement and shall not disclose any important internal information of the Company to others. Information security is also rigorously controlled and protected.	
(III) Does the Company have any measures against unethical conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? Does the company implement and regularly review and revise such measures?	✓		(III) The Company abides by the "Ethical Corporate Management Operating Procedures and Code of Conduct" and the "Anti-Corruption, Integrity Promotion, Profit Optimization, and Malpractice Prevention Management Measures" to evaluate the legal compliance and unethical conduct records of its agents, suppliers, customers, or other transaction counterparties before conducting business transactions to prevent transactions with companies that have records of unethical conduct. The reporting of any illegal or unethical conduct shall be encouraged and the importance of ethical conduct shall be regularly promoted to directors and employees.	No discrepancies
II. Implementation of ethical management (I) Does the Company evaluate the integrity records of its business partners, and specify ethical-related clauses in business contracts?	✓		(I) The Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties before conducting business and whether any of them have a history of unethical conduct, and shall avoid any dealings with persons so involved. When entering into contracts	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(II) Does the Company establish a dedicated unit supervised by the Board, to be in charge of corporate integrity, report its integrity policy and unethical conduct prevention solutions as well as supervision implementation status to the Board of Directors on a regular basis?	✓		<p>others, the Company includes in such contracts terms requiring compliance with ethical management policies. In the event that the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts, ensuring the compliance of others with the Company's ethical management policies.</p> <p>(II) The Company's Human Resources Division, Legal Affairs Division, and Corporate Governance and Investor Relations Division jointly formed the "Ethical Corporate Management Work Group" under the Board of Directors. The Chairman's Office is responsible for the establishment, supervision, and execution of ethical corporate management policies and prevention solutions. The work group consists of an executive unit and related work groups. It is responsible for supervising ethical management operations and reporting on the implementation in the current year to the Board of Directors at least once a year. The 2025 report was submitted to the Board of Directors on March 11 and the ESG Execution Committee on January 15. The implementation of ethical management in 2024 is as follows:</p> <p>1. For the stipulation and review of ethical management related policies, the Company has established the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Ethical Corporate Management Operating Procedures and Code of Conduct", and "Anti-Corruption, Integrity Promotion,</p>	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			<p>Profit Optimization, and Malpractice Prevention Management Measures", which clearly stipulates that no improper gains shall be accepted and there should be no unethical or unlawful behavior. The above-mentioned internal regulations are reviewed, adjusted and revised from time to time with reference to changes in external regulations and the implementation of internal supervision.</p> <p>2. The internal and external promotion of the Company's "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Ethical Corporate Management Operating Procedures and Code of Conduct", "Anti-Corruption, Integrity Promotion, Profit Optimization, and Malpractice Prevention Management Measures", and relevant important policies have been announced on the Company's website and internal network for external parties or internal employees to view at any time. The content of the standard contract signed with the business transaction partner also contains the relevant clauses for compliance with the ethical management behaviors.</p> <p>3. Whistleblowing channel, handling, and whistleblower protection: The Company shall internally establish and publicly announce an independent mailbox (zdt@zdtco.com) and hotline (03-3835678) for Company insiders and outsiders to submit complaints. The Company will keep the whistleblower's identity and contents of the report confidential, and protects the</p>	

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(III) Does the Company have policies that help prevent against conflict of interests and appropriate channels for filing related complaints in place and precisely enforce them?	✓		<p>whistleblower from any retaliation. The responsible unit shall verify and handle the report. Anyone who violates the ethical management regulations will be dealt with appropriately according to the seriousness of the circumstances, and should be reported to the competent authority or transferred to the judicial authority for investigation if necessary. The handling method and subsequent review and improvements shall be reported to the Board of Directors.</p> <p>(III) The Company has stipulated policies that help prevent against conflict of interests, provided appropriate channels for filing related complaints, and precisely enforces them. The description is as follows:</p> <ol style="list-style-type: none"> <li>1. The Company's "Code of Ethical Conduct" stipulates that personnel should handle business in an objective and efficient manner, and avoid using their positions to obtain improper gains for themselves, others, or other companies. The conflict of interest policy is to prevent conflicts of interest. In addition, the "Ethical Corporate Management Operating Procedures and Code of Conduct" specify in detail how stakeholders should avoid conflicts of interest with respect to various proposals of the Board of Directors.</li> <li>2. Information shall be reported to the department head if involving general employees and to an independent director or Audit and Risk Committee if involving a director or a senior manager. When material violations or concerns involving material impairment to Company</li> </ol>	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			<p>come to their awareness upon investigation, information shall be immediately prepared into a report and the independent directors or Audit and Risk Committee shall be informed in writing.</p> <p>3. In 2024, the Company strengthened the promotion of ethical management through online and physical meetings. The emphasis on ethical management principles was included in the agendas of 326 supplier exchange meetings.</p> <p>4. The Company advocates the Sunshine Policy of "fairness and impartiality, integrity and self-discipline, honesty and cooperation in building an environment that embraces honest and ethical purchasing", and emphasizes the nine prohibited behaviors listed on the Company's website: Prohibition of bribery towards Zhen Ding personnel, prohibition of engaging in related-party transactions with Zhen Ding, prohibition of using blacklisted supplier, prohibition of transferring joint development projects with Zhen Ding to other clients without written consent, prohibition of violating PCN/ECN management, prohibition of circumventing procurement processes in business matters, prohibition of commercial fraud and violations of commercial standards, prohibition of unfair competition and dealing with non-compliant suppliers, prohibition of instigating or enticing Zhen Ding employees to resign. In 2024, 1,443 suppliers received the Sunshine Policy promotion (90.13% coverage), and commitment letters were signed</p>	

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(IV) Has the Company implemented effective accounting and internal control systems for the purpose of maintaining business integrity? Does the internal audit unit establish applicable audit plans based on the results of unethical conduct risk assessment, and use the plans to audit unethical conduct prevention solutions or engage a CPA to carry out the audit?	✓		<p>with major suppliers.</p> <p>(IV) The Company has established the accounting system and internal control system, and implements the systems. The internal audit personnel shall establish applicable audit plans, which include the audit target, scope, items, and frequency, based on the results of unethical conduct risk assessment, and use the plans to audit unethical conduct prevention solutions. The audit results shall be presented to top management and the dedicated ethical corporate management unit and shall be produced into an audit report for the Board of Directors. In addition, in order to ensure the continuous and effective design and implementation of the system, the Company conducts annual inspections and revisions to establish good corporate governance and risk control mechanisms as the basis for evaluating the effectiveness of the overall internal control system and issuing internal control system declarations.</p>	No discrepancies
(V) Does the Company organize internal and external educational trainings periodically to help enforce honest operations?	✓		<p>(V) The Company has published important regulations, rules, and operating procedures related to ethical management on both the Company's public website and the intranet for external stakeholders and internal employees to access and refer to at any time. The standard contract and external documents signed with the business transaction partner also contains the relevant clauses for compliance with the ethical management behaviors: The Board of Directors and senior management have signed written statements to guarantee the active implementation of ethical management policies.</p>	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			<p>The internal and external education and training related to ethical management organized by the Company in 2024 include:</p> <ol style="list-style-type: none"> <li>1. New employee training, quality management training, professional skill training, management talent training, ethical corporate management regulations, ethical conduct, material internal information, food safety and health management, accounting system, internal control system, insider trading, and anti-corruption, with learning hours exceeding 180,700 hours and over 100,000 participants in these courses. Among which, 100% of employees have completed ethical management, anti-corruption confidentiality and integrity education and training by passing the examination.</li> <li>2. All directors complete courses on ethical management and insider trading prevention.</li> <li>3. The Company installed broadcasting platforms in living areas and workshops to showcase relevant promotional videos. Two themed videos are rotated monthly, with each video played four times a day in a continuous loop. The platform reaches and engages with over 1.7 million viewers every year.</li> <li>4. The pass rate for new employees, both indirect and direct, on the management rules, was 81%.</li> <li>5. The ethical management education and training policy was incorporated into the annual performance evaluations of employees and aligned with remuneration</li> </ol>	

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			incentives.	
III. Implementation status of the Company's reporting system				
(I) Does the Company have a substantial reporting and reward system as well as a convenient reporting channel in place with appropriate personnel to be assigned to assist the party being reported on?	✓		(I) The Company has indicated in its Ethical Corporate Management Operating Procedures and Code of Conduct the need to establish a reward/punishment system with a convenient and independent mailbox and hotline. We have also appointed dedicated units and personnel to take charge of investigations. The identity of the whistleblower and contents of the report are kept confidential, and the whistleblower is protected from inappropriate actions due to whistleblowing. The Company shall internally establish and publicly announce an independent mailbox (zdt@zdtco.com) and hotline (03-3835678) for Company insiders and outsiders to submit complaints.	No discrepancies
(II) Has the Company implemented any standard operating procedures, post-investigation measures, or confidentiality measures for handling reported matters?	✓		(II) 1. According to the Company's "Ethical Corporate Management Operating Procedures and Code of Conduct", it indicated the standard operating procedures for reported matters and the need to keep records of accepted cases, investigation process, investigation results, and related documents. 2. With respect to a confirmed report, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. 3. The Company's dedicated unit shall establish a case for investigation within 7 days of receiving the	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(III) Has the Company provided proper whistleblower protection?	✓		<p>report, and respond to the whistleblower in 15 to 30 days. It shall also report the whistleblowing case, actions taken, and subsequent reviews and corrective measures to the Board of Directors.</p> <p>4. In 2024, no reported cases were received from the competent authority.</p> <p>(III) The Company handles the reporting cases in a confidential manner, and makes every effort to protect the whistleblower, whose identity will be kept strictly confidential, and will not be improperly handled due to the reporting situation. The personnel handling the report shall also issue a written statement declaring that the identity of the whistleblower and the contents of the report shall be kept confidential.</p>	No discrepancies
IV. Enhance information disclosure Has the Company disclosed its integrity principles and progress onto its website and MOPS?	✓		The Ethical Corporate Management Best Practice Principles, approved by the Company's Board of Directors, and relevant regulations have been disclosed on the investor relations section of the company website. The Company fully discloses corporate governance information such as financial information, stock prices and dividends, organizational structure, and the Company's results in operations in quarterly reports, annual reports, and the Company's website to truthfully reflect the performance of business operations and allow stakeholders to obtain information on the Company's operations in a timely manner. The Company discloses the implementation and execution of ethical management in a dedicated chapter of the annual Sustainability Report.	No discrepancies

Assessment items	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
V. If the Company has established Ethical Corporate Management Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the principles and their implementation: None.				
VI. Other key information useful for explaining status of ethical management practices: (Such as the Company's review and revision of its Ethical Corporate Management Best Practice Principles): Please refer to the Company's website and Annual Report for related information.				

**(VII)Other Important Information that Facilitates a Better Understanding of the Company's Corporate Governance Activities:**

1. The Company has set up a corporate governance section on its website (<https://www.zdtco.com/tw/investor/govern>).
2. Important performance results of the Company's corporate governance: Selected in 2024 as a constituent stock of the Corporate Governance Index and Taiwan Sustainability Index, given a score of 15.69 and rated as low risk by the international evaluation agency Sustainalytics ESG Risk Rating; Score improved by 5 points in the 2024 Dow Jones Sustainability Index (DJSI) assessment questionnaire, with a score of 78, marking our fifth consecutive year of participation; Included in S&P Global Sustainability Yearbook for three consecutive years.

## **(VIII) Internal Control System Statement**

### **1. Statement on Internal Control:**

## **Zhen Ding Technology Holding Limited Internal Control System Statement**

**Date: March 11, 2025**

This Internal Control System Statement is issued based on the self-assessment results of the Company for the year 2024:

- I. The Company acknowledges that the Company's Board of Directors and managers are responsible for the implementation and maintenance of the internal control system, and that the Company has already established such a system. The objectives of internal control system 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. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria adopted by the Governing Regulations are divided 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. Please refer to "Governing Regulations" for details.
- IV. This Company has already adopted the aforementioned internal control system assessment items to evaluate the effectiveness of internal control system design and implementation.
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that its internal control system (including its supervision and management of subsidiaries) on December 31, 2024, encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operated that reasonably assures the achievement of the above-stated objectives.
- VI. This Statement of declaration shall be the primary content of the Company's Annual Report and prospectus, and shall be made available to the public. Falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was approved in the meeting of the Board of Directors on March 11, 2025 where all 6 attending Directors approved the content of this Statement.

**Zhen Ding Technology Holding Limited**

**Chairman: Chang-Fang Shen**

**President: Chang-Fang Shen**

2. Those who entrust an accountant to review the internal control system must disclose the accountant's review report: None.

**(IX) Important resolutions adopted in the General Shareholders' Meeting and Board of Directors' meeting in the past year and up to the publication date of the Annual Report:**

1. Key resolutions, attendance, and implementation status of the 2024 General Shareholders' Meeting:

(1) Number and proportion of attending shares:

The attendance and attendance by proxy in the General Shareholders' Meeting totaled 824,119,164 shares (including 771,212,414 votes exercised electronically), which accounted for 87.21% of all 944,955,751 outstanding shares (the 2,093,410 shares with no voting rights defined by Article 179 of the Company Act have been deducted).

(2) List of attending directors:

Chairman Chang-Fang Shen, Director Che-Hung Yu (Representative of Foxconn (Far East) Limited), Director Ting-Chuan Lee, Independent Director Chen-Fu Chien (attended via video), Independent Director Shin-Cheng Yeh, Independent Director Gin-Ing Hu, and Independent Director Chun-Chung Chen.

(3) Chairman to Preside over the Shareholders' Meeting: Chairman Chang-Fang Shen.

No.	Agenda	Voting status	Voting results (including electronic votes)					Total voting rights of attending shareholders
			Votes in favor	Votes against	Invalid votes	Waived votes/uncast votes		
1	Ratification of 2023 Business Report and Consolidated Financial Statements	Approved after voting	715,697,480 86.84%	167,962 0.02%	0 0%	108,253,722 13.13%	824,119,164 100%	
2	Ratification of the 2023 earnings distribution	Approved after voting	716,634,569 86.95%	181,713 0.02%	0 0%	107,302,882 13.02%	824,119,164 100%	
3	Amendment of the Rules Governing the Election of Directors.	Approved after voting	716,114,065 86.89%	185,514 0.02%	0 0%	107,819,585 13.08%	824,119,164 100%	
4	Proposal for the release of the non-competition restriction for directors	Approved after voting	694,159,255 84.23%	282,613 0.03%	0 0%	129,677,296 15.73%	824,119,164 100%	

(4) Implementation status of the proposals:

1. Ratification of 2023 business report and consolidated financial statements:  
Published and filed in accordance with regulations.
2. Ratification of the 2023 earnings distribution:  
The Chairman has been authorized to make the decision according to the Articles of Association. The dividend base date was set as June 14, 2024, and distribution was completed on July 12, 2024. (Cash dividends of NT\$3.275 per share)
3. Amendment of the “Rules Governing the Election of Directors”:  
The Company implemented measures in accordance with the "Rules Governing the Election of Directors" after the date of resolution in the General Shareholders' Meeting and disclosed on the Company's website.
4. Proposal for the release of the non-competition restriction for directors:  
The prohibition on Directors from participation in competitive business was lifted in accordance with the shareholder meeting resolution.

(5)The Annual Shareholders' Meeting was adjourned at 9:16 AM.

## 2. Material Resolutions of the Board of Directors:

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.03.12 (5th meeting of the 5th term)	<ol style="list-style-type: none"> <li>1. Passed the 2023 Internal Control System Statement.</li> <li>2. Passed the amendments to the "Risk Management Policies for the Group".</li> <li>3. Passed the 2023 Business Report.</li> <li>4. Passed the 2023 Consolidated Financial Statements.</li> <li>5. Passed the distribution of earnings and cash dividends for 2023.</li> <li>6. Passed 2023 remuneration distribution proposal for Directors and employees.</li> <li>7. Passed the proposal for the appointment and remuneration for the certifying CPAs.</li> <li>8. Passed the proposal for the bank credit limit for the Company and subsidiary companies.</li> <li>9. Passed the adjustment of the limit on the amount of endorsements/guarantee made by the Company to a wholly-owned subsidiary of the Company.</li> <li>10. Passed the change of the Company's Accounting Officer.</li> <li>11. Passed the amendments to the Company's "Rules Governing the Election of Directors".</li> <li>12. Passed the release the prohibition on Directors from participation in competitive business.</li> <li>13. Passed the proposal regarding the time, place, and related matters for the 2024 General Shareholders' Meeting.</li> </ol> <p>Opinions of Independent Directors: None.</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Except for proposals 12 where stakeholders voluntarily abstained from voting, all proposals were passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.05.10 (6th meeting of the 5th term)	<p>1. Passed the 1st quarter consolidated financial statements for 2024.</p> <p>2. Passed the proposal for the bank credit limit for the Company and subsidiary companies.</p> <p>3. Passed the adjustment of the limit on the amount of endorsements/guarantee made by the Company to a wholly-owned subsidiary of the Company.</p> <p>Opinions of Independent Directors: None.</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>
2024.05.30 (7th meeting of the 5th term)	<p>No important resolutions.</p>
2024.08.13 (8th meeting of the 5th term)	<p>1. Passed the Company's second quarter consolidated financial statements for 2024.</p> <p>2. Passed the proposal for the bank credit limit for the Company and subsidiary companies.</p> <p>3. Passed the amendment to the Company's Sustainability Report Preparation and Verification Processes.</p> <p>4. Passed the amendments to the Company's "Board of Directors Meeting Policy."</p> <p>5. Passed 2023 remuneration distribution proposal for Directors.</p> <p>6. Passed the 2023 remuneration distribution proposal for managers (including Assistant Vice President and above).</p> <p>7. Passed the employee shareholding trust for managers.</p> <p>Opinions of Independent Directors: None</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Except for proposals 5-7 where stakeholders voluntarily abstained from voting, all proposals were passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>
2024.11.08 (9th meeting of the 5th term)	<p>1. Passed the Company's third quarter consolidated financial statements for 2024.</p> <p>2. Passed the proposal for the bank credit limit for the Company and subsidiary companies.</p> <p>3. Passed the Company's 2025 Audit Plan.</p> <p>4. Passed the amendments to the Company's "Corporate Governance Best Practice Principles".</p> <p>Opinions of Independent Directors: None</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2024.12.26 (10th meeting of the 5th term)	<p>1. Passed the proposal for the bank credit limit for the Company's subsidiary.</p> <p>2. Passed the outline for the compilation of the Company's 2024 Sustainability Report.</p> <p>3. Passed the Sustainable Information Management Measures formulated by the Company.</p> <p>4. Passed the establishment of a Southern Taiwan Science Park Branch and equipment investment by the Company's wholly-owned subsidiary company, Boardtek Electronics Corporation.</p> <p>5. Passed the integration of the Company's functional committees and amendments to the Articles of Incorporation.</p> <p>6. Passed the amendments to the Company's Risk Management Policies for the Group and Risk Management Whistleblower and Protection Management Measures."</p> <p>7. Passed the amendment to the Company's Sustainability Report Preparation and Verification Processes.</p> <p>8. Passed the donations to related parties.</p> <p>9. Passed the principles for the Company's 2024 performance evaluation and year-end bonus distribution and list of managerial officers (including Assistant Vice President and above) for distribution.</p> <p>Opinions of Independent Directors: None</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>
2025.01.15 (11th meeting of the 5th term)	<p>1. Passed the establishment of a Taiwan subsidiary through indirect investment and equipment investment by the Company's wholly-owned subsidiary company, Monterey Park Finance Limited.</p> <p>Opinions of Independent Directors: None.</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>
2025.02.27 (12th meeting of the 5th term)	<p>1. Passed the appointment of Remuneration Committee members to fill vacancies.</p> <p>2. Passed the appointment of Corporate Governance, Sustainability, and Nominating Committee members to fill vacancies.</p> <p>3. Passed the appointment and remuneration proposal for the Company's President.</p> <p>Opinions of Independent Directors: None.</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Except for proposals 3 where stakeholders voluntarily abstained from voting, all proposals were passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>

Date of Meeting	Key Resolutions and the Company's follow-up implementation
2025.03.11 (13th meeting of the 5th term)	<ol style="list-style-type: none"> <li>1. Passed the 2024 Internal Control System Statement.</li> <li>2. Passed the 2024 Business Report.</li> <li>3. Passed the 2024 Consolidated Financial Statements.</li> <li>4. Passed the distribution of earnings and cash dividends for 2024.</li> <li>5. Passed 2024 remuneration distribution proposal for Directors and employees.</li> <li>6. Passed the proposal for the appointment and remuneration for the certifying CPAs.</li> <li>7. Passed the formulation of the Group's Tax Policy and Management Measures.</li> <li>8. Passed the proposal for the bank credit limit for the Company and subsidiary companies.</li> <li>9. Passed the amendments to the Procedures for Extending Loans to Others.</li> <li>10. Passed the amendments to the Company's Procedures for Acquisition and Disposal of Assets, Procedures for Engaging in Transactions of Derivative Products, and Procedures for Making Endorsements and Guarantees.</li> <li>11. Passed the amendments to the Company's Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees.</li> <li>12. Passed the amendments to the Company's Articles of Association.</li> <li>13. Passed the proposal regarding the time, place, and related matters for the 2025 General Shareholders' Meeting.</li> <li>14. Passed the appointment and remuneration proposal for the Company's Chief Strategy Officer.</li> </ol> <p>Opinions of Independent Directors: None</p> <p>The Company's response to the opinions of Independent Directors: Independent Directors had no opinions.</p> <p>Resolution result: Except for proposals 14 where stakeholders voluntarily abstained from voting, all proposals were passed by all Directors present at the meeting and implemented in accordance with the resolution and regulations.</p>

**(X) Dissenting or qualified opinion of Directors or the Audit Committee against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to publication date of the Annual Report:** None.

### III. Information on CPA Fees

**(I) The amount of audit fees and non-audit fees, as well as the nature of non-audit services provided to the CPA, their audit firm, and its related entities:**

Name of the Accounting Firm	Name of CPA	Audit period	Audit fee	Non-audit fee (Note)	Total	Footnote
PricewaterhouseCoopers Taiwan	Sheng-Chung Hsu	2024.01.01~	7,900	5,790	13,690	
	Chieh-Ju Hsu	2024.12.31				

Note: (1) NT\$3,477 thousand for corporate bond services.

(2) NT\$1,563 thousand for the Sustainability Report.

(3) NT\$750 thousand for the adoption of sustainability standards.

**(II) The Company has switched accounting firms and the annual audit shared expenses are less than that of the previous year prior to the switch :** None

**(III) The audit fee is reduced by over 10% compared with the previous year:** None

### IV. Replacement of CPAs

**(I) About the previous CPA:** Not applicable.

**(II) About the succeeding CPA:** Not applicable.

**(III) Reply from the previous CPA:** Not applicable.

### V. The Company's Directors, President, Managerial Officers in Charge of Finance or Accounting Who Have Served in the CPA Firm or Its Affiliated Companies in the Most Recent Fiscal Year: None

### VI. Equity Transfer or Changes to Equity Pledge of Directors, Managerial Officers, and Shareholders Holding More Than Ten Percent (10%) of Company Shares During the Year Prior to the Publication Date of the Annual Report:

**(I) Equity transfer or changes to equity pledge of directors, managerial officers, and shareholders holding more than ten percent (10%) of company shares:**

Unit: Shares

Title	Name	2024		As of March 31, 2025	
		Increases (decreases) of the number of shares held	Increases (decreases) of the number of pledged shares	Increases (decreases) of the number of shares held	Increases (decreases) of the number of pledged shares
Chairman	Chang-Fang Shen (Note 1)	100,000	—	—	—
Director	Foxconn (Far East) Limited	—	—	—	—
	Representative: Che-Hung Yu	—	—	—	—

Title	Name	2024		As of March 31, 2025	
		Increases (decreases) of the number of shares held	Increases (decreases) of the number of pledged shares	Increases (decreases) of the number of shares held	Increases (decreases) of the number of pledged shares
Director	Ting-Chuan Lee	—	—	—	—
Independent Director	Shin-Cheng Yeh	—	—	—	—
Independent Director	Gin-Ing Hu	—	—	—	—
Independent Director	Chun-Chung Chen	—	—	—	—
President	Chen-Fu Chien (Note 2)	—	—	—	—
Vice President	Jing-Hsien Hsieh	—	—	—	—
Corporate Governance Officer	Duen Ling	—	—	—	—
Financial Officer	Eddie Chiang	—	—	—	—
Accounting Officer	Shih-Te Chou (Note 3)	—	—	—	—
Former Accounting Officer	Yuan-Shen Wang (Note 3)	—	—	(Note 3)	(Note 3)

Note 1: Former Chairman Chang-Fang Shen was dismissed from his concurrent position of President on March 1, 2025. Mr. Chen-Fu Chien was appointed to the position of President.

Note 2: He resigned as independent director on February 27, 2025, and was appointed as President on March 1, 2025, following the resolution of the Board of Directors.

Note 3: Newly appointed and dismissed on March 12, 2024.

**(II) Equity transfer or equity pledge in which the counterparty is a related party:** None.

**VII. Shareholders Who Account for the Top Ten Shareholder, Who Are Related to Each Other or Relatives Within the Relationship of Spouse, Second Parent, Etc.:**

March 31, 2025 Unit: Shares

NAME	Current Shareholding		Spouse & Minor Children Shareholding		Shareholding in the name of others		The names or names and relationships of the top ten shareholders who have a relationship with each other or are relatives of a spouse or a second parent	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	relationship
Representative Che-Hung Yu, Foxconn (Far East) Ltd.	305,515,627	31.94%	0	0.00%	0	0.00%	None	None
Yuanta/P-shares Taiwan Dividend Plus ETF	37,759,905	3.95%	0	0.00%	0	0.00%	None	None
Responsible Person Chong-Yao Yin, Nan Shan Life Insurance Co., Ltd.	30,583,000	3.20%	0	0.00%	0	0.00%	None	None
Custodial Account (LGT Bank AG) Used by Standard Chartered	20,503,000	2.14%	0	0.00%	0	0.00%	None	None
Bureau of Labor Funds	18,983,000	1.98%	0	0.00%	0	0.00%	None	None
Standard Chartered Bank in custody for LGT Bank (Asia)	13,916,000	1.46%	0	0.00%	0	0.00%	None	None
HSBC in custody for India West Select Master Fund Co., Ltd.	11,441,000	1.20%	0	0.00%	0	0.00%	None	None
Responsible Person Ming-Ho Hsiung, Cathay Life Insurance Co., Ltd.	9,225,000	0.96%	0	0.00%	0	0.00%	None	None
Chairman Hsu-Shu Po, Taiwan Life Insurance Co., Ltd.	9,178,000	0.96%	0	0.00%	0	0.00%	None	None
Standard Chartered Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	8,979,214	0.94%	0	0.00%	0	0.00%	None	None

**VIII. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Investment Companies in the Same Investment Companies, and the Combined Calculation of Shareholding Percentages:**

December 31, 2024 Unit: Shares

Reinvestment Entities	Investment by the Company		Investments by the directors, supervisors, managerial officers, and companies directly or indirectly controlled by this Company		Combined investment	
	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)
Monterey Park Finance Limited	976,250,000	100%	—	—	976,250,000	100%
Coppertone Enterprises Limited	102,785,806	100%	—	—	102,785,806	100%
Pacific Fair International Limited	2,133,300,000	100%	—	—	2,133,300,000	100%
Mayco Industrial Limited	9,321,841,932	100%	—	—	9,321,841,932	100%
FAT Holdings Limited	5,000	100%	—	—	5,000	100%
Zhen Ding Technology Singapore Private Limited	30,000,000	100%	—	—	30,000,000	100%
Zhen Ding Technology India Private Limited	10,000	100%	—	—	10,000	100%
Zhen Ding Developer India Private Limited	210,010,000	100%	—	—	210,010,000	100%
Zhen Ding Technology Co., Ltd.	12,548,800	100%	—	—	12,548,800	100%
Boardtek Electronics Corporation	215,918,453	100%	—	—	215,918,453	100%
Boardtek Investment Co., Ltd.	(Note 1)	(Note 1)	—	—	(Note 1)	(Note 1)
Leading Interconnect International Limited	1	65.91%	—	—	1	65.91%
Huaian Jia Wei Industrial Development Co., Ltd.	(Note 2)	100%	—	—	(Note 2)	100%
Avary Holding (Shenzhen) Co., Limited	1,677,212,453	72.28%	8,723,536	0.38%	1,685,935,989	72.66%
Garuda Technology Co., Ltd.	110,227,000	72.28%	—	—	110,227,000	72.28%
Garuda International Limited	332,632,560	72.28%	—	—	332,632,560	72.28%
Avary Singapore Private Limited	89,577,120	72.28%	—	—	89,577,120	72.28%
Avary Technology (India) Private Limited	330,786,897	72.28%	—	—	330,786,897	72.28%
Avary Japan Co., Ltd.	(Note 3)	(Note 3)	—	—	(Note 3)	(Note 3)

Reinvestment Entities	Investment by the Company		Investments by the directors, supervisors, managerial officers, and companies directly or indirectly controlled by this Company		Combined investment	
	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)
Peng Shen Technology (Thailand) Co.,Ltd.	22,500,000	65.05%	—	—	22,500,000	65.05%
Fu Bo Industry (Shenzhen) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Kui Sheng Technology (Shenzhen) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Yuding Precision Electronics (Huai'an) Co., Ltd.	(Note 4)	(Note 4)	—	—	(Note 4)	(Note 4)
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Avary Holding Investment (Shenzhen) Co., Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Avary Property Management Services (Shenzhen) Co. Ltd.	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	(Note 2)	65.91%	—	—	(Note 2)	65.91%
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	(Note 2)	65.91%	—	—	(Note 2)	65.91%
Zhuhai Hengqin Avary Investment Limited Partnership	(Note 2)	72.28%	—	—	(Note 2)	72.28%
Huai'an ChengXin Park Management Co., Ltd.	(Note 2)	85.31%	—	—	(Note 2)	85.31%

Note 1: On August 15, 2024, BoardTek Electronics Corporation absorbed Boardtek Investment Co., Ltd. in a merger.

Note 2: Except for Avary Holding (Shenzhen) Co., Ltd., all subsidiary companies in China are limited liability companies and not companies limited by shares.

Note 3: The Group adjusted its investment structure in 2024. The liquidation of Avary Japan Co., Ltd. was completed in the third quarter.

Note 4: On August 31, 2024, Qing Ding Precision Electronics (Huai'an) Co., Ltd. absorbed Yu Ding Precision Electronics (Huai'an) Co., Ltd. in a merger.

## CHAPTER 4. CAPITAL OVERVIEW

### I. Capital and Shares

#### (I) Source of Share Capital

##### 1. Source of Capital Shares

March 31, 2025; Unit: Shares; NT\$

Year and month	Issued Price	Authorized Capital Stock		Paid-Up Capital		Footnote	
		Number of shares	Amount	Number of shares	Amount	Source of Capital Shares	Authorization Date and Document Number
2006.06	USD1	50,000	50,000	1	1	Capital stock at establishment	-
2006.09	-	500,000,000	500,000,000	-	-	Authorized capital increase	-
2006.10	USD 1	500,000,000	500,000,000	70,000,000	70,000,000	Cash capital increase	-
2007.10	USD 2	500,000,000	500,000,000	162,500,000	162,500,000	Cash capital increase	-
2009.10	USD 2.15	500,000,000	500,000,000	202,000,000	202,000,000	Cash capital increase	-
2010.10	-	1,600,000,000	16,000,000,000	646,400,000	6,464,000,000	The nominal value was changed from US\$1 to NT\$10	Tai-Zheng-Shang-2 No. 1000035056 dated November 1, 2011
2011.12	NTD52	1,600,000,000	16,000,000,000	669,929,000	6,699,290,000	Cash capital increase	Jin-Guan-Zheng-Fa No. 1000056412 dated November 21, 2011
2012.08	NTD10	1,600,000,000	16,000,000,000	703,425,450	7,034,254,500	Recapitalization of retained earnings	Tai-Zheng-Shang-2 No. 10100194981 dated August 30, 2012
2013.08	NTD10	1,600,000,000	16,000,000,000	738,596,722	7,385,967,220	Recapitalization of retained earnings	Tai-Zheng-Shang-2 No. 1020015935 dated August 9, 2013
2014.08	NTD10	1,600,000,000	16,000,000,000	738,631,065	7,386,310,650	Converted ECB to common shares	Tai-Zheng-Shang-2 No. 10300161141 dated August 7, 2014
2015.03	NTD10	1,600,000,000	16,000,000,000	767,768,101	7,677,681,010	Converted ECB to common shares	Tai-Zheng-Shang-2 No. 10400061361 dated April 8, 2015
2015.04	NTD10	1,600,000,000	16,000,000,000	804,748,359	8,047,483,590	Converted ECB to common shares	Tai-Zheng-Shang-2 No. 1040013225 dated July 6, 2015

Year and month	Issued Price	Authorized Capital Stock		Paid-Up Capital		Footnote	
		Number of shares	Amount	Number of shares	Amount	Source of Capital Shares	Authorization Date and Document Number
2019.03	NTD10	1,600,000,000	16,000,000,000	805,549,672	8,055,496,720	Converted ECB to common shares	Tai-Zheng-Shang-2 No. 1040013225 dated July 6, 2015
2019.04	NTD10	1,600,000,000	16,000,000,000	902,229,887	9,022,298,870	Converted ECB to common shares	Tai-Zheng-Shang-2 No. 1040013225 dated July 6, 2015
2020.11	NTD10	1,600,000,000	16,000,000,000	947,049,161	9,470,491,610	Share conversion to issue new shares	Tai-Zheng-Shang-2-Zi No. 1091702976 dated September 15, 2020
2024.07	NTD10	1,600,000,000	16,000,000,000	956,652,509	9,566,525,090	Converted ECB to common shares	On October 15, 2024, the Taiwan Stock Exchange approved the case for filing.

March 31, 2025; Unit: Shares; NT\$

Type of Shares	Authorized Capital Stock			Footnote
	Outstanding Shares	Unissued Shares	Total	
Registered Common Shares	956,652,509	643,347,491	1,600,000,000	Listed on the Exchange
Total	956,652,509	643,347,491	1,600,000,000	Listed on the Exchange

2. Information regarding shelf registration: N/A

**(II) List of Major Shareholders: Names, number, and percentage of shares held by shareholders with more than 5% of the shares or the top ten shareholders**

March 31, 2025

Major Shareholder Name	SHARES	Number of Shares Held	Ownership (%)
FOXCONN (FAR EAST) LTD.	305,515,627	31.94%	
Yuanta/P-shares Taiwan Dividend Plus ETF	37,759,905	3.95%	
Nan Shan Life Insurance Co., Ltd.	30,583,000	3.20%	
Custodial Account (LGT Bank AG) Used by Standard Chartered	20,503,000	2.14%	
Bureau of Labor Funds	18,983,000	1.98%	
Standard Chartered Bank in custody for LGT Bank (Asia)	13,916,000	1.46%	
HSBC in custody for India West Select Master Fund Co., Ltd.	11,441,000	1.20%	
Cathay Life Insurance Co., Ltd.	9,225,000	0.96%	
Taiwan Life Insurance Co., Ltd.	9,178,000	0.96%	
Standard Chartered Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	8,979,214	0.94%	

### **(III) Dividend Policy and Implementation Status**

#### **1. Dividend policy:**

The Board of Directors, following an ordinary resolution in the General Shareholders' Meeting or under conditions specified in Article 11.4(a) of the Articles of Association, shall adopt a special resolution to distribute dividends to shareholders based on their shareholding percentage in compliance with the Articles of Association and the instructions of the General Shareholders' Meeting. The dividends can be partially or entirely distributed in cash, stocks, or various assets and the value of the assets shall be determined by the Board of Directors. No unpaid Dividend shall bear interest as against the Company. The cash dividends distributed to shareholders shall be no less than fifty percent (50%) of the total dividends. For the earnings distribution proposal of the Company, it shall be resolved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, and the distribution shall be reported to the nearest General Shareholders' Meeting.

Unless otherwise specified in laws, Article 11.4(a), Articles of Association, or rights attached to shares, the Company may distribute earnings based on the Board of Directors' earnings distribution proposal that is passed in an ordinary resolution in the General Shareholders' Meeting. Except for the Company's realized profits, premium share issuance account, mandatory reserves, reserves or other funds for paying dividends or other allocations, the Company may not distribute dividends or other allocations. All dividends and other allocations shall be calculated based on shareholders' shareholding ratios unless otherwise stated in the rights attached to shares. If the conditions for the issuance of shares requires the calculation of dividends to start from a specific date, the dividends for such shares shall be calculated accordingly.

Based on Article 13.6 of the Articles of Association regarding the Company's decision on its dividend policy, the Board of Directors understands that the Company operates in a mature industry and the Company has stable revenues and healthy financial structure. Regarding the proposals for shareholders to approve dividends or other allocations (if any) in each fiscal year, the Board of Directors may:

- (1) take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
- (2) The Company shall allocate dividends from the Company's surplus in each fiscal year for: (i) preparatory fund for payment of taxes during the related fiscal year, (ii) amount to make up for past losses, (iii) ten per cent (10%) as a general reserve, and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.

Article 13.7 of the Articles of Association states subject to compliance with the law and after setting aside the amounts for Employees' Compensations and Directors'

Remuneration in accordance with Article 13.5 and such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.6, the Board shall recommend to distribute no less than ten percent (10%) of the distributable amount as Dividend to the shareholders.

2. Implementation status:

The Company's 2024 earnings distribution proposal Year approved by the Board of Directors on March 11, 2025. The Company proposed to distribute NT\$4.8 per share in cash dividends. The Chairman has been authorized to determine the dividend base date and distribution matters.

**(IV)Impacts on the Company's Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting:** Not applicable.

**(V) Employees' and directors' remuneration:**

1. Percentage or range of remuneration for employees and directors as stipulated in the Company's Articles of Association:

Upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside zero point five per cent (0.5%) to twenty per cent (20%) as compensation to employees ("Employees' Compensations") and Employees' Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications. The Company may set aside no more than half percent (0.5%) of the aforementioned profit in the current year as remuneration for directors (Article 13.5 of the Articles of Association).

2. Information on the proposed employee compensation approved by the Board of Directors:

(1) The Company's 2024 earnings distribution proposal was passed by the Board of Directors which proposed the distribution of NT\$55,658,942 in remuneration for directors and cash remuneration of NT\$333,954,318 for employees.

(2) For cash compensation and stock distributed to employees and remuneration for directors, if there is any discrepancy between an amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

The Company's undistributed surplus in the current period shall be determined within a certain percentage range in accordance with the Articles of Association after setting aside 10% for the regular reserve and other factors. The differences between the amounts approved in the General Shareholders' Meeting and the estimated amount, if any, are accounted for as changes in accounting estimate and are adjusted for accounting based on a resolution of the General Shareholders' Meeting.

(3) The proposed employee stock remuneration allocation as a ratio of the net income for the period and the total employee remuneration: Not applicable.

(4) Earnings per share after the proposed compensation/remuneration for employees and directors: NT\$4.8.

3. Remuneration distributed to employees and directors in the previous year had no difference from the recognized remuneration for employees and directors.

Actual status: NT\$34,684,510 of remuneration for directors and NT\$138,765,794 of compensation in cash for employees.

**(VI) Buyback of the Company's stock:** None.

**II. Issuance of Corporate Bonds**

**(I) Domestic corporate bonds:** None.

**(II) Overseas corporate bonds:**

Type of corporate bond	Fourth foreign non-guaranteed convertible corporate bond
Date of issue (handling)	January 24, 2024
Denomination	The face value of each bond is USD200,000 or its integer multiples in the event of more than USD200,000.
Issuance and trading location	Singapore Exchange Limited
Issued Price	Issued at 100% of the denomination
Total value	USD400,000,000
Rate	0%
Term	5 years Maturity date: January 24, 2029
Guarantee agency	N/A
Trustee	Citicorp International Limited
Underwriting agency	Lead domestic underwriter: Grand Fortune Securities Co., Ltd. Lead foreign underwriter: UBS AG Hong Kong Branch and Citigroup Global Markets Limited
Certifying lawyer	Lee and Li Attorneys at Law
Certifying CPA	PricewaterhouseCoopers Taiwan Sheng-Chung Hsu, CPA and Chieh-Ju Hsu, CPA
Repayment method	Conversion into ordinary shares according to Article 13 of the Conversion Method or exercise the call option according to Article 11 and exercise the early redemption option according to Article 12 of the Conversion Method
Outstanding principal	USD367,500,000
Terms for redemption or early settlement	(I) Upon the third anniversary of issuance, if the closing price for 20 consecutive trading days of the issuing company's ordinary stock on the Taiwan Stock Exchange (for ex-rights or ex-dividends, the closing price will be used between the ex-rights or ex-dividend trading date to the ex-rights or ex-dividend base date, and the price before ex-rights or ex-dividends should be calculated first) is 125% of the early redemption price multiplied by the current conversion price then divided by USD100,000, the issuing company may redeem all or part of the Company's bonds at the early redemption price upon the issuance of the bond redemption notice within five days. (II) When more than 90% of the Company's bonds have been redeemed, repurchased and retired, or converted by the bondholders, the issuing company may redeem the bonds in full at the early redemption price; and

Type of corporate bond	Fourth foreign non-guaranteed convertible corporate bond
	<p>(III) When the tax laws and regulations of the Republic of China, the British Cayman Islands or any other place where an issuing company is established or operates for tax purposes are changed, causing the tax burden, additional interest expenses, or cost of the issuing company to increase due to the Company's bonds after the issuance date. the issuing company may redeem the bonds in full at the early redemption price.</p> <p>(IV) When an event related to the Company's bonds occurs, the "early redemption price" is calculated by the issuing company based on the face value (calculated at USD100,000 per bond) of the Company's bonds plus an annual interest rate of 3.375% (calculated semi-annually) from the date of issuance to the event related to the Company's bonds occurred based on the actual number of days elapsed (calculated on the basis of 360 days per year and 30 days per month).</p>
Restrictive Terms	The corporate bonds may not be directly offered, sold, or delivered in the Republic of China
Credit rating agency name, rating date, company debt rating results	N/A
With other rights	<p>Converted amount of common shares as of the date of publication</p> <p>USD32,500,000</p>
	Issuance and Conversion Method
Effects of the issuance and conversion, exchange, or subscription methods and issuance conditions on possible dilution of shares and equity of current shareholders	If all overseas unsecured convertible bonds issued this time are converted to ordinary shares at the price at issuance, the maximum dilution ratio for the original shareholders' equity will be approximately 10.82%.
Entrusted custodian of the exchange target	N/A

### (III) Information on Converted Corporate Bonds:

Type of corporate bond	Fourth foreign non-guaranteed convertible corporate bond (Singapore)		
Item	Year	2024	As of Mar 31, 2025
Converted corporate bond market price	Highest	139.285	118.192
	Lowest	99.807	108.178
	Average	114.165	114.643
Conversion price	NT\$106.60 (Note)	NT\$106.60 (Note)	
Date of issue (handling) and conversion price at the time of issuance	Date of issue (handling): January 24, 2024 Conversion price at the time of issuance: NT\$109.62		

Method of fulfilling the conversion obligation	Issue new shares
Maturity date	January 24, 2029

Note: Conversion price adjusted due to ex-dividend.

**III. Issuance of Preferred Shares:** None.

**IV. Issuance of Overseas Depository Receipts:** None.

**V. Issuance of Employee Stock Options:** None.

**VI. Issuance of New Restricted Employee Shares:** None.

**VII. Issuance of New Shares for Merger or Acquisition:** None.

**VIII. Implementation of Capital Utilization Plans:**

- (I) As of the quarter preceding the publish date of the annual report, the fund utilization plan of previous offerings or private placements of securities has not been completed, or the fund utilization plan over the past three years has been completed but the expected benefits haven't been realized: None.
- (II) As of the quarter preceding the publish date of the annual report, the fund utilization plan of previous offerings of securities has been completed by the Company.

## CHAPTER 5. Operational Highlights

### I. Business Activities

#### (I) Business scope

##### 1. Major business activities:

Its main investment in manufacturing companies includes Avary Holding (Shenzhen) Co., Ltd., BoardTek Electronics Corp., and Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. Among them, the products of Avary Holding and BoardTek Electronics are mainly used in information technology, consumer electronics, mobile communications, communications equipment, automotive electronics, medical, and other fields. Products are widely applied in mobile phones, tablet, personal computers, servers/storage devices, telecommunication equipment, and various consumer electronics products and equipment. The product applications are further extended to the automobile, industrial, medical, and aerospace sectors in recent years.

##### 2. Operating proportion:

Unit: NT\$ thousand; %

Products	2023		2024	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Various PCBs	151,398,038	100%	171,663,845	100%
Total	151,398,038	100%	171,663,845	100%

##### 3. Current products and services:

- ◆ PCBs for mobile phones
- ◆ PCBs for personal computers
- ◆ PCBs for servers
- ◆ PCBs for storage devices
- ◆ PCBs for telecommunications base stations
- ◆ PCBs for tablets
- ◆ PCBs for gaming devices
- ◆ PCBs for Bluetooth and Wi-Fi modules
- ◆ PCBs for wireless communication products
- ◆ PCBs for display modules
- ◆ PCBs for lens modules
- ◆ PCBs for memory modules
- ◆ PCBs for wearable devices
- ◆ PCBs for automotive electronics

- ◆ PCBs for smart home products
- ◆ PCBs for IC substrates
- ◆ Various PCB products

4. Plans for new product development:

- ◆ Development of multi-layer FPC for millimeter wave RF communication modules
- ◆ Development of ultra-thin multi-layer dynamic bending FPC
- ◆ Development of high-performance shielded automotive FPC
- ◆ 3D FPC industrialization research
- ◆ Development of multi-layer FPC additive process technology
- ◆ Research and development of 5G millimeter wave base station boards
- ◆ Development of thick-copper power supply product technology
- ◆ Development of high speed transmission rigid-flex PCB (RFPCB)
- ◆ Development of HDI technology for high-frequency consumer electronics products
- ◆ Development of thick-copper, high-density products for battery boards
- ◆ Development of slim LED sensor products
- ◆ Development of high heat dissipation embedded heat sink technology
- ◆ Development of opening structures for arbitrary-step products
- ◆ Development of high-heat dissipation, thick-copper fine circuit technology
- ◆ Development of embedded technology for inverter power chips
- ◆ Development of cavity PCB structure technology
- ◆ Development of doubled-sided ladder golden finger technology
- ◆ Development of 6OZ ultra-thick-copper automotive charging devices
- ◆ Development of BGA selective hard gold plating technology
- ◆ Development of multi-layer Teflon, mixed-voltage, high-frequency products
- ◆ Development of HDI boards for high-layer GPU carrier modules
- ◆ Development of new laser microvia substrate products
- ◆ Development of high copper thickness heat dissipation embedded circuit board products
- ◆ Development of high copper pillar structure substrate products for chips
- ◆ Development of high-precision substrate products
- ◆ Development of FC-BGA substrates with embedded passive components
- ◆ Development of coreless FC-BGA substrates
- ◆ Development of copper pillar structural FC-BGA substrates
- ◆ Development of FC-BGA substrates using domestically produced alternative materials

## **(II) Industry overview**

### 1. Current state and development of the industry

The Company is a professional company that specializes in the design, development, manufacturing, and sales of printed circuit boards (PCBs) for products such as mobile phones, tablet computers, personal computers, servers/storage devices, telecommunication equipment, and various consumer electronics products and equipment. Our products have been widely adopted in the automobile, industrial, medical, and aerospace sectors in recent years. The development of related end products is closely related to the Company's businesses. The current state of the industries for related applications of PCB products is described below:

#### (1) Current status and development of the PCB industry

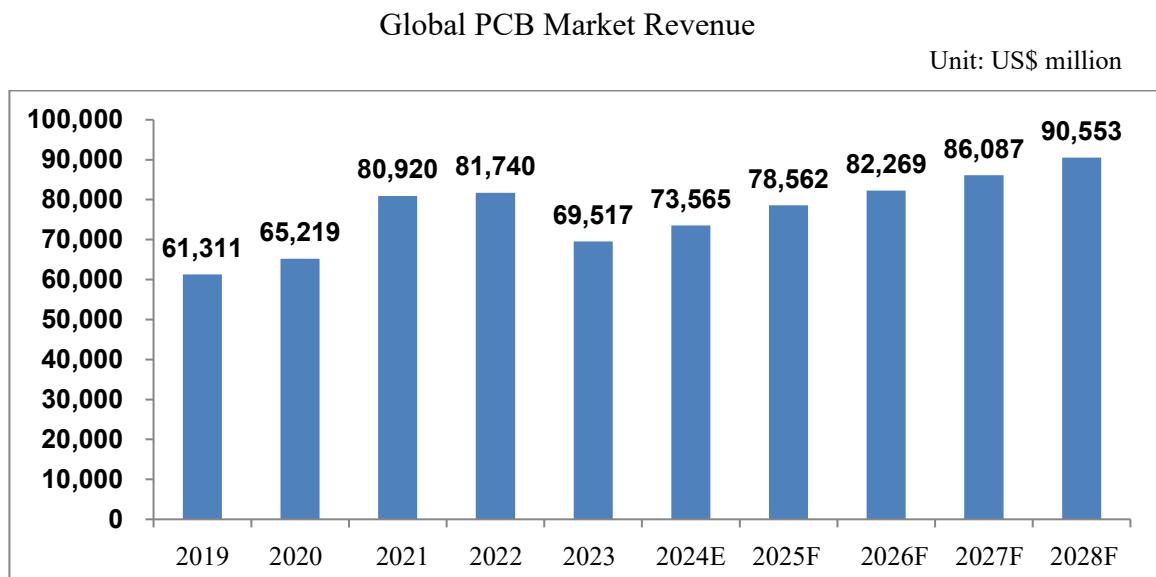
A printed circuit board (PCB or PWB for printed wire board) is a board manufactured on general materials based on a predetermined design that forms connections between points and embedded with printed components. Its main function is to connect various electronic components to form connections between predetermined circuits and provide transmission functions. PCBs are key components in the assembly of electronic components. They provide electrical connections for electronic components and are responsible for the transmission of digital and analog signals, power supply, and sending and receiving radio frequency and microwave signals for electronic devices. They are necessary equipment for most electronic devices and products and they are therefore referred to as the "mother of electronic products".

5G, Internet of Things, Internet of Vehicles, Industrial Internet of Things, and Artificial Intelligence are leading current trends and development for electronic products, while the development of PCBs is advancing toward properties of light-weight, thin, short, small, high-frequency, high speed, low pollution, low loss, low power consumption, multi-functional, precision, aesthetics, refinement, and intelligence. Product applications include but not limited to consumer electronics such as smartphones, smart watches, communication electronics, tablet computers, new energy vehicles, base stations, cloud servers, wireless communications, and smart home and smart city hardware products.

PCBs are key components for all electronic products and they are mainly used to mount electronic components and deliver information between various electronic components. Products are widely adopted in wearable devices, communications, tablet computers, automotive electronics, servers/storage devices, Internet communications, personal computers, and various consumer electronic products.

According to the analysis by Prismark, due to the recovery of consumer consumption and demand for AI servers, satellite communications, and other new applications, global PCB output value reached US\$73.57 billion in 2024, showing a year-on-year increase

of 5.8%. The PCB output value is expected to grow to US\$78.56 billion in 2025, showing a year-on-year increase of 6.8%. Prismark predicts that the PCB industry value will grow by a compound annual rate of 5.3% between 2024 to 2028, reaching US\$90.55 billion in 2028.



Source: Prismark (2025/2) [Note]: Shipments for 2025 to 2028 are estimates

Growth in PCB output is in close positive correlation with the global economic growth rate. Changes in the global economy would therefore directly impact growth in the entire industry. Regional economic growth reflects the local demand for end-user products and causes indirect impact on the purchase orders of suppliers of related upstream applications. Therefore, regional economic development causes more direct impacts on the operations of individual operators.

The upstream raw materials of PCBs consist mainly of copper foil, copper-clad laminates, process chemicals and copper balls. Copper-clad laminates are the most important direct raw materials for PCBs. Copper accounts for the highest proportion of the materials and the fluctuation of copper prices on the international market have a profound impact on cost. Recent increase in the price of raw materials on the international market has caused tremendous pressure on cost for PCB companies.

Downstream industries that use PCBs consist of applications and products for end users and are thus susceptible to changes in the macroeconomic environment, market, and purchasing power. In addition, different PCB products have different applications and varying levels of price sensitivity. For consumer electronics products with short product life cycles, the prices of new products begin their downward adjustments as soon as they are launched. PCBs therefore have weaker price bargaining power. However, PCBs for certain special applications, such as medical, industrial, or aerospace applications, are less sensitive to price. PCBs are widely used for mobile phones, mobile communications base stations, tablet computers, personal computers, industrial computers, servers/storage devices, digital cameras, TVs, wearable devices, game consoles, home appliances, automotive electronics, medical equipment, robots, aerospace equipment, defense, military, etc.

Taiwan occupies an important position in the global PCB industry. According to Prismark data, in 2024, China, Japan, America, and Europe's production scale were 56.0%, 7.9%, 4.7%, and 2.2% of the global total, respectively. Other regions in Asia accounted for 29.1% of the market, with Taiwan, South Korea, and South East Asia as the main manufacturing areas. Currently, over 80% of PCBs in the world are produced in Asia. China is the biggest manufacturer, producing over half of the PCBs in the world. In recent years, due to geopolitical influences, the industry chain has started to diversify production bases, and the proportion of PCB production in other regions of Asia has been increasing year by year.

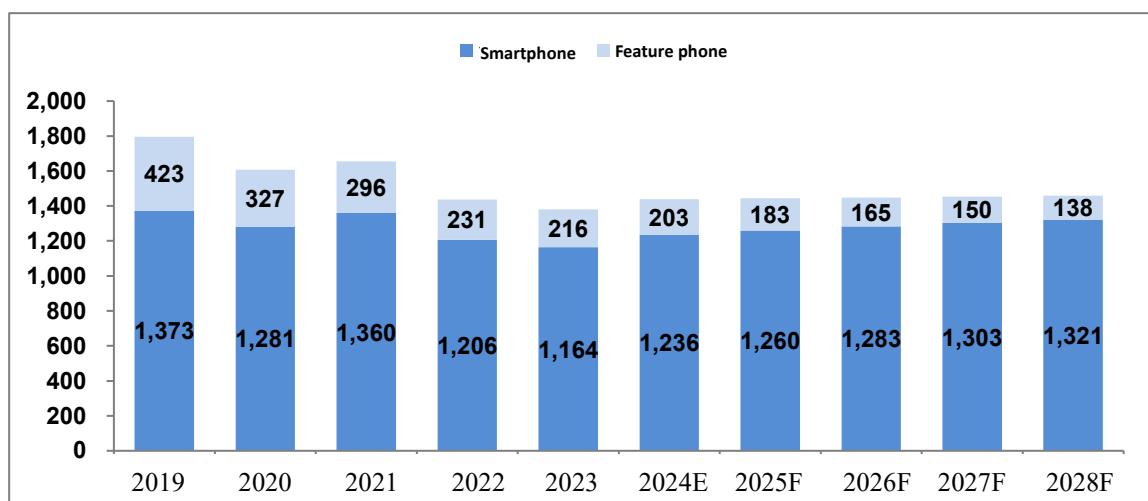
## (2) Industrial development trends of main products

### A. Mobile phone industry

The mobile phone industry consists of smartphones and feature phones. Compared to feature phones, smartphones have far superior computing power and functions. Smartphones have diverse functions such as data transmission, wireless Internet access, digital camera, voice assistant, audio and video playback, and biometrics which have become the mainstream trends in the development of mobile phone products. According to IDC research, global smart phone shipment reached 1.24 billion units in 2024. Global smart phone shipment is projected to reach 1.32 billion units by 2028, growing at a compound annual rate of 2.4%. Feature phone sales continue to decline as they are steadily being replaced, with estimated drop from 200 million units in 2024 to 140 million units in 2028, mainly due to replacement by low-end smartphones.

Global Mobile Phone Shipment

Unit: million units



Source: IDC (2024/12) [Note]: Shipments for 2025 to 2028 are estimates

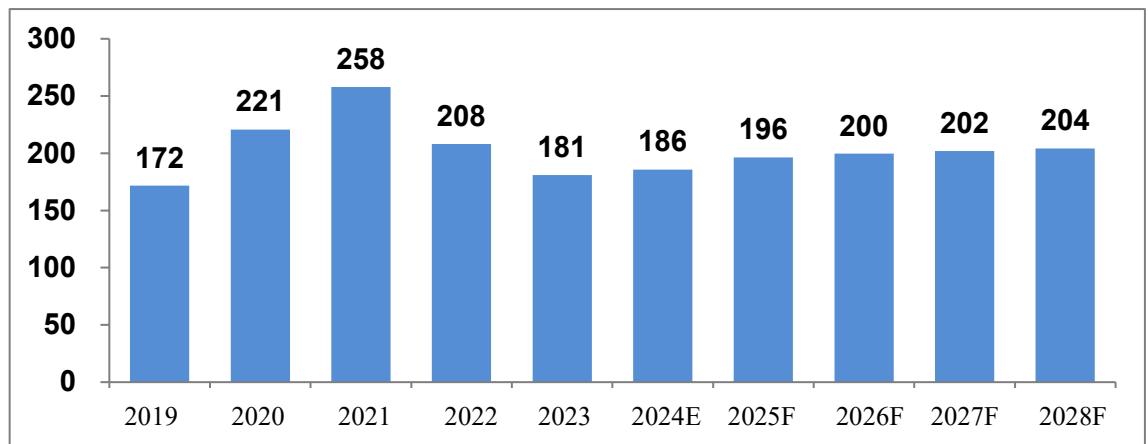
### B. Notebook computer related industries

Due to the stable demands for business and educational needs, notebook computers have maintained an annual sales volume of 160 to 170 million units in recent years. The global COVID-19 pandemic from 2020 to 2021 has driven the demands for working from home, online learning, and home entertainment. Sales volume for notebook computers has increased to 250 million units, which has indirectly driven

the significant increase in output for related components, such as PCB and substrates. With the lifting of pandemic lockdowns, the demand generated by the stay-at-home economy has declined. According to IDC's surveys, global laptop shipments fell to 180 million units from 2023 to 2024. In 2025, global demand for laptops is expected to increase by 5.4% annually to 200 million units. AI PCs have become a key driver for future growth. It is projected that the market size will reach 200 million units in sales by 2028, with a compound annual growth rate of 2.4%.

Global Notebook Computer Shipment Estimates

Unit: million units



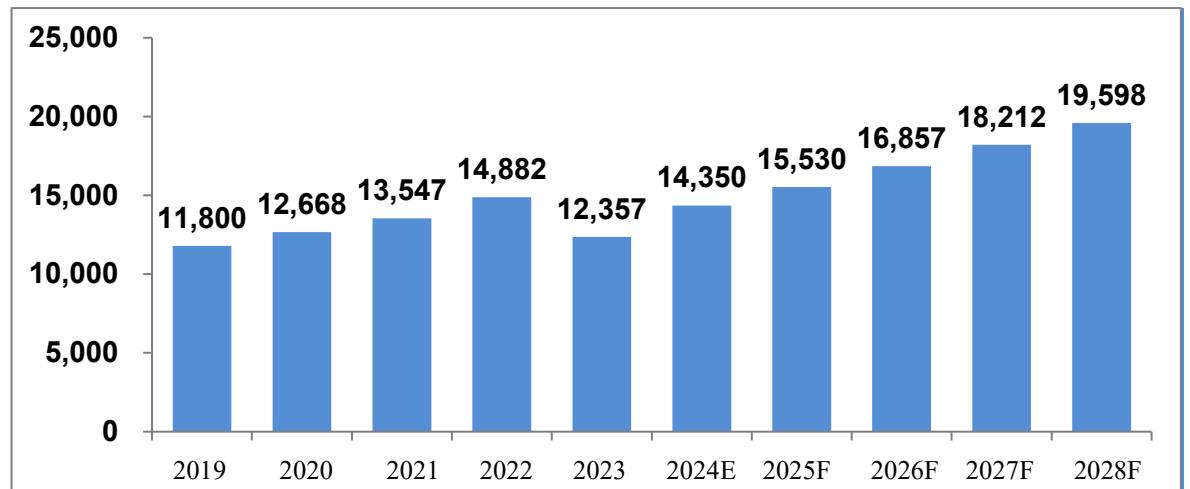
Source: IDC (2024/12) [Note]: Shipments for 2025 to 2028 are estimates

#### C. Server and related industries

The emergence of new applications such as IoT and 5G has boosted the demand for data storage and computation. In addition, the surge in generative AI has driven momentum in AI server shipments. In 2024, global server shipments increased annually by 16.1% to 14.35 million units. It is estimated that overall server shipments will continue to grow to 15.53 million units in 2025, showing a year-on-year increase of 8.2%. It will increase to 19.60 million units by 2028, with a compound annual growth rate of 8.1%.

Global Server Shipment

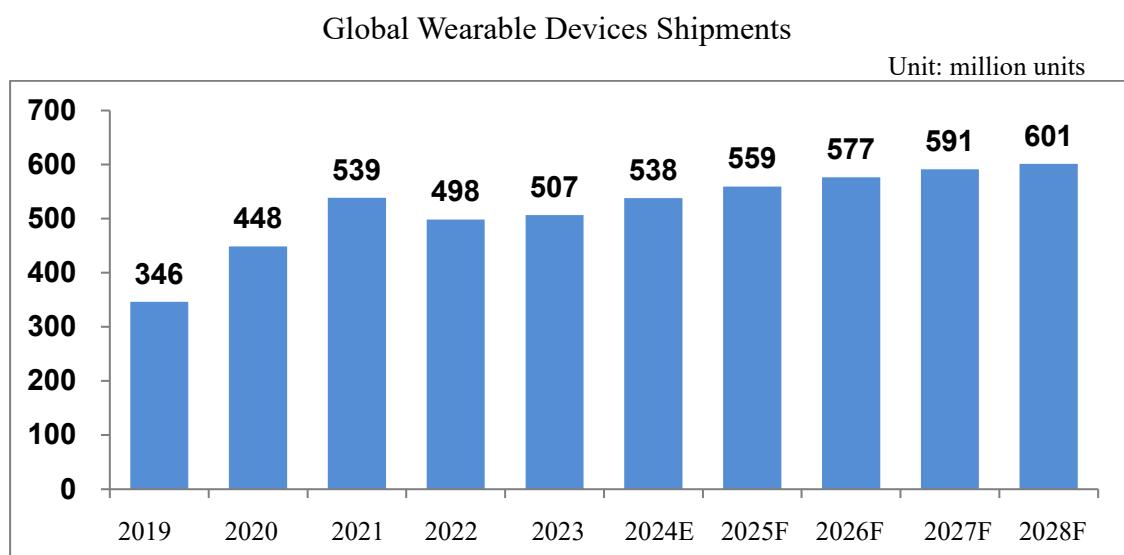
Unit: thousand units



Source: (2024/12) [Note]: Shipments for 2025 to 2028 are estimates

#### D. Wearable devices industry

As the development of wearable devices intensifies, the application markets gradually expanded. It started out from smart wristbands and now includes smart watches, smart clothing, head-mounted devices, earpieces, and various other products. Bluetooth earphones remain the primary application, with smart glasses showing the most significant growth. The potential for applications in the future healthcare sector is also highly anticipated. According to IDC data, the shipment of global smart wearable devices in 2024 reached 540 million units, representing a 6.1% growth. In 2025, the growth is expected to reach 3.9%, amounting to 560 million units. In the future, as wearable devices become increasingly diverse and their performance gradually improves, the market size is projected to grow to 600 million units by 2028, with a compound annual growth rate of 2.8%.



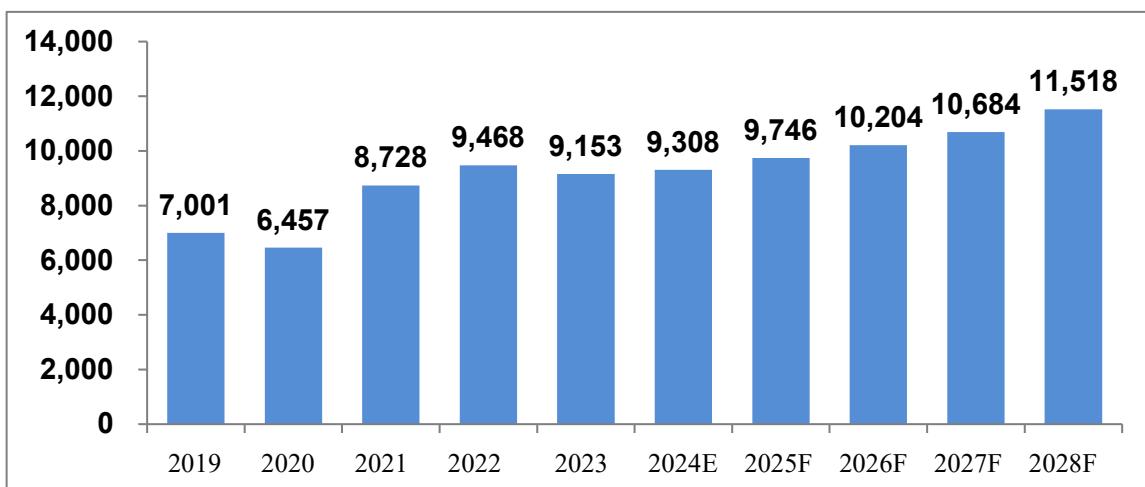
Source: IDC (2024/12) [Note]: Shipments for 2025 to 2028 are estimates

#### E. Automotive electronics industry

The global automotive industry is moving towards electrification, autonomous driving, and intelligence. This advancement drives the continuous growth of the automotive PCB market, with emerging applications such as battery modules, onboard computers, and smart cabins, as multiple PCB operators vied to invest in technologies to gain a share of the market. Although the application involves human safety and thus incurs long product certification schedules and high entry barriers, the products would generate stable growth in the Company's revenue once they are certified and shipped. According to the latest Prismark statistics, the revenue of global automotive PCBs in 2024 amounted to US\$9.31 billion and it is expected to grow at a compound annual growth rate of 5.5% from 2025 to 2028 and reach US\$11.52 billion in terms of market revenue by 2028.

## Global PCB Market Revenue

Unit: US\$ million



Source: Prismark (2024/9) [Note]: Shipments for 2025 to 2028 are estimates

### (3) Competition

Continuous upgrade of electronics product applications and specifications accelerate advancements in PCB technology and intensify competition between large international PCB manufacturers in Taiwan, Japan, Korea, and China. The Company's existing and potential competitors leverage their advantages in finance, manufacturing, technology, marketing personnel, and marketing resources to enter the consumer electronics market while the Company focuses on a wide range of products and services as well as partnerships with long-standing customers. We seek to differentiate ourselves from competitors and prevent price competition.

The Company believes that our main competitors are companies that provide long-term services for leading brands in the consumer electronics market. These companies often have good relations with customers, highly competitive products, and the skills and capacity required for developing new products that lead the market. The Company's main competitors in various products include Unimicron, Suzhou Dongshan Precision Manufacturing, Mektron, Compeq, Tripod, TTM, Shennan Circuit Company, Ibiden, HannStar Board Corp, Nan Ya Printed Circuit Board, Samsung Electro-Mechanics, AT&S, Young Poong, WUS Printed Circuit, etc.

The Company focuses on a market with high levels of competition and change. It is particularly susceptible to the impact of rapid technological changes, evolving industry standards, continuous decrease in average prices, and high product replacement rate. Future competition will continue to intensify and the competition will not only come from existing competitors but may also come from other companies that enter our existing or future markets. Their solutions may be cheaper, perform better, or have more ideal functions than the Company's products. Consumer electronics PCB suppliers compete on the following competitive niches:

- ◆ Technology R&D and execution

- ◆ Product development roadmap
- ◆ System integration level
- ◆ Reliability
- ◆ Compliance to industrial standards
- ◆ Product quality, performance, and functions
- ◆ Price
- ◆ Market time
- ◆ Market position and reputation
- ◆ Intellectual property rights
- ◆ Customer service and support

Based on the aforementioned standards, the Company retains favorable conditions for competition. However, the Company's future competitive capacity is determined by whether we can establish, design, and launch new products that meet or foresee customers' demand for next-generation products and applications. In addition, the Company's competitive position will also be determined by whether we can continue to attract and retain talents and whether we can securely protect the Company's intellectual property rights. These are key factors to the Company's continuous growth and success.

### **(III) Overview of Technology and R&D**

#### 1. Technology level and R&D for operations

The Company upholds rigorous production management, basic scientific research, and high-quality technical services to provide high reliability, high performance, and high output for products that satisfy the demands of first-rate international companies.

Meanwhile, the Company is committed to providing comprehensive printed circuit boards and semiconductor-related products and services for industry-leading customers. With the advancement of digital technologies such as artificial intelligence, communication technologies, big data, cloud computing, blockchain, and the global consensus on carbon neutrality, artificial intelligence applications and digital transformations have become new driving forces behind industry developments. The scope of related product areas has also expanded. From traditional communication electronic products, consumer electronics, and computer products to today's popular new energy vehicles, servers, wearable devices, AR/VR devices, and other products, ZDT has successfully opened up a new blue ocean for the PCB industry. However, in response to the customized requirements of different end products for PCBs and semiconductors, ZDT will provide One ZDT one-stop solutions for customers, which include product research and development, design, manufacturing, and sales. In addition to the strong ability to provide comprehensive PCB products and services for different customers, the Company is also recognized

by world-class manufacturers for our advanced process technology and excellent quality service.

The Company's R&D team not only has extensive practical experience in PCB and semiconductor technology, but also has expertise in 5G communication, AI, and other related fields. We are able to develop high-end products that meet both customer needs and market trends, such as Flexible Printed Circuit Board (FPC), High-Density Interconnect (HDI), Rigid Printed Circuit Board (R-PCB), Substrate-like PCB (SLP), Rigid-Flex PCB, MiniLED, modules, and other IC substrate-related products. At the same time, our development is actively moving towards technological innovation and digital R&D: In production, we integrate AI technology to optimize smart manufacturing processes and implement full AI-based production line inspection. In development, we regularly collaborate with industry-leading and innovative cloud, management, and endpoint clients to develop solutions that align with mainstream market trends and meet customer demands. Moreover, we focus on outlining technology roadmaps to improve the Company's equipment and process capacity and create unique products and leading technologies, thereby improving customer satisfaction and our competitiveness in the market.

## 2. R&D expenses in the most recent year and as of the date of this annual report

The Company's R&D expense in 2024: NT\$ 11,715,283 thousand, accounting for 6.82% of revenue.

R&D expenses as of March 31, 2025: NT\$2,562,606 thousand, accounting for 6.39% of revenue.

## 3. Specific results of technology and R&D

- (1) Implementation of bandwidth expansion technology for microstrip antennas based on slot loading in mass production.
- (2) The development of fine-pitch anisotropic conductive connection technology was completed
- (3) Completed the foundational research and development on the compatibility between next-generation high-frequency materials and FPC processing
- (4) Trial production of high-precision size FPC application technology
- (5) Mass production of multi-purpose high dynamic flexure FPC
- (6) Trial production of virtual reality smart wearable device FPC
- (7) Trial production of next-generation display module FPC fine pitch technology
- (8) Trial production of next-generation display module FOF solutions
- (9) Trial production of high reliability energy storage single-sided FPC
- (10) Completed the development of new FPC materials for next-generation camera modules
- (11) Mass production of new plated power cable FPC

- (12) Completed the development of a new generation of universal serial bus and wireless charging integrated products
- (13) Mass production of HDI products with cavity technology
- (14) Mass production of HDI products with X-via through hole designs
- (15) Mass production of non-conformal HDI products
- (16) Trial production of 400 blind/buried via plugging resin technology
- (17) Development of slim core HDI products
- (18) Completed the development of RGB transparent screen products
- (19) Trial production of RGB LED chip module small-size products
- (20) Completed the development of packaging products for invisible light CSPs
- (21) Completed the development of embedded technologies for high-end ultra-thin earphones
- (22) Completed the development of new thermal-sensitive board-level materials
- (23) Completed the development of embedded capacitor camera products
- (24) Mass production of high-strength, bend-resistant materials
- (25) Completed the evaluation and introduction of automatic loss measuring machines
- (26) Completed the development of MOSFET embedded SiC PCB technology
- (27) Completed the development of MCML high-frequency measurement technology
- (28) Mass production of fine-pitch interposer boards
- (29) Mass production of automotive LiDAR boards
- (30) Completed the development of embedded heat dissipation LiDAR products
- (31) Completed the development of high-layer-count HDI and high-precision fine line products
- (32) Trial production of new high-efficiency heat dissipation and conduction substrates
- (33) Trial production of micro-aperture laser substrate technology
- (34) Trial production of high-precision thermosetting ink technology
- (35) Trial production of multi-chip substrates for semiconductors
- (36) Trial production of multi-layer ultra-thin boards with high RF signal transmission substrates
- (37) Completed the development of substrate products for ultra-thin power managers
- (38) Trial production of large-size heterogeneous integrated chiplet substrates
- (39) Completed the development of high-density fine-line substrates
- (40) Completed the development of high-reliability automotive substrates
- (41) Trial production of new glass-based substrates
- (42) Trial production of multi-core layer substrates

#### **(IV) Long and short-term development strategies and plans**

1. Short-term development strategies and plans
  - (1) R&D strategies and plans

The Company's mission is "developing technology, benefiting humanity, protecting the environment, and making the world a better place". We uphold the core values of "integrity, responsibility, innovation, and benefiting all", and continuously develop advanced process technologies and high-performance multifunctional product technologies that meet product development trends. Driven by digitalization and smart transformations, we are expanding our diversified product line to enhance our competitive advantage and lead the industry.

With the advancement of artificial intelligence, 6G communications, multi-dimensional micro-displays, new energy, foldable displays, and third and fourth generation semiconductor technologies, automotive electronics, consumer electronics, network base stations, optical communications, low-orbit satellites, AI servers, high-bandwidth memory (HBM), energy storage, robotics, and other fields are undergoing rapid iteration. These new driving forces will lead the future development of the industry.

Therefore, the Company's short-term R&D plan will be focused on developing technologies related to the rapidly growing markets. The Company is also actively deploying and developing technologies in markets with future potential, such as chip substrates for artificial intelligence, large-size high-layer substrate technologies, and other technologies for products benefiting from AI development.

## (2) Production strategies and plans

The Company shall continue to expand production capacity in all plants based on customer requirements and the plants shall also focus on the product types and customers established in the plans. Product development and production strategies shall be established for each plant based on the Company's annual sales strategy. We shall focus on both purchasing high-end production equipment in response to product upgrade and expanding new capacity based on customer demand and orders. We added investment plans for Shenzhen, Huai'an, and Qinhuangdao plants in China and parks in Kaohsiung and Taoyuan, Taiwan and Chennai, India and the investments shall be executed in accordance with the plans as well as market and order status in the next quarter.

## (3) Operation and finance strategies and plans

- A. Maintain suitable short-term liquidity funding levels to meet business requirements and secure company operations.
- B. Due to fluctuations in exchange rates, the existing parts are integrated with future predictions. The Company adopts hedging transactions or financial products according to market information to avoid the risk of exchange rate fluctuations and reduce the impact of uncertainty.
- C. Adopt unified price negotiation and centralized procurement for equipment,

construction, raw materials, and consumables of each plant to effectively reduce overall operating costs

## 2. Long-term development strategies and plans

### (1) R&D strategies and plans

Continuous innovation is the driving force for a company's growth. Through close collaboration with third parties, it will help the Company to comprehensively improve in new products, new technologies, new materials, new processes, and new equipment, and establish a forward-looking common technology to provide customers with new products that have new features and new applications that are green and environmentally friendly. In long-term development, digitalization and intelligence will become the core driving forces for corporate growth, helping to develop the next generation of high-performance products. In addition, the Company has established a development platform for cooperation between industry, government, academia, and research, as well as a technology research and development center. We actively collaborate with well-known universities and research institutes in the two sides of the strait and three regions to jointly research and create forward-looking technologies with "new models". We hope to integrate existing technologies with the upstream, midstream, and downstream industries while expanding the depth and breadth of existing technologies, in order to achieve the goal of independent development of key technologies. As of the end of 2024, the Company has established collaborations with several renowned institutions, including National Taiwan University, Tsinghua University, National Cheng Kung University, National Central University, National Taiwan University of Science and Technology, Chung Yuan Christian University, Yuan Ze University, Lunghwa University of Science and Technology, City University of Hong Kong, Tungnan University, Shenzhen University, Hebei University of Technology, Guangdong University of Technology, and Shenzhen Institute of Advanced Electronics Materials. The Company also places great emphasis on long-term cooperation with customers. In order to meet their long-term needs, the Company has established a dedicated unit that is committed to investing and executing technology, while strengthening the Company's key core technologies. This creates a win-win for both the Company and our customers.

### (2) Production strategies and plans

A. Maintain long-term partnerships with strategic partners and jointly develop new materials, new equipment, and new technologies. Proceed with joint development of process with special functions and strengthen the development automation equipment to lower production cost and develop high-quality and high-functionality products.

B. Select long-term strategic partners for non-core processes and leverage the capacity of partners for single specialized processes to increase production efficiency, lower

cost, improve yield, and enhance overall competitiveness.

C. Establish two R&D centers in Taiwan and China and continue to improve the capacity for developing new technologies and maintain leading advantages in high-end products and technologies.

(3) Future Research and Development (R&D) Plans and the R&D expenses expected to be invested

"Leading industry technology and surpassing customer expectations" has always been the vision behind ZDT's technology research and development. Amid the global wave of digitalization, the Company will continue to expand our R&D resources with a focus on the integration of digitalization and AI technologies. We aim to provide customers with industry-leading innovative technologies and accelerate the establishment of long-term partnerships with new customers. We established unique core technologies that can lead the trends, thereby developing next-generation high-end products with potential. Furthermore, the Company will continue to cooperate with industry, government, academia, and research institutions, actively integrate internal and external resources, reserve and strengthen research and development capabilities, and enable the Company to have long-term competitive advantages.

Future development projects include:

In the future development plan for PCB and semiconductor related products, the Company will continue to follow the strategy of the 12 point principle and develop high-end technologies with "four highs and four transformations", and introduce them in forward-looking fields,

including smart phones, tablets, wearables, communications, networks, automotive electronics, servers, base stations, and medical devices.

- 12 point approach: Light (light-weight), thin (thin design), short (short procedures), small (small footprint), high (high frequency/high speed/high heat dissipation), low (low pollution/low cost/low power consumption), multiple (multi-functional and multi-layer), fast (fast development and production), precision (low tolerance), beauty (aesthetically appealing), refined (refined circuits), and smart (intelligence).
- Four highs and four transformations: High reliability, high density, high frequency and speed, and high heat dissipation and functionalization, thickness reduction, integration, and low carbonization.

The Company's expected R&D expense will account for around 6% of revenue in 2025.

(4) Operation and finance strategies and plans

A. Uphold a people-oriented corporate philosophy and core values for integrity, responsibility, and excellence to build world-class business management capabilities, recruit talents, and achieve world-class performance in R&D, production, markets,

marketing, and operation management.

- B. Strengthen environmental protection and industrial safety risk management and implement services and corporate ideals for speed, equal quality, technology, efficiency, cost, and added value.
- C. Develop the Company's comprehensive PCB industrial platform and jointly develop new products, new technologies, new equipment, new materials, and new processes with the Company's partners in production technology, equipment, and raw materials as well as professional research institutions. Provide brand companies and professional electronics OEM companies with high-quality and cost-effective PCB design, development, manufacturing, and sales services.
- D. Plan long-term fundraising activities and implement suitable adjustments to long-term liability ratios.
- E. Control suitable financial leverages based on the Company's operations and growth while retaining sufficient cash reserves to respond to future growth needs.

## II. Market, Production and Sales Overview

### (I) Market analysis

#### 1. Sales regions for major products

Unit: NT\$ thousand

Sales Regions	2023		2024	
	Amount	Percentage	Amount	Percentage
U.S.A.	115,437,640	76.25%	131,931,450	76.85%
China	19,273,062	12.73%	22,015,718	12.82%
Taiwan	7,823,060	5.17%	8,593,759	5.01%
Singapore	1,190,169	0.78%	1,681,023	0.98%
Other	7,674,107	5.07%	7,441,895	4.34%
Total	151,398,038	100.00%	171,663,845	100.00%

Note: Geographical information on the Group's revenue is shown based on the countries of customers.

#### 2. Market share

Based on the revenue rankings of global PCB companies in 2024, since 2017, the Company is now the world's largest PCB plant. However, our market share is still only 7.3%, which demonstrates the high level of competition in this market. The Company has an exceedingly high demand for product process technology and a wide range of applications. We have leveraged our technical advantages and explored sectors such as mobile phones, tablets, notebook computers, wearable devices, game consoles, servers/storage devices, Internet communications, and automotive electronics.

#### 3. Future market supply/demand and growth

In terms of the concentration of the industry, there are more than 2,000 PCB manufacturers across the world with close to 1,000 in China where the overall output in the circuit board industry is rapidly increasing. As environmental protection legislation

in all countries grow stricter and the demand for circuits grows increasingly refined, it has become apparent that there are fewer large-scale companies with the capacity for providing high-tech and high-quality products while meeting requirements in environmental protection legislation. According to Prismark statistics, the top 30 PCB companies accounted for 56.4% of the revenue in the industry in 2013. The proportion reached 67.6% in 2024, demonstrating a visible trend toward consolidation and survival of the largest companies.

As global economy gains steady growth, consumers' purchasing power for electronics products also strengthened and emerging countries' demand for electronics products also increased. Coupled with development in applications for new technologies, the scale of the PCB market is expected to continue growth. According to Prismark's forecast in February 2025, the global PCB market scale will grow at a compound annual growth rate of 5.3% from 2024 to 2028 and will reach US\$90.55 billion in 2028. The outlook of the PCB industry remains optimistic in the next few years.

#### 4. Competitive edge

The industry is a basic industry in the electronics sector and it provides key components for all electronics systems and products. The industry provides functions for mounting and connecting electronics components that ensure the operations of system products. The Company's competitive niches include the following:

##### A. Establishment of a one-stop supply platform for brand companies with entire product lines for various PCBs.

The Company designs, develops, manufactures, and sell PCBs with different materials, electrical components, and functional designs. We have distinct production processes and mass production management methods. The Company has accumulated years of patents, technologies, and professional know-how to fully understand and satisfy customer demands and to provide specific customers with rapid design, development, sample production, and ramp-up services within a short time. We assist customers in shortening product launch schedule and take the initiative on the market. We help customers by building a successful operation model of Time to Market + Time to Volume + Time to Money / Market share.

The Company has invested massive amounts of resources in various PCB engineering R&D and process development. We can therefore cooperate with companies and provide system brands companies with up-to-date and high-quality products. We shall continue to expand based on our past records. Most popular electronics products on the market in a given year use products provided by the Company to our customers. We help system brand companies achieve success with their products on the global market. We take the lead in industry trends and significantly reduce product launch time. The Company also plans to use our advantage of the proximity of our plants to customers and develop specific new technologies, materials, and equipment for specific customers in order to expand product portfolio and satisfy customer demands for one-stop

procurement. We believe that, compared to competitors, we are a professional global company with product design, development, manufacturing, and sales expertise and our comprehensive product capacity will help maintain solid and long-term strategic partnerships with system brand companies.

B. Maintain solid and close business partnerships with leading global brand customers and electronics OEMs.

The Company's main customers are all well-known international companies, electronics OEMs, and innovators in advanced technologies. By cooperating with customers in joint product research and development, the Company continues to strengthen and refine our technology platform. We also leverage the Company's expertise in R&D and focus on developing technologies and enhancing engineering services to satisfy customer demands and gain knowledge of market trends and business opportunities for new products.

C. Direct purchase orders and participation in design and development of brand customers (JDVM/JDSM)

The Company's main orders are issued directly by major electronics system brands or main electronics OEM companies across the world. The Company participates in the Early Involvement phase for product design and ensure that all mass production after products is launched to satisfy customer demands. We thus form close partnerships with major electronics system brands or main electronics OEM companies across the world and establish lasting and stable business alliances. With regard to competitors, most companies either lack the capacity for providing independent OEM services to global brand customers or leading OEM companies or they may have insufficient engineering service capacity or lack the flexibility or production capacity that customers need. Therefore, many companies obtain orders from agents and only position themselves as production plants. The customer relations and prices in this business model are controlled by the agent. The manufacturers are only the production plants which have no significant added value and are highly replaceable. Order cancellations and bankruptcy are common issues.

D. Experienced operations and management team with capacity for consecutive years of high-speed growth

Our management team has extensive experience in the industry and the executives of main product business units have practical management experience. An operations and management team with capacity for implementation is the Company's key to success. After the holding company was established in 2006, we successfully focused on the main customers and assisted the customers in promoting its products across the world in 2007. The operations and management team then formulated strategies to expand operations and product development and to establish new plants. They led the Company's rapid expansion while improving core engineering and technology capacity.

We later became the main supplier of various PCBs used by global leading mobile phones, laptop computers, tablet computers, game consoles, digital cameras, and digital books. Under the professional leadership of the operations and management team, the Company's revenue surpassed NT\$100 billion for the first time in 2017 and we became the world's largest PCB supplier.

Since the establishment of the Company, we have recruited many engineers with good academic backgrounds and extensive experience in the industry. We organized diverse operations and management teams and grew from a medium-sized company to a large professional company with a full product line and comprehensive capacity that operates in plants in four provinces in China and conducts businesses across the world.

#### E. Cross-strait cooperation strengthens competitive advantages

As traditional products mature, the Company has concentrated on high-end products for new product development in recent years. We use automation to replace labor cost which has risen continuously in China. We also continue to optimize the product portfolio and use engineering development capacity as our core competency to provide customers with product designs and innovation to grasp business opportunities on the market. The Company actively uses high-quality human resources and engineering technology to develop high-end PCB products and focuses on the Company's technical development roadmap with the aim of helping customers maintain leading positions in technology and R&D capacity.

Our subsidiaries in China integrate engineering and R&D resources of the plants and focus on related technology that can be used for customers' future mass production to improve product performance as well as production efficiency and yield. Engineering units focus on improvements for process and replacement of raw materials/consumables in the production process of current products. They aim to reduce production cost, improve yield, and provide customers with more advantages in production in terms of cost and flexibility. The effective cross-strait cooperation model encompasses the technology development required for the Company's development growth in all stages and effectively builds comprehensive product development capabilities.

### 5. Favorable and adverse factors for long-term growth and response strategy

#### A. Favorable factors

##### (A) Stable industrial development

The wide range of applications for PCBs, rapid expansion in smart devices in recent years, increase in the scale of online communication industries due to continuous growth in the cloud computing market, and applications for automotive electronics and IoT have contributed to forecasts of steady growth in the global consumer electronics product, computer, communications, automobile, and semiconductor industries. Industries related to these industries therefore maintained stable growth. According to Prismark's data, the global PCB industry is expected to experience a

compound annual growth rate of 5.3% from 2024 to 2028, indicating stable growth in the market.

The Company's product strategy centers on providing high-quality and comprehensive PCB products and we adjust our product portfolio based on industrial development trends at all times. We also integrate R&D and order acceptance in Taiwan and allocate production capacity in China to facilitate flexible orders and production and maintain optimal competitive advantages.

(B) Comprehensive development in the industry with comprehensive production bases in key economic areas in China

Related operators in the PCB industry are concentrated in Taoyuan in Northern Taiwan and they have formed comprehensive supply chains in the Yangtze Delta in East China and Pearl River Delta in South China where upstream and downstream plants and various suppliers congregate and accumulate a significant amount of competitive strengths. Bohai Economic Rim recently became a highlight in economic growth in China. Industrial clusters quickly formed and the most prominent clusters included the "Five Points One Line" stretching from Beijing and Tianjin to Liaoning.

The Company has established large-scale production bases in key economic development areas in China including Pearl River Delta in South China, Yangtze Delta in East China, Beijing, Tianjin, and Hebei. Recently, we continue to plan the addition of manufacturing sites in Kaohsiung, Taiwan, and Thailand. We aim to closely meet the needs of our customers by providing, consistent high-speed, technically efficient, cost-effective, value-added, environmentally friendly, and industrial safety PCB design, development, manufacturing, and sales services. The Company differentiated itself from competitors by implementing comprehensive development in Taiwan, South China, East China, North China, and India economic regions to provide customers with convenient, diverse, flexible, and customized manufacturing services.

(C) Grasp opportunities based on optimistic outlook for the consumption market in China

The Chinese market is the world's most important, vibrant market with the most rapid growth. The high efficiency of the Chinese government, comprehensive infrastructure, and high-quality human resources make China a key target for global brands and give birth to Chinese brands. As the Company is one of the few companies with product design, development, manufacturing, and sales capacity, it naturally became an important partner for Chinese mobile phone brands. In addition, opportunities in the Chinese consumption market can also be found in the information and computer sector and telecommunications sector which help the Company's development.

(D) A sound management system

The Company's operations and management system have evolved over the years and we have formed a sound operation and management style that upholds strict management systems and cost control with the aim of achieving reasonable cost control, optimal resources allocation, and stable quality.

The Company obtains stable sources of raw material supply and price bargaining powers by integrating the Company's resources. Our management system and performance have received recognition from customers and we have established a good reputation in Taiwan and abroad to increase the Company's business expansion capacity. Business performance of top companies across the world relies on a foundation of corporate management skills in order to achieve sustainability. The Company's management teams adopted "Technological development for the benefit of mankind; protect the environment and make the Earth a better place" as the Company's motto.

B. Unfavorable factors and the response measures

(A) Rise of environmental protection awareness in China leads to increase in operators' green expenditures

In recent years, China's enhancement of environmental protection legislation and law enforcement shows high levels of focus on environmental protection issues and it also implements stricter penalties on violations of environmental protection regulations. The requirements for energy efficiency and consumption reduction in businesses have become mandatory indicators. The policy of integrating economic development with environmental protection will have profound impact on the PCB industry. Certain small and medium-sized manufacturers or plants that do not comply with environmental protection regulations will be forced to reduce production or cease operations.

Response measures

The Company actively introduced high-performance, low-pollution environmental protection equipment and advanced innovative green technology to improve wastewater recycling rate, reduce waste production, and promote green upgrade in process optimization. The departments have actively implemented Zhen Ding's Seven Greens KPI goals for green innovation, green procurement, green production, green operations, green services, green renewable resources, and green life. Our efforts not only meet global trends and Chinese environmental protection regulations but also fulfill our corporate social responsibilities. Sufficient wastewater to supply production expansion shall be obtained from the new parks to ensure favorable conditions for the Company's sustainable growth.

(B) Homogeneous products and price wars threaten industry development

Domestic PCB manufacturers are affected by development trends in the upstream

electronics industry and they have highly concentrated product applications on information and communication and consumer products. The industrial cluster effect also contributed to gradual reductions in production capacity and technical entry barriers, leading to an increase in the number of competitors in the industry. During periods of economic downturn or slowdown in growth, PCB operators face tightened profit margins and fall into the trap of price wars which cause difficulties in company operations and increase risks of operations.

#### Response measures

The Company rates and classifies target customers and allocates resources to main customers. We also actively pursue target customers and use high quality and outstanding services to replace price wars. In addition, we also enter markets for new applications and develop products with high margins. Despite the long learning curve, the relatively high technical entry barriers lead to fewer competitors, reduce downward pressure on prices, and maintain stable profits for companies.

The Company allocates production capacity, implements division of labor between plants, adjusts production capacity for different customers, and forms strategic alliances with suppliers and customers to diversify operations and disperse operational risks. The Company is a comprehensive PCB supplier and is thus able to implement flexible adjustments in our product portfolio strategy. In terms of high-end products, we cooperate with customers for joint development to understand development trends for future products and we leverage our advantages in mass production, technology, and abundant supply of materials to maintain strong and stable business relations with customers.

In addition, we strengthen strategic partnerships with upstream raw material suppliers to effectively reduce cost on raw materials and maintain product competitiveness. Measures such as enhancing automation of production equipment, improving employees' overall qualifications, and training workers with multiple skills help improve productivity per capita and maintain the Company's overall competitiveness.

## **(II) Usage and Manufacturing Processes of Main Products**

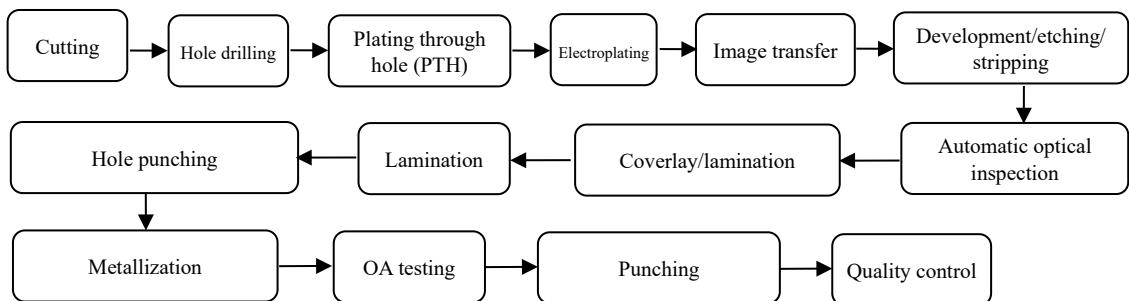
### 1. Major applications of main products

Main Products	Characteristics	Important Applications
Rigid PCBs	Inflexible, wide range of thickness, high-current capacity	Automotive electronics, servers/storage devices, desktop computers, laptop computers, monitors, hard drives, TVs, game consoles, etc.
Flexible PCBs	Flexible, bendable, light-weight, thin	Wearable devices, mobile phones, tablet computers, notebook computers, handheld game consoles, touch panels, camera lenses, etc.

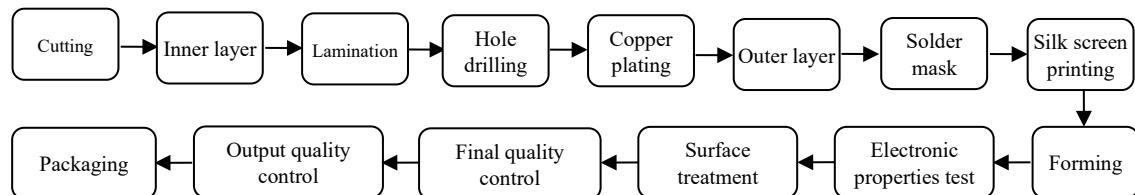
Main Products	Characteristics	Important Applications
High-density Interconnect PCB	Small, high-density circuit distribution, high transmission efficiency	Wearable devices, mobile phones, tablet computers, ultra-thin notebook computers, smart speakers, servers/storage, memory modules, etc.
IC Substrate	Lighter and more compact to mainly act as a carrier for IC.	Application processors, baseband chips, power management chips, NFC chips, RF chips, graphics chips, power amplifiers, flash memory, MEMS, etc.

## 2. PCB production process

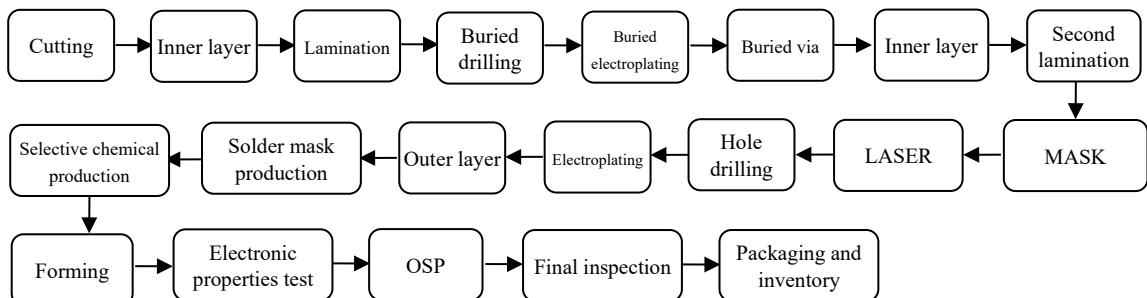
### A. Flexible PCB production process



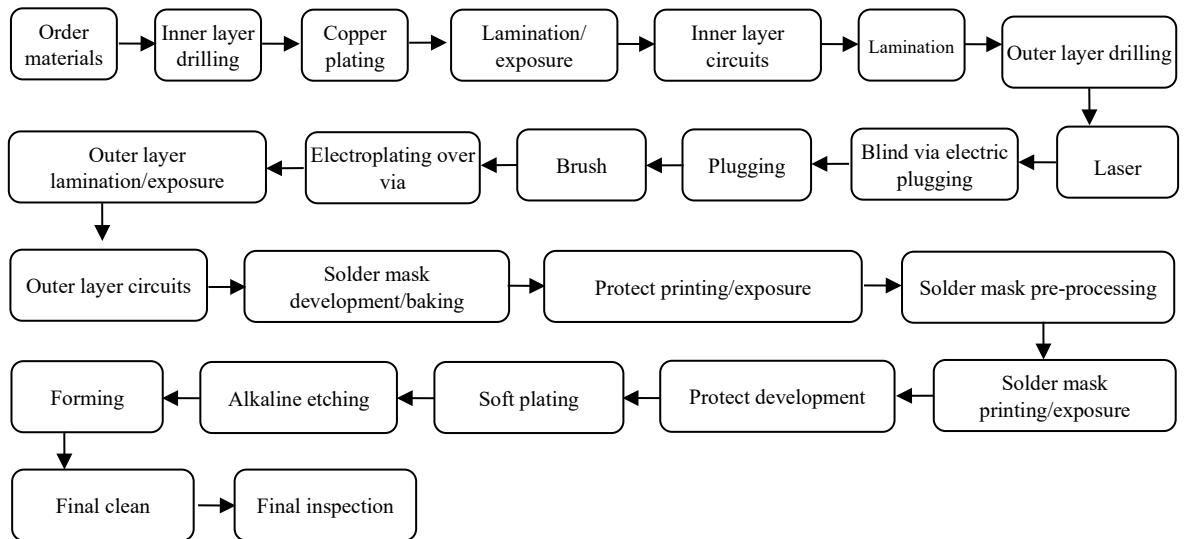
### B. Rigid PCB production process



### C. High-density interconnect PCB production process



#### D. IC Substrate production process



### (III) Supply Status of Main Materials

Key raw materials	Major supplier	Supply status
Copper-clad laminates	Elite Material, DuPont, Taiflex, and Resonac	Good
Chemical Products	Amend and JCU	Good
Electronics Components	Apple, QORVO	Good

### (IV) Names of customers who accounted for more than 10% of the purchases (sales) in any of the last two years, and purchases/sales amount and percentage, with explanations of the increase/decrease of such purchases (sales)

1. Names of suppliers who accounted for more than 10% of the purchases of the Company in the last two years, and the ratio to total purchases:

Unit: US\$

Item	2023				2024			
	Name	Amount	% of Total Annual Net Purchase	Relationship with the Issuer	Name	Amount	% of Total Annual Net Purchase	Relationship with the Issuer
1	Supplier H	314,054,520	13.05	None	Supplier H	354,178,334	11.51	None
2	QORVO	267,019,298	11.10	None	OTHER	2,722,532,241	88.49	None
3	OTHER	1,825,127,136	75.85	None	-	-	-	-
	Net Purchase	2,406,200,954	100.00	-	Net Purchase	3,076,710,575	100.00	-

Note: Where procurement acquired from a supplier exceed 10% of total procurement for the most recent two years, the name of the said supplier, procurement value, and proportion of the procurement shall be disclosed. However, contractual terms dictate that the name of such a supplier or trading partner cannot be disclosed if the said supplier or trading partner is an individual and unrelated party, and codes may be used to replace the names instead.

2. Names of customers who accounted for more than 10% of the sales in the most recent two years, and sales as a percentage of total sales

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	% of Total Net Sales	Relationship with the Issuer	Name	Amount	% of Total Net Sales	Relationship with the Issuer
1	Customer X	114,003,859	75.30	None	Customer X	129,857,683	75.60	None
2	OTHER	37,394,179	24.70	-	OTHER	41,806,162	24.40	-
	Net Sales	151,398,038	100.00	-	Net Sales	171,663,845	100.00	-

### III. Information of Employees in the Most Recent Two Years as of the Publication Date of the Annual Report

Unit: People; years; age

Year		December 31, 2023	December 31, 2024	March 31, 2025
Number of Employees	Direct Labor	27,968	14,987	26,886
	Indirect Labor	18,725	33,154	20,870
	Total	46,693	48,141	47,756
Average Age		31.9	32.0	32.3
Average Years of Services		3.7	4.0	4.1
Education Background Distribution	Doctorate	23	25	26
	Master	476	560	559
	Bachelor	7,144	8,450	8,123
	College	12,584	14,903	14,879
	Senior High School and Below	26,466	24,203	24,169

Note: Numbers above represent the number of in-service employees.

### IV. Expenditure on Environmental Protection

**(I) List the losses suffered due to environmental pollution in the most recent fiscal year up to the publication date of the Annual Report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason:**

The Company has not been subject to any significant fines (NT\$1 million or more) imposed by competent authorities for violations of laws or regulations.

In 2024 and up to the date of publication of the Annual Report, there were 5 violations related to environmental protection, leading to a total of NT\$516,700 in fines paid. The following is a summary of the types of violations:

Unit: NT\$ thousand

Company	Incident Description	Amount of Penalties	Improvements and Future Response Measures
Subsidiary companies Boardtek Electronics Corporation	Without the consent of the sewerage management authority and the competent authority, the plant discharged its wastewater into an external dedicated stormwater sewer via a manual valve. On-site testing showed the wastewater had a pH of 3.2, which did not meet the effluent discharge standard (pH 6-9), thereby violating the Water Pollution Control Act:Ruling No. 30-113-040002 dated April 1, 2024.	235.2	1. The valve has been sealed and decommissioned. 2. Included in monthly inspections.
	The rainwater ditch collection system in the plant and the wastewater collection system below collect		

Company	Incident Description	Amount of Penalties	Improvements and Future Response Measures
	water through a vertically stacked combined system without separation, which violates the Water Pollution Control Act: Ruling No. 30-113-040003 dated April 1, 2024.		wastewater flow has been completed. 2. Included in monthly inspections.
	Wastewater from pipeline cleaning, general pure water, and production wastewater within the plant is collected in a sump pit and pumped using a submersible pump to the general cleaning wastewater collection tank for treatment. However, this process was not registered in the Water Pollution Control Measures (WPCMs), which violates the Water Pollution Control Act: Ruling No. 30-113-040004 dated April 1, 2024.	24.5	The pump has been removed and the sump pit has been filled to comply with the WPCMs.
	On May 24, 2024, the company failed to obtain the amended fixed pollution source operating permit (M01) in accordance with the regulations, which violates the Air Pollution Control Act: Ruling No. 20-113-070021 dated July 31, 2024.	100	Accelerate the acquisition of air pollution permits in accordance with regulations.
	During an on-site inspection on October 25, 2024, it was found that due to an oversight during the chemical replenishment process, sodium carbonate, which is used as a raw material in the development process, entered the plant's rainwater drainage system. This resulted in the chemical mixing with rainwater and being discharged out of the outlet, which violates the Water Pollution Control Act: Ruling No. 30-113-110023 dated November 19, 2024.	108	1. The flushing and pumping of the rainwater pipe network has been completed to ensure that the water quality in the rainwater drainage system is normal. 2. Included in monthly inspections.

## (II) Response measures

The rise in environmental awareness in recent years has promoted members of the society to scrutinize corporates' environmental efforts. China has implemented increasingly strict control over the emission of pollutants. Therefore, we are actively developing energy saving, chemically treated water reducing, emission reducing, and water recycling technologies. Please refer to the Company's past environmental protection investments and expenditures.

The Company's environmental protection measures are as follows:

### 1. Focus on environmental protection laws and international standards

The Company strictly adheres to regulatory requirements for environmental assessment applications and related environmental protection facilities our investments. We obtained emissions licenses after qualifying in acceptance inspections performed by environmental

protection authorities. All operations meet requirements in environmental protection regulations. In addition, we have introduced and executed ISO 14001 environmental management systems for all plants. We strictly abide by the laws, regulations, directives, and requirements of customers related to hazardous material reduction in the environment in our management to provide products that meet environmental protection regulations. In addition, we established the "Supplier (Contractor) Management System", "Supplier Corporate Social Responsibility Management Regulations", and "Supplier Conflict Minerals Management Regulations" to extend our environmental protection ideals to the supply chain and establish partnerships with suppliers for joint management. We require companies to abide and commit to such regulations. In 2024, 100% of suppliers have signed the commitments, ensuring all operations meet related environmental protection laws and international regulations.

The Company conducted annual auditing of quality and hazardous substance on 206 suppliers in 2024. Among them, 202 suppliers were deemed qualified but required improvement. The aspects they need to improve include failure to follow the required on-site management procedures, unclear material area divisions, and imperfect supply chain management mechanisms. The four failed suppliers need to improve their quality system and on-site management. The Company has provided guidance for the improvement items of three failed suppliers, and improvements have been completed in the same year. The suppliers eventually passed the reassessment. Transactions were terminated with one supplier (Fuhai).

Laws and regulations related to hazardous materials: The number of substances added to the 28th SVHC candidate list in Reach regulations reached 233 substances, 18 in new customer regulations, and 32 substances were revised. We exchange opinions on and communicate the appropriateness of what we require from our customers. If a technology is feasible, we implement control using the strictest standard and keep our hazardous substance control documents up-to-date. If there are technical limitations, we will assess the standards and offer reasonable suggestions to our customers.

Conflict minerals refer to minerals mined in areas of armed conflict or under conditions that violate human rights, specifically precious metal minerals mined by the Democratic Republic of the Congo and adjoining countries. Conflict minerals include gold (Au), tin (Sn), tantalum (Ta), and tungsten (Wu) (collectively referred to as 3TG) and are mainly used in electronic parts. In response to global control measures for conflict minerals, the Company has incorporated conflict minerals into its supplier management policies, and proposed policies, objectives and management practices to meet international trends and customer requirements.

Conflict Mineral Management Policy	Conflict Mineral Management Objectives
<ul style="list-style-type: none"> <li>The Company promises that the smelters from which it purchases 3TG, cobalt, and mica are RMI's smelters or customer-approved smelters.</li> <li>The Company promises to follow the OECD due diligence guidelines to conduct due diligence on its supply chain.</li> <li>The Company promises to not directly or indirectly purchase conflict minerals that directly or indirectly finance armed conflict groups.</li> <li>The Company shall not purchase qualified 3TG from the Democratic Republic of the Congo and adjoining countries.</li> <li>Suppliers shall impose the same conflict mineral management requirements on their upstream suppliers.</li> </ul>	<p>The Company continues to promote supply chain improvement as required by laws and customers in order to eliminate the use of conflict minerals in its supply chain.</p>
<p><b>Conflict Mineral Management Practices</b></p> <ul style="list-style-type: none"> <li>Conduct investigation to trace conflict minerals in gold salts, electronic parts, tritium, and all products and materials in PCB that mainly contain gold, tantalum, tin, tungsten, cobalt, and mica. When applicable, we conduct investigations on special minerals requested by customers, such as nickel and zinc.</li> <li>Use the list of conformant smelters provided on the RBA website. If a smelter is not on the list, request for a response plan from the supplier.</li> <li>Require suppliers to impose the same conflict mineral management on their upstream suppliers.</li> <li>Require suppliers to sign a Declaration of Conflict-Free Minerals.</li> </ul>	

## 2. Develop independent pollution prevention and resource recycling technologies

As our production process consumes large amounts of water, electricity, and chemicals, the wastewater we produce in the process have complicated characteristics and our waste resources can be recycled and reused. The Company thus established a department to take charge of environmental protection and to manage and develop our own energy conservation, emissions reduction, pollution prevention, and resource recycling technologies and management systems. Wastewater is divided into 25 categories of sources based on their characteristics and difference in concentration. The Company also planned and designed wastewater treatment and recycling systems. The investee companies' current wastewater effluent standards far exceed government regulations for emissions. We recycled 11,908 million liters of water in 2024.

The Company's water usage in the past two years is as follows:

	2023	2024
Total Water Consumption	11,869 million liters	15,751 million liters
Water Intensity	0.0784 million liters/million NTD	0.0918 million liters/NT\$ million
Decrease in water intensity percentage	40%	17%
Amount of recycled water	9,856 million liters	11,908 million liters
Wastewater recycling rate	51.9%	50.1%
Wastewater Recycling Target	50%	50%

Note:

1. Waste water recycling rate = Water recycled for reuse ÷ (Water recycled for reuse + Total wastewater discharge) ×100%.
2. Water intensity = Annual water intake volume (million liters)/ZDT's annual consolidated revenue (million NTD). Reduction percentage is based on water intensity of 0.1314 million liters/NT\$ million in 2013.
3. The 2023 data covers the Avary Shenzhen Park, Huai'an Park, Qinhuangdao Park, BoardTek Electronics Corporation Park, and India Park. In 2024, the Leading Shenzhen and Qinhuangdao Parks and Kaohsiung Park were added.
4. The Company's main parks have continuously passed the Alliance for Water Stewardship (AWS) platinum certification. Please refer to page 184 of the Annual Report for more information.

In terms of waste recycling, we categorized waste into more than 65 categories based on the source and product type. We established a dedicated R&D team to develop new resource recycling technologies to increase the value of resources. In 2024, the total weight of waste removed from the sites was 91,763 tons, and the percentage of waste recycled was 92%, fulfilling the target (note). The waste is sorted by type. Hazardous industrial waste totaled 52,354 tons and general industrial waste totaled 39,409 tons.

Note: The target for the proportion of waste recycled in 2024 is 90%.

The statistics on the weights of hazardous industrial waste and general industrial waste in the most recent 2 years are as follows:

	2023	2024
Total weight of corporate waste removed	65,961 tons	91,763 tons
Weight of hazardous corporate waste	42,181 tons	52,354 tons
Weight of general corporate waste	23,780 tons	39,409 tons
Percentage of recycled waste	95%	92%

Note:

1. The total weight of waste refers to the total weight of corporate waste removed, including hazardous and general corporate waste categorized according to legal planning requirements.
2. Percentage of waste recycled = total amount of waste recycled ÷ total amount of business waste; The percentage of waste recycled is equivalent to the waste recycling rate, excluding the quantity of waste disposed through incineration (energy conversion). In the Qinhuangdao, Huai'an, and Shenzhen Parks, etching waste liquids are recycled for in-house resource utilization, reducing the use of acidic liquids. In 2024, the waste recycling rate, defined according to UL2799, includes the quantity of etching waste liquids reused in the Qinhuangdao, Huai'an, and Shenzhen Parks (62,731 tons) to fully illustrate the in-house recycling situation. Percentage of waste recycled in 2024 = (total amount of in-house waste recycled + total amount of recycled waste transported) ÷ (total amount of in-house waste recycled + total amount of waste transported)

3. The 2023 data covers the Avary Shenzhen Park, Huai'an Park, Qinhuangdao Park, BoardTek Electronics Corporation Park, and India Park. In 2024, the Leading Shenzhen and Qinhuangdao Parks and Kaohsiung Park were added.
4. The Company's main campuses have continuously passed the UL 2799 Zero Waste to Landfill Platinum-level certification. Please refer to page 184 of the Annual Report for more information.

### 3. Create the "Zhen Ding Seven Greens" platform and let green culture take root

Corporate development is centered around "people". We actively implemented the aforementioned environmental protection and energy conservation measures and we have always been focused on educating employees and cultivating their environmental protection awareness and habits. Therefore, the Company organizes an environmental protection and energy conservation month promotion event with participation from all employees from April 22 to June 5 each year. We also interact with the government, communities, schools, and other companies in the industrial parks of our subsidiaries and share our environmental protection and energy conservation experience and achievements.

In addition, the Company proposed the "Zhen Ding Seven Greens" concept in 2008 and established a platform to guide employees in all aspects of production and life to achieve green innovation, green procurement, green production, green operations, green services, green renewable resources, and green life. We carefully analyzed and examined methods and practices for improving energy conservation, carbon emissions reduction, efficiency, consumption reduction, greenery, and recycling and implemented in our daily lives and work. We aim to cultivate habits in hopes of creating a unique green corporate culture for the Company and plant the seeds for the most valuable intangible assets.

### 4. Respond to global climate change and actively promote energy conservation and carbon emissions reduction

Since 2007, the Company has been conducting regular ISO 14064 greenhouse gas inventories and obtaining verification certificates from external auditing organizations to monitor our carbon emissions at all times. In 2024, the Company's main production parks have obtained ISO 14064-1 greenhouse gas emissions certification. The carbon intensity of Scope 1 & 2 emissions in 2024 was 2.98 tons of CO<sub>2</sub>e/NT\$ million, representing a 69% decrease compared to 2013.

Note: Carbon reduction goals: Decrease Scope 1 & 2 carbon intensity by 40% by 2025 compared to 2013.

The Company's greenhouse gas emissions in the past two years are as follows:

Item	2023	2024
Inventory Period	From January 1, 2023 to December 31, 2023	From January 1, 2024 to December 31, 2024
Scope of Inventory	The greenhouse gas verification method is operational control. In 2024, institutions/locations of Leading (Shenzhen and Qinhuangdao), Avary (Taiwan), and the India Plant were added.	

Item	2023	2024
Greenhouse Gas Inventory	Direct: 79,045 tons of CO <sub>2</sub> e Indirect: 371,414 tons of CO <sub>2</sub> e Other Indirect Emissions: 23,726 tons of CO <sub>2</sub> e	Direct: 109,237 tons of CO <sub>2</sub> e Indirect: 401,904 tons of CO <sub>2</sub> e Other Indirect Emissions: 56,624 tons of CO <sub>2</sub> e
6 types of Greenhouse Gas Inventory	CO <sub>2</sub> : 417,881 tons CH <sub>4</sub> : 3,319 tons N <sub>2</sub> O: 49 tons HFC: 14,235 tons PFCs: 38,574 tons SF <sub>6</sub> : 127 tons NF <sub>3</sub> : 0 tons	CO <sub>2</sub> : 493,865 tons CH <sub>4</sub> : 2,599 tons N <sub>2</sub> O: 41 tons HFC: 10,383 tons PFCs: 60,672 tons SF <sub>6</sub> : 205 tons NF <sub>3</sub> : 0 tons
Carbon emission intensity	2.98 tCO <sub>2</sub> e/NT\$ million	2.98 tCO <sub>2</sub> e/NT\$ million

Note:

1. Our greenhouse gas emissions have passed third-party SGS verification in accordance with ISO 14064-1.
2. Carbon emission intensity = Scope 1 and 2 carbon emissions/ZDT's annual consolidated revenue.

Starting from 2010, our subsidiaries simultaneously began voluntary clean production reviews and converted the Company environmental protection ideals from traditional governance at the end-points to energy conservation and carbon emissions reduction at the source. The Company has completed ISO 50001 Energy Management Certification in the main plants as early as 2024, and all plants continue to pass ISO50001 Energy Management System reviews and certification in 2023. In the future, we will continue to improve our energy management methodology and standards.

In 2024, the total carbon reduction for the entire year amounted to 579,761 tons, marking a 56% decrease from the original total carbon emissions. The reduction was primarily achieved through initiatives such as promoting process energy-saving projects and introducing advanced energy-saving equipment, resulting in a carbon reduction of approximately 26,194 tons. Moreover, self-built solar power generation contributed to a reduction of 3,230 tons, while the purchase of green energy from external sources led to a reduction of 550,337 tons. The energy-saving rate of the public facilities in the new factory area is approximately 6% higher compared to the old factory area. The Company also actively participates in the Carbon Disclosure Project (CDP) as we continue to learn from advanced carbon management initiatives from foreign countries. We also use this platform to share our experience in reducing carbon emissions. The Company's CDP climate questionnaire score in 2024 was B, which was higher than the average score in Asia and the industry.

To effectively manage the impact of climate change, we carried out management and information disclosure in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

### 5. Major energy saving and carbon reduction items in 2024

Item	Item description	Energy saving performance
Facility energy saving	<p>For example: Adopting IE4 or higher and grade 1 energy efficiency motors in newly constructed plants, which can achieve over 10% energy savings compared to IE3 motors, reducing carbon emissions by approximately 6,829 tons/year. For example: Streamlining and optimizing production lines to conserve water and electricity, shortening equipment setup time to reduce standby water and electricity waste, resulting in carbon reduction of approximately 3,966 tons/year</p> <p>For example: FFU retrofit and energy optimization resulted in a reduction of 1,824 tons.</p>	Carbon Reduction: 26,194 tons/year
Self-owned solar power generation	Huai'an First Park: Installed capacity of 2.1MW; Huai'an Second Park: Installed capacity of 2.4MW; Shenzhen Park: Installed capacity of 0.57MW, used for self-consumption	Carbon Reduction: 3,230 tons/year
Direct purchase of green power and renewable energy certificates	Utilization of green power to reduce GHG emission	Carbon Reduction: 550,337 tons/year

Note: Annual carbon reduction = Electricity consumption \* Carbon emission factor. The carbon emission factors are the emission factors used for the greenhouse gas inventories of the plant.

In addition, the Company actively participates in the Shenzhen carbon emission trading system and cooperates with carbon emission trading surveys in China and other active regions in Asia. We continue to enhance carbon asset management and operations through cooperation with the government.

### 6. Fulfill corporate social responsibilities and purchase environmental liability insurance

The Company is committed to innovation and improvements in energy conservation and carbon emissions reduction technologies to improve environmental protection and provide additional commitments and protection of the environment and related parties. Our subsidiaries have purchased independent environmental liability insurance policies since 2013 and the Company's insurance amount in 2024 was NT\$119 MNTD to ensure the independent insurance of each plant and to increase the overall liability insurance of the Group, as we sought to fulfill corporate social responsibilities.

### (III) Current pollution prevention and material capital expenditure on environmental protection anticipated for the next year

#### 1. Current pollution prevention

All plants have retained legal and comprehensive reviews and emissions permits and certificates for environmental protection operations in the most recent year and as of the publication date of the Annual Report. All environmental protection tasks have been effectively implemented in a stable manner without any material environmental protection. Therefore, there has been no negative impact on the Company's earnings, competitive position and capital spending.

Currently, the Company's main parks are all located in China, where the environmental protection authorities have increasingly tightened control over the total amount of pollutant emissions. Therefore, the Company continues to improve environmental protection measures and actively develops energy conservation, carbon emissions reduction, wastewater recycling, and waste reduction technologies to reduce the Company's emissions and waste and to provide greater room for development in the Company's future expansion.

The Company has won the trust and support of various local governments and customers based on our outstanding performance in environmental protection tasks and active participation in government policies and green activities. We have also obtained green awards issued by the government and customers and created more favorable foundations for additional environmental resources for the future and corporate sustainable development.

### **Awards at Each Sites for Environmental Protection and Energy Conservation over the Past Two Years**

Year	Award	Manufacturing Sites
2024	Green supply chain management enterprise	Shenzhen Avary Park
	2023 Green Manufacturing and Excellent Environmental Protection Circuit Board Company in Guangdong Province	
	2024 Shenzhen Environmental Protection Credit Rating - Green Enterprise	
	Qinhuangdao City Standardized Management of Hazardous Waste "Training and Practice Base"	
	Model Environmental Protection Enterprise of Huai'an City in 2024	Huai'an First Park
	Model Environmental Protection Enterprise of Huai'an City in 2024	Huai'an Second Park
	Carbon Peak and Carbon Neutrality Pilot Site in Jiangsu Province	
2023	Environmental Integrity Enterprise (Green)	Shenzhen Avary Park
	Green Low-Carbon Pioneer Enterprise	
	2023 Provincial Water-Saving Benchmark Enterprise	
	Development Zone Water Saving Education and Social Practice Base	Qinhuangdao Hong Heng Sheng Park
	Jiangsu Province's Fourth Batch of Water Efficiency Leaders	Huai'an First Park
	National-level Green Factory	
	Excellent Environmentally Friendly Enterprise in Huai'an Economic and Technological Development Zone	Huai'an Second Park

2. Material capital expenditure on environmental protection anticipated for the next year:

Material capital expenditure on environmental protection anticipated in the next year consists mainly of construction conducted in response to future expansion of production in plants, stricter environmental protection regulations, and production capacity expansion. They also include capital expenditures for continuous improvements such as recycling various wastewater and waste resources and energy conservation and carbon emissions reduction.

Material capital expenditure on environmental protection anticipated for the next year:

Unit: NT\$ thousand

Subsidiaries and their locations	Capital Expenditure Item	2025	2026	2027
Avary (Shenzhen)	Pollution prevention equipment and construction	4,670	350	520
	Energy conservation improvement equipment and construction	-	-	-
Leading (Shenzhen)	Pollution prevention equipment and construction	-	14,470	-
	Energy conservation improvement equipment and construction	-	-	-
Hong Heng Sheng (Huai'an Comprehensive Bonded Zone)	Pollution prevention equipment and construction	3,500	2,425	1,900
	Energy conservation improvement equipment and construction	-	-	-
Qing Ding Precision Electronics (Huai'an Industrial Park)	Pollution prevention equipment and construction	36,993	165	165
	Energy conservation improvement equipment and construction	-	-	-
Hong Qi Sheng Precision Electronics (Qinhuangdao)	Pollution prevention equipment and construction	7,970	3,290	1,100
	Energy conservation improvement equipment and construction	-	-	-
Garuda Technology (Kaohsiung)	Pollution prevention equipment and construction	5,089	2,222	23,778
	Energy conservation improvement equipment and construction	-	-	-
Boardtek Electronics (Taoyuan)	Pollution prevention equipment and construction	2,067-	-	-
	Energy conservation improvement equipment and construction	-	-	-
Total		60,288	22,922	27,463

## **V. Labor-Management Relations**

**(I) List various employee benefit plans, continuing education, training, retirement systems, and the state of implementation as well as various employeeemployer agreements and measures for protecting employee rights and the interests of the Company:–**

### **1. Employee Benefits**

The employee welfare measures for the Company's employees in Taiwan include the National Health Insurance, Labor Insurance, and labor pension systems required by the Labor Standards Act of the Republic of China. We also provide employees with group insurance to protect their related benefits. The Company's group insurance in Taiwan includes a certain amount of term life insurance, accident insurance, hospitalization and medical insurance, cancer insurance, accident injury medical insurance, and occupational hazards insurance. In addition, employees' family members can also purchase the Company's group insurance with lower insurance premiums. Employees in China are required by law to contribute to social insurance (including pension, medical care, work injury, maternity, and unemployment insurance) and housing provident fund. In addition, the Company provides group commercial insurance for employees of grade 4 or above, including life insurance, accident insurance, major illness insurance, outpatient and inpatient insurance, hospitalization allowance, etc. Family members of key personnel can also join the Company's group insurance at a lower premium, and the Company provides annual health examinations for employees.

Employees are entitled to various benefits, in addition to special leave (statutory holidays, paid annual leave, marriage leave, bereavement leave, maternity leave, and paternity leave), retirement benefits, labor insurance, health insurance, and employee insurance (including endowment, medical care, work-related injury, maternity, and unemployment insurance) and housing provident fund according to relevant labor laws and regulations in each operating location. The Company also provides promotion and salary adjustment opportunities annually to reward outstanding performance of employees and issues production incentives, year-end bonuses based on the company's operational performance. We also offer other relevant welfare measures to ensure the well-being of our employees and protect their rights and interests in the workplace. Other related welfare measures are also implemented.

### **2. Employees' education and training status**

The Company believes that matching talent with suitable positions can enable employees to assist the Company in creating higher value. Therefore, we are committed to the two aspects of learning and talent development, allowing employees in management or technical positions to receive good development according to their individual characteristics and expertise. At each stage of development, employees can find corresponding training courses to meet their growth needs. To enhance the managerial capabilities of our various levels of supervisors, we have introduced a large number of courses corresponding to different levels.

We encourage employees to engage in self-directed learning and to grow together with the Company.

Talent is the most precious asset of the Company, and the growth of the Company is dependent on the learning and development of employees. Therefore, the Company's training system is centered around the company's strategic development, with the goal of becoming a learning organization. We actively promote self-learning and on-the-job training for our employees in their professional development. Internal training courses are as follows: Propose annual training needs survey -> Fill out needs surveys -> Formulate the annual education and training plan -> Submit for approval -> Formulate the monthly education and training plan -> Implement education and training -> Student participation -> Effectiveness review.

- Encourage multi-skilled workers and establish a talent training system

In response to the rapid changes in the global environment and to satisfy the different needs of manufacturing units and customers, the Company established a talent training system and designed education and training contents for corresponding job levels and departments to effectively integrate internal resources while systematically fostering all types of professionals required for organizational operations and development.

To this end, in 2024, the Company formulated educational plans for employees to encourage employees to choose different learning resources and learning methods according to their own needs, and introduced various management courses to improve the core competencies of managers at different levels. ZDT aims to provide solid and systematic support for managers at all levels and training for different management functions. The average student satisfaction score exceeded 95 points.

- Respect gender equality and provide equality education and training

In terms of gender equality in training, we follow the principle of gender equality and provide specialized training for all levels and job functions. The total number of employees who received the required training in 2024 was 48,141, with 18,879 female employees trained, accounting for 39%. Courses related to other professional fields and quality management, such as AI applications and quality control, are open to all employees, and participation in training is based on individual needs.

In 2024, the average learning hours per employee was 94.6 hours [total learning hours / average annual workforce (average number of employees at the end of each month)].

- Promote self-learning and the E-Learning platform

The Company introduced the online learning platform, Ding Sheng E-Learning College. It provides diverse learning and channels for various learning and development projects that meet organizational needs. Through the use and promotion of the internal learning platform, and the hybrid teaching method that combines the online and offline, ZDT

encourages employees to use their spare time to study. The Company also adopts the method of promoting learning through examinations to strengthen employees' learning efficiency and cultivate independent study habits.

At the same time, to encourage active participation among employees, we welcome employees to share their knowledge and upload shared courses. Up to now, most of our employees have become accustomed to the use and learning through the Ding Sheng E-Learning College learning platform. In 2024, a total of 6,742 internally developed courses were made available on the platform for employees, with the learning rate reaching 97%.

### 3. Succession plan for important management

The Company adopts a rotating CEO system to train its successors. Executive meetings with the Chairman of the board, the president, and various department heads are held regularly to discuss and select teams of potential successors from top-level management, plan the paths of development, and review schedules. Training methods include courses and online training course for improving leadership and business combat ability. The training model is divided into management ability, professional ability, overseas engagement, CMBA, language learning, and personal development plan. Key talents are assigned important tasks and rotated to other job roles to increase their training experience and accelerate their personal development. These people are given priority to fill relevant job vacancies.

Since the launch of the key talent development program, members including the chairman, president, and vice presidents of the Group attend weekly meetings to provide resolutions on management talent recruitment, job promotions, overseas business trips, and career development plans and confirm whether such resolutions are executed. The president of the Company and various excellent-performing vice presidents of the Group are also included for consideration as the potential successor of members of the Board of Directors.

The Company advances the successor training program and remains committed to improving the internal work environment. We provide reasonable remuneration and promotion system to strengthen the connection between the performance of senior management and the Company and reduce the risks of turnover of senior managerial officers and other important employees.

### 4. Retirement system and the status of implementation

To take care of employees' post-retirement lives and to enhance the spirit of service during their employment, the Company has established employee retirement programs according to the Labor Standards Act and Labor Pension Act to ensure employees in Taiwan receive a fixed pension fund.

For employees under the old labor retirement system, the Company has established retirement and pension management regulations in accordance with the Labor Standards Act. The Company also established the Supervisory Committee of the Labor Retirement Reserve in

accordance with regulations. The labor retirement reserve fund is appropriated each month in accordance with the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" to the Committee's dedicated account in the Central Trust of China and managed by the Committee. Since July 1, 2005, in conjunction with the implementation of the "new system" stipulated in the Labor Pension Act, for employees who were covered by the Labor Standards Act and opt for the new system or employees who commence their job after the new system is implemented, their seniority shall be calculated by the defined contribution plan. The Company shall pay pension by allocating 6% of the employee's monthly salary to the personal labor pension account established for each employee. Employees may also choose to allocate 0% to 6% of their monthly salary to their personal pension account; once employees meet the legal retirement age prescribed by the government, they may apply for monthly pension payments or a lump-sum pension payment from the government.

The Company's subsidiaries in China set aside pension insurance based on the mandatory ratio in accordance with the retirement and pension system required by the government of the People's Republic of China. All pension funds of current and retired employees are organized and managed by local governments.

## 5. Protection measures for agreements between the employer and employees and all employee rights

The successful fulfillment of the Company's operation targets relies on employees' dedication and contributions. Therefore, the Company has always focused on cultivating a harmonious relationship between labor and management. The Company upholds the ideals of creating mutual prosperity to take care of employees and we designed salary, benefit, and training policies for employees' interest and providing personal work satisfaction and a good work environment. Both labor and management work hard to pursue growth for the Company.

The Company's internal control system and management regulations clarified the duties and interest of employees on all levels in all departments. We also specified Work Rules in the Employee Handbook to protect their rights and interests. We established the Employee Welfare Committee to organize various employee activities. We also provide incentives in the form of rewards, salary adjustments, bonuses, and promotions based on performance evaluations.

The Company's subsidiaries in Taiwan established labor meeting systems in accordance with laws and they convene labor-management meetings each quarter to facilitate bidirectional communication and coordination on the Company's recent and future policies and form consensus. Employees can also use the Company's employee opinion box, digital platform, and other grievance channels to propose recommendations and feedback to the Human Resources Department or senior managers to maintain good relations and protect employees' legal rights.

The Company's main sites for operations are provided with social welfare funds that

correspond to the social security and welfare system required for each site to protect employees' rights and interests in work.

## 6. Human Rights and Employee Policy, and Employee Code of Conduct

### (1) Human Rights and Employee Policy

The Company believes that “talent” is the key to corporate development. Therefore, the Company always insists on upholding the core values of “Integrity, Responsibility, Innovation, Excellence, and Altruism” and actively develops a tolerant, diverse, and inclusive workplace and a system for cultivating, hiring, and retaining talents. From cooperative education to the development of various expertise, general knowledge, management, and talents, we offer a comprehensive range of training and fostering programs to make our employees competent enough to grow and develop together with the company.

As of the end of 2024, the total number of formal employees in the Company is 31,634 males and 16,507 females. The number of non-formal (contracted) employees is 500 males and 420 females. All employees of the Company are full-time employees. The Company has employed 234 persons with disabilities. The most common types of non-employee workers in the Company are construction workers and non-regular project contract workers, such as equipment maintenance, renovation projects, and some regular contract workers such as security guards, cleaners, restaurant and landscaping workers. The work of non-employee workers is planned and executed differently according to different projects. The total work hours of non-employee workers in 2024 was approximately 5,625 person-years. Note: The calculation of the number of non-employee workers is estimated based on the total work hours, expressed in person-years (assuming 250 working days and 8 work hours per day in 2024).

Category	Group	Male		Female		Subtotal of groups and the ratio	
		Number of people	Percentage (%)	Number of people	Percentage (%)	Total	Percentage (%)
Nationality	China	29,963	94.72	15,227	92.25	45,190	93.87
	Taiwan	1,190	3.76	678	4.11	1,868	3.88
	India	176	0.56	219	1.33	395	0.82
	Thailand	116	0.37	82	0.50	198	0.41
	Philippines	148	0.47	273	1.65	421	0.88
	Vietnam	23	0.07	17	0.10	40	0.08
	Other	18	0.06	11	0.07	29	0.06
Total		31,634	100	16,507	100	48,141	100

### (2) Employee Code of Conduct

The Company has established the "Employee Code of Conduct", "Code of Ethical Conduct", "Procedures for Handling Material Information", and related regulations for

compliance by all employees in order to establish good conduct for employees, encourage compliance with ethical standards, and provide employees with a deeper understanding of the Company's moral standards. The "Employee Code of Conduct" is described as follows:

- A. New employee guide: The guide allows new employees to quickly learn about the Company's environment and operations of related attendance systems after reporting for duties.
- B. Employee Handbook: The Work Rules are specified in the Employee Handbook as well as the Ding Sheng e-learning platform for employees' reference and compliance to protect their rights and interests. The main chapters contain the following items:

Item	Description	Item	Description
A	Working hours, leave, and holidays	J	Business travel
B	Extended unpaid leave and reinstatement	K	Discharge, layoff, and resignation
C	Attendance management	L	Retirement
D	Salary	M	Occupational injuries, illnesses, and compensation
E	Overtime work	N	Industrial safety and sanitation
F	Rewards and penalties	O	Communication between labor and management
G	Performance evaluation	P	Sexual harassment prevention
H	Benefits	Q	Confidentiality regulations, etc.
I	Education and training		

- C. Employment Agreement: The Agreement specifies terms the employee must abide by after negotiations between labor and management to protect the interests of both parties. The main terms are as follows:

Item	Description	Item	Description
A	Terms of services	F	Information security
B	Intellectual property right ownership	G	Integrity and self-disciplinary clause
C	Non-infringement guarantee	H	Non-compete clause
D	Confidentiality	I	Avoidance of conflicts of interest, etc.
E	External communication		

**(II) List the losses suffered due to labor disputes in the most recent fiscal year up to the publication date of the Annual Report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason:** The Company has always enjoyed a harmonious relationship between labor and management and there are no labor disputes or losses in the most recent year and up to the publication date of the Annual Report.

## VI. Cyber Security Management

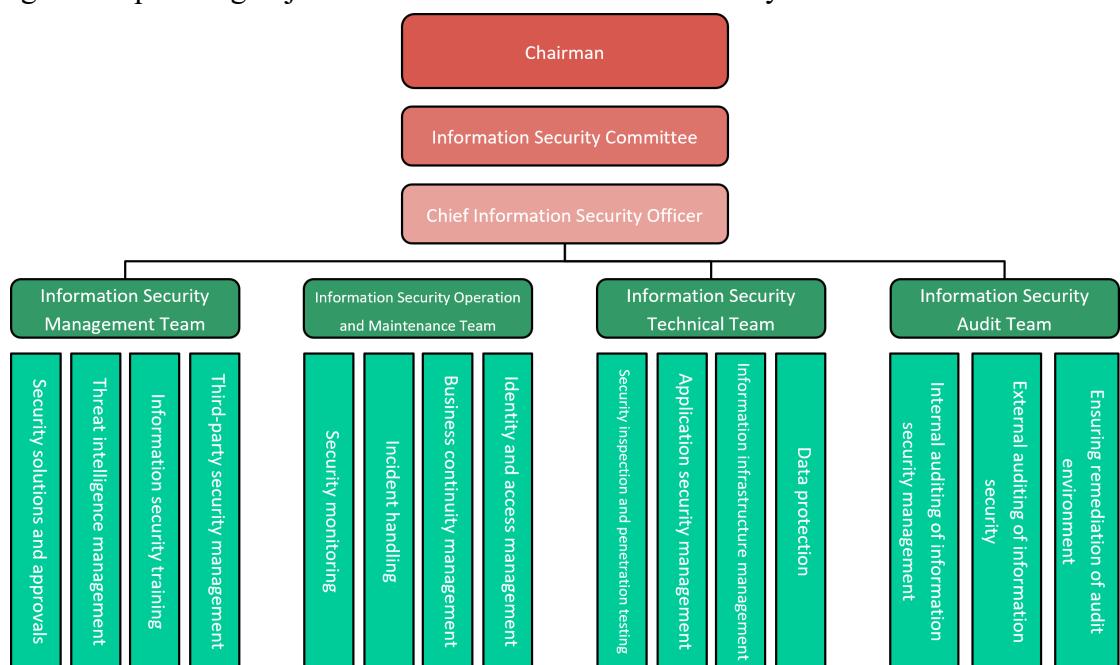
### (I) Status of resources for information security risk management structure, information security policies, specific management solutions, and resources invested in information security management:

#### 1. Information security risk management framework

To effectively implement its information security management policy, the Company has established a dedicated Information Security Department in addition to its existing Information Technology Department, which is responsible for system infrastructure. The Chief Information Security Officer serves as the highest authority overseeing the Group's IT security. The Information Security Department is organized into four specialized teams: the Information Security Team, Information Security Maintenance Team, Information Security Technical Team, and Information Security Audit Team, which are all staffed by dedicated Information Security Department personnel. Additionally, an Information Security Governance Task Force has been formed, with each department assigning representatives to serve as members responsible for communicating and enforcing information security policies, thereby ensuring the Company's operations remain stable.

To expand and implement information security management, the Company established the Information Security Committee in 2021, which is chaired by the Chief Information Security Officer and responsible for overseeing information security management. The Committee reports directly to the Chairman of the Board. It is composed of senior management members and holds quarterly meetings to establish and review information security goals, policies, and procedures.

At the same time, the Company established the Audit and Risk Committee under the Board of Directors. It is responsible for overseeing and guiding the Group's management strategies and planning objectives related to information security.



## 2. Information security policy

Our information security strategy is focused on three dimensions of information security governance, compliance, and technology to provide comprehensive protection of information security at the institutional to technical level and individual to organizational level. To strengthen information security management, the Company not only plans network frameworks by using the most rigorous IT requirements, but also establishes an information security policy, which states: "When maintaining the confidentiality, integrity and availability of the Company's information to avoid situations in which human negligence and deliberate sabotage lead to improper use, leakage, tampering, damage, and loss of assets, or situations in which assets are unavailable due to natural disasters, thereby affecting the business continuity and compromising the company's interests." The Company controls the likelihood of information security incidents by employing information security policies, contingency mechanisms, and IT infrastructure.

Information security for product design and manufacturing. The Company manufactures PCBs and not end products, therefore it is not applicable.

## 3. Information security risk management

The Company actively plans and deploys information security measures and constantly improves the information security environment to reduce information security risks. In terms of management, the Company develops management regulations covering the aspects of policy development, organizational responsibilities, personnel safety, document control, asset management, communications and operational management, interview control, physical environment, system development and maintenance, business continuity management, information security event management, and compliance. In terms of technology, the Company has installed firewalls, intrusion detection system, email security system, operating system automatic detection and update, anti-virus systems, network access control system, security monitoring system, and vulnerability scanning system. At the end of every year, the Information Security Committee conducts reviews on the status of information security operations, risk control, and event corrections and uses the results to control and reduce information security risks. The Company organizes internal reviews and management reviews at least once a year, but not more than 12 months apart, to check the presence or absence of information security risks and to adopt corrective and preventive measures in a timely manner to ensure the continuous operation of its businesses.

## 4. Employee information security training

Personnel training is focused on educating new employees on the importance of information security. Information security education and training has been established in the knowledge management system and new employees must complete the courses within the specified time. Regularly conduct social engineering drills throughout the Company to improve information security awareness among employees. Promotional videos are shown on the company's large electronic billboards. The plants also posted information security

promotional posters, and the company's monthly publication included information security knowledge. The Company aims to use diversified methods to convey the company's information security regulations and concepts. In order to strengthen the information security response capabilities and establish a comprehensive defense consisting of all staff, the Company has formulated security incident management procedures. Employees can follow these procedures to report incidents, accelerating the early warning, monitoring, and notification of information security incidents, and improve the information security incident response capabilities. Clearly stipulate information security rewards and penalties system in the Employee Handbook.

24,999 hours of information security training courses were provided in 2024 to a total of 126,105 people. In order to prevent cyberattacks and collect network postures, an average of 56,635 cyberattacks and 106,269 malicious emails are blocked each month to prevent malicious behavior from causing company losses.

##### 5. Impact of on the Company's finance and specific management measures

Information security management type	Related operations
System accessibility	Monitoring system and network availability The remote data recovery system ensures the complete restoration of data Regularly rehearse the data recovery process for disasters Data response measures for service interruptions
External threats	Malicious virus and software attack detection and data loss prevention Computer vulnerability detection and update
Access management	Settings management for personnel accounts and access Regularly review accounts and permissions for necessary operations Access management for important server rooms
Access control	Restrict data and file access Data access records Important data is encrypted according to the rules

- Four information security management meetings were convened by the Company in 2024 to review the information security policies of each unit and their implementation status. No dangerous information security incidents occurred in the year. No information security incidents or customer information security violations leading to fines occurred between 2022 and 2024.

- 29 back up drills were organized this year. where
  - A total of 13 main back up equipment switching, and 16 back up data recovery tests in Shenzhen, Huai'an and Qinhuangdao.
- The initial issue date for ISO 27001 certification was 5/8/2020, valid until 10/31/2025
  - The re-review approval date for Avary Holding (Shenzhen, Huai'an, Qinhuangdao) certification was 5/9/2024.
  - The re-review approval date for Leading Interconnect Semiconductor Technology (Shenzhen and Qinhuangdao) certification was 9/30/2024.

## 6. Information and communication technology (ICT) equipment security management

The IT equipment carried by control personnel when entering server rooms, production lines, and restricted areas shall be controlled according to access permissions for the networks, computers, operating systems, and applications of different units in the Company. The Company has stipulated business continuity management procedures. We classify the different systems and established business continuity management mechanisms to ensure that operations are not interrupted. Back up recovery drills are conducted at least once every 6 months to ensure the quick restoration of operations during security incidents or disasters. This will reduce risk and minimize the losses caused by incidents and disasters.

## 7. Network and anti-virus management

In order to prevent cyberattacks and the collection of posture, the Company has established firewalls, defense systems, email filtering systems, and anti-virus protection systems. External information security experts were engaged to perform penetration testing, social engineering drills, and other information security assessments, in order to establish a safe work environment and ensure sustainable management. From 2022 to 2024, there were no violations of information security related laws and regulations and information security incidents. The Company did not report of any customer complaints as a result of privacy infringement or loss of customer information.

## 8. Confidential customer information protection

The Information Security Committee was officially established in 2021 under the Chairman. It holds Information Security Committee work meetings every quarter and Information Security Governance Implementation Team exchange meetings every month. Through the Information Security Governance Implementation Team, information security management, review guidelines, and directions are conveyed to the entire company, and information security policies and management are adjusted. The Chief Information Security Officer is responsible for supervising information security management operations, and each department-level unit nominates officers to promote and implement information security policies. On May 8, 2020, the Company successfully passed the annual review conducted by

an external verification organization and received a certificate of compliance. This was done to establish a safe and reliable information operating environment and protect the Company's computer data, systems, equipment and network security, based on the three ICT security principles of "confidentiality, integrity and availability" in order to protect the non-repudiation, verification and accountability of the overall information assets.

In order to ensure the confidentiality of business secrets of the Company and customers, the data is managed by grades and categories, the information of products and customers is properly communicated, a special security area is set up for customer secrets, and access to the network, computers and personnel is controlled. The Company specifies items to be managed for information security, including personnel training, information equipment security management, network and anti-virus management.

**(II) In the most recent year, and as of the printing date of the annual report, if the damages, possible effects, and response measures of major information security incidents cannot be reasonably estimated, the reason for being unable to provide a reasonable estimation should be explained:** The Company has not suffered any loss or impact due to information and communication security incidents.

## VII. Important Contracts

No.	Nature of the Contract	Counterpart	Commencement Date/Expiration Date	Main Content	Restrictive Terms
1	Syndicated Loan Contract	Bank consortium including Chinatrust Commercial Bank, Mega International Commercial Bank, Taipei Fubon Commercial Bank, and Citibank (Taiwan)	3 years from the signature date June 2, 2023 to the drawdown date (5 years if the credit extension period is renewed in accordance with the contract)	The Company signed a syndicated loan contract with a total credit extension amount of US\$450 million with a consortium of banks including Chinatrust Commercial Bank	Financial Standards
2	Sales	Company BW	From October 20, 2024 to October 19, 2026	Framework Agreement	Confidentiality
3	Sales	Company BX	From June 3, 2024 to June 3, 2026	Framework Agreement	Confidentiality
4	Sales	Company BY	From March 6, 2024 to March 5, 2025	Framework Agreement	Confidentiality
5	Sales	Company BZ	From January 15, 2024 to January 14, 2027	Framework Agreement	Confidentiality
6	Sales	Company CA	From November 10, 2023 to November 9, 2028	Framework Agreement	Confidentiality

## CHAPTER 6. Review and Analysis of Financial Position and Financial Performance and Risk Issues

### I. Financial Conditions

Unit: NT\$ thousand; %

Item	Year	2023	2024	Difference	
				Amount	%
Current assets		114,045,673	132,508,624	18,462,951	16.19%
Property, plant and equipment		105,713,497	110,172,595	4,459,098	4.22%
Intangible assets		2,313,206	2,096,679	-216,527	-9.36%
Other non-current assets		1,075,191	2,046,938	971,747	90.38%
Total assets		242,775,665	265,993,292	23,217,627	9.56%
Current liabilities		78,939,342	69,204,250	-9,735,092	-12.33%
Non-current liabilities		29,510,475	44,765,432	15,254,957	51.69%
Total liabilities		108,449,817	113,969,682	5,519,865	5.09%
Capital		9,470,492	9,566,525	96,033	1.01%
Capital reserve		38,555,914	40,540,212	1,984,298	5.15%
Retained earnings		53,048,936	59,158,398	6,109,462	11.52%
Other equity		-5,120,220	-189,408	4,930,812	-96.30%
Treasury stock		-257,489	-257,489	-	0.00%
Total equity		134,325,848	152,023,610	17,697,762	13.18%

Explanation of material changes: (changes in the amount of more than 10% and more than 1% of the total assets of the current year)

- (1) Current assets: Mainly due to cash increases.
- (2) Property, plant and equipment: Invested in plant expansions and machinery and equipment procurements to meet production capacity increase requirements for long-term development.
- (3) Non-current liabilities: Mainly due to the increase in long-term borrowings.
- (4) Other equity: Mainly due to exchange rate fluctuations, affecting the amounts from financial statement conversion.

Source: CPA-audited Consolidated Financial Report for 2023 to 2024

## II. Financial Performance

Unit: NT\$ thousand; %

Item	Year	2023	2024	Variation	
				Amount	Proportion of change (%)
Operating revenue		151,398,038	171,663,845	20,265,807	13.39%
Operating costs		-123,938,549	-139,203,083	-15,264,534	12.32%
Gross profit		27,459,489	32,460,762	5,001,273	18.21%
Operating expenses		-18,299,805	-20,875,126	-2,575,321	14.07%
Operating profit (loss)		9,159,684	11,585,636	2,425,952	26.49%
Non-operating income and expenses		888,234	3,459,339	2,571,105	289.46%
Net profit before tax		10,047,918	15,044,975	4,997,057	49.73%
Net profit of this period		9,431,853	13,096,478	3,664,625	38.85%
Comprehensive income or loss (net value after tax) in this period		-1,253,016	6,987,527	8,240,543	-657.66%
Total combined income for this period		8,178,837	20,084,005	11,905,168	145.56%
Explanation of material changes: (changes in the amount of more than 10% and more than 1% of the total assets of the current year)					
(1) Operating revenue: Mainly due to increase in revenue resulting from the Company's continued development of PCB applications and markets in various sectors.					
(2) Gross profit: Same as the explanation for (1) revenue.					
(3) Operating expenses: Mainly due to the need to increase development capabilities.					
(4) Operating profit (loss): Same as the explanations for (1) revenue, and (3) operating expenses.					
(5) Net profit before tax: Same as the explanations for (1) revenue, and (3) operating expenses.					
(6) Net profit of this period: Same as the explanations for (1) revenue, and (3) operating expenses.					
(7) Comprehensive income or loss (net value after tax) in this period: Caused mainly by increased exchange differences in financial statements of overseas operations.					
(8) Total combined income for this period: Same as explanation for (1) revenue, (3) operating expenses, and (7) comprehensive income or loss (net value after tax) in this period.					

Source: CPA-audited consolidated financial report for 2023 to 2024.

### III. Cash Flow

#### (I) Analysis of cash flow changes over the most recent fiscal year

Unit: NT\$ thousand; %

Item \ Year	2023	2024	Increase (decrease) amount	Percentage of change (%)
Operating activities	33,598,641	30,384,822	-3,213,819	-9.57%
Investing activities	-25,730,345	-8,146,896	17,583,449	-68.34%
Financing activities	-495,103	-7,150,610	-6,655,507	1,344.27%

Analysis of changes:

- (1) Decrease in net cash inflow from operating activities: The increase in accounts receivable and payable is mainly due to the growth in business operations, the increase in accounts receivable and payable which are not due, and previous inventory sales.
- (2) Decrease in net cash outflow from investing activities: Mainly due to the decrease in the amount spent on company facilities and equipment purchases and the expiration of fixed deposits held in banks for more than three months in the previous period.
- (3) Increase in net cash outflow from financing activities: Mainly due to the issuance of new convertible bonds, the redemption of previously issued convertible bonds, and the use of capital raised from bond issuance and operating cash flow growth to repay short-term borrowings.

Source: CPA-audited consolidated financial report for 2023 to 2024.

#### (II) Cash liquidity analysis for the following year:

Unit: NT\$ thousand

Cash balance at beginning of the period	Estimated net cash flow from operating activities in the entire year	Estimated net cash flow from financing and investing activities in the entire year	Cash surplus (inadequacy) amount	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
79,502,013	24,154,233	-24,028,749	79,627,497	-	-

### IV. Impact of Major Capital Expenditures on Corporate Finances and Business for the Most Recent Year: None.

### V. Investment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Profitability, and Investment Plans for the Coming Year

#### (I) The Company's investment policy

The Company currently focuses on investments in related PCB industries and does not

engage in investment in other businesses. The Company's related departments execute investments based on the "investment cycle" in the internal control system and the "Procedures for the Acquisition or Disposal of Assets". Long-term investment strategies are focused on bolstering the core competitiveness of our main business activities, strengthening technological capability and meeting customers' overall requirements.

(II) Main reasons for gains or losses in the investments in other businesses in the most recent year:

Unit: NT\$ thousand

Investments in other businesses	Profit or loss in the most recent period	Explanation
Monterey Park	11,097,954	Mainly attributed to recognition of profit or loss from investment in investees
Zhen Ding Technology Co., Ltd.	-62,737	Mainly routine management expenditures
BoardTek Electronics Corp.	-390,659	Mainly attributed to adjustment of product structure
ZDT Singapore	32,161	Mainly attributed to recognition of profit or loss from investment in investees
Coppertone	10,900,177	Mainly attributed to recognition of profit or loss from investment in investees
Mayco	10,901,344	Mainly attributed to recognition of profit or loss from investment in investees
Pacific Fair	1,290,573	Mainly attributed to recognition of profit or loss from investment in investees
FAT Holdings	38,464	Mainly profits from interest income
Leading HK	-53,738	Mainly routine management expenditures
BoardTek Investment (Note 1)	5,449	Mainly profits from interest income
Garuda HK	-1,442,984	Mainly due to operational expenditures.
Avary Singapore	-512,027	Mainly attributed to recognition of profit or loss from investment in investees
Avary Japan (Note 2)	-363	Mainly routine management expenditures
Avary India	-468,138	Mainly attributed to the developments in the early stages
Garuda Technology Taiwan	-552,690	Mainly attributed to the increase in initial expenses incurred during the establishment of the new factory
ZDT India	-79	Mainly routine management expenditures
ZDT Developer India	31,805	Mainly profits from interest income
Peng Shen Thailand	-39,158	Mainly attributed to the developments in the early stages
Avary Holding (Shenzhen)	11,814,092	Mainly attributed to growth in revenue
Fu Bo Industrial (Shenzhen)	49,256	Mainly attributed to profits from leases

Investments in other businesses	Profit or loss in the most recent period	Explanation
Hong Qi Sheng (Qinhuangdao)	5,387,376	Mainly attributed to growth in revenue
Hong Heng Sheng Precision Electronics Technology (Huai'an)	117,759	Mainly attributed to growth in revenue
Yu Ding Precision Electronics (Huai'an) (Note 3)	2,719	Mainly attributed to profits from leases
Qing Ding Precision Electronics (Huai'an)	3,409,618	Mainly attributed to growth in revenue
Kui Sheng (Shenzhen)	14,846	Mainly attributed to profits from processing services
Jiawei Industry (Huai'an)	3,683	Mainly attributed to profits from dividends
Avary Investment (Shenzhen)	-10,097	Mainly attributed to the recognition of losses from investments
Zhan Yang (Dongguan)	3,080	Mainly attributed to growth in revenue
Leading (Shenzhen)	-1,184,053	Mainly attributed to the developments in the early stages
Leading (Qinhuangdao)	-241,321	Mainly attributed to adjustment of product structure
Avary Property Management (Shenzhen)	3,595	Mainly attributed to profits from property income
Avary Investment partners	-1	Mainly routine management expenditures
Huai'an Shengxin	215	Mainly profits from interest income

Note 1: On August 15, 2024, BoardTek Electronics Corporation absorbed Boardtek Investment Co., Ltd. in a merger.

Note 2: The Group adjusted its investment structure in 2024. The liquidation of Avary Japan Co., Ltd. was completed in the third quarter.

Note 3: On August 31, 2024, Qing Ding Precision Electronics (Huai'an) Co., Ltd. absorbed Yu Ding Precision Electronics (Huai'an) Co., Ltd. in a merger.

### (III) Investment plans for the next year:

The Company shall investment plans for the next year shall consist of investment in subsidiaries in China or other regions. They shall be processed based on customers' orders and demands in accordance with related investment evaluation and decision-making procedures.

## **VI. Risk Management, Analysis, and Assessment of the Most Recent Year as of the Publication Date of the Annual Report**

### **(I) Risk management policies**

- (1) To strengthen the Company's risk governance and enhance the effectiveness of functional committees, the Board of Directors resolved on December 26, 2024, to merge the original Risk Management Committee under the Board into the Audit Committee, renaming it the "Audit and Risk Committee". The Committee assists the Board in promoting risk management and corporate governance. It is required to report the implementation status to the Board at least once a year to ensure stable business operations and support the Company's pursuit of sustainable development goals.

Four major risk management aspects are defined according to the risk management policies: operational, strategic, financial, and hazard event aspects. Control implementation plans for the fourteen risk factors are formulated through internal and external environment analyses. Through risk identification, assessment, control, and supervision processes, the scope of each risk is clearly understood, and daily rolling management is carried out using measures such as PDCA (Plan, Do, Check, Act).

To achieve the goal of corporate sustainable development, the Company analyzes the impacts and challenges that the Group may face in the course of its operations. It must continue to pay attention to the threats to enterprises posed by changes in the international political and economic situation, as well as the risks brought about by false and fabricated information. According to the Global Risks Report released by the World Economic Forum on January 15, 2025, among the top ten emerging risks in the past two years, the shifting international political and economic landscape poses a significant threat to corporate sustainability. These risks include issues such as international armed conflicts, social polarization, inequality, and involuntary migration. In addition, the risk posed by misinformation and disinformation cannot be ignored. This is defined as the widespread and persistent spread of false information (whether intentional or unintentional), which has a huge impact on public opinion. This leads to the distrust of facts and authority, and involves falsification, impersonation, and manipulation. These risks remind us that we should be more cautious in responding to various challenges in the ever-changing global landscape.

The 2024 risk management implementation results were reported to the Board of Directors and Audit and Risk Committee on March 11, 2025.

### **(2) Risk management framework**

- A. The Audit and Risk Committee is established under the Board of Directors and is composed of all independent directors. The committee oversees risk management mechanisms to fully handle the risks faced by the Company.
- B. Under the Audit and Risk Management Committee, the Risk Management

Executive Task Force is established, composed of the highest executives of each business unit, with the Head of Chairman's Office serving as the convener, to assist and supervise the implementation of risk management activities in each department. The Task Force also helps the Board of Directors promote risk management and enhance corporate governance to fulfill the purpose of risk management.

C. The Risk Management Working Group is established under the Risk Management Executive Task Force. It is responsible for reporting the Company's risk management policies, assisting each business unit in executing risk management-related operations, and compiling implementation reports to the Risk Management Executive Task Force.

(3) Duties of risk management

A. **Board of Directors:** Approve risk management policies, procedures, and frameworks; Ensure alignment of operational strategies with risk management.

B. **Audit and Risk Management Committee:**

- Review risk management policies, procedures, and frameworks according to the risk management decisions of the Board of Directors.
- Review the implementation of risk management, propose necessary improvement suggestions, and regularly review its applicability and implementation performance. Oversee risk management mechanisms to fully handle the risks faced by the Company and report to the Board of Directors at least once a year.

C. **Roles and Responsibilities of Business Units:**

- Identify, analyze, evaluate, and respond to risks within their units, establishing crisis management mechanisms when necessary;
- Ensure the effective implementation of risk management and related control procedures of their respective units to comply with risk management policies and assist and supervise the execution of risk management activities of each department.
- Regularly report risk management information to the risk management promotion and implementation units.

D. **Risk Management Working Group:**

- Develop risk appetite (tolerance levels) and establish qualitative and quantitative measurement standards;
- Analyze and identify sources and categories of company risks, periodically reviewing their applicability;
- Consolidate and report on the implementation of risk management activities;
- Assist in supervising risk management activities across departments;
- Coordinate cross-departmental interaction and communication in risk

management operations;

- Implement risk management decisions made by the Group.
- Plan relevant risk management training to enhance overall risk awareness and culture.

#### (4) Risk management procedure

In order to strengthen the risk management functions, the Group's risk management is based on risk identification, risk assessment, risk control, risk supervision, and communication. The Company clearly understands the scope of all risks and continues to effectively improve and control the risk factors through CAPDCA. This will decrease the probability and severity of losses caused by the risks. To comply with the principles of sustainable development and fulfill our responsibilities as global citizens, we refer to the emerging risk issues facing the Group in terms of operational impacts and challenges as proposed by economic forums worldwide. We review potential operational impacts and challenges that the Group may face in the medium to long term, identifying and implementing appropriate regulatory measures early on to effectively manage risks and respond promptly:

##### **A. Risk identification (Internal and external environment analysis):**

We conduct internal and external environmental analyses and risk identification based on operational factors such as environmental, social, and corporate governance considerations. Operational, strategic, financial, and hazard event aspects are defined according to the Group's risk management policies. Control and implementation plans have been formulated for 14 major risk factors. We utilize rolling management practices including risk identification, assessment, control, supervision, and communication to address various risks. The categories of risk factors include:

<b>Operations</b>	<b>1. Market risk:</b> Includes changes in market trends, shifts in product demand, fluctuations in raw material prices, and risks associated with customer and supply chain performance.
	<b>2. Regional risks:</b> Examines the impact of changes in local political and economic conditions on company operations at various locations.
	<b>3. Information security risk:</b> Focuses on the operation, maintenance, and management of information security software and hardware, as well as employee education and awareness.
	<b>4. Supply chain risk:</b> Addresses imbalances in the supply chain caused by environmental changes, and changes in domestic and international political and economic conditions.
	<b>5. Quality process risks:</b> Involves the prevention and response to operational issues related to product, material, manufacturing, and packaging quality management.
	<b>6. Industrial security risk:</b> Addresses hazards in the work environment, including accidents, fires, explosions, chemical spills, and other forms of environmental pollution.
	<b>7. Human resources risks:</b> Involves issues related to labor management, employee environment, and welfare.

	<b>8. Risks related to intellectual property rights:</b> Focuses on risks and response measures related to intellectual property rights and the impact of changes in domestic and international policies and laws on the Company.
Strategy	<b>1. Strategic risk:</b> Considers the impact of the Company's development direction, products, pricing, technology positioning, and supply chain management on its operations.
	<b>2. Risks of business ethics:</b> Examines compliance with legal regulations, environmental and community responsibilities, protection of company data and assets, prevention of bribery, money laundering, and unfair competition.
Finances	<b>1. Investment risk:</b> Evaluates the internal and external environment of various investments, their benefits, and investment management. <b>2. Finance and tax risks:</b> Reviews the impact of changes in financial and tax policies in different regions and international financial situations on company interests and events.
Hazardous Events	<b>1. Natural disaster risks:</b> Addresses the prevention and response capabilities for various natural disasters such as typhoons, heavy rain, earthquakes, lightning strikes, fires, explosions, epidemics, and infectious diseases (e.g., COVID-19, SARS, avian flu), high temperatures, and heatwaves.
	<b>2. Environmental risk:</b> Considers the long-term impact of natural environmental changes on the Company and the measures taken to address them, including carbon neutrality and climate change.

#### B. Risk assessment:

The subsidiaries of the Group have all implemented the "Risk and Opportunity Management Procedures". Each functional unit identifies the potential risk factors they may face, which can be conducted using methods such as "Failure Mode & Effect Analysis (FMEA)" and "SWOT analysis". Additionally, they may establish their own identification and evaluation criteria to identify and assess different risk projects and risk levels, subsequently implementing appropriate controls. Based on risk assessment, three characteristic indices - "severity," "frequency," and "detectability" - are summarized to express the likelihood and impact of risk occurrence, serving as the basis for prioritizing risk control and selecting response measures.

#### C. Risk control:

- For daily operational risks of each business unit, rolling CAPDCA risk control is conducted by each business unit.
- For significant crisis events across departments or plants, risk assessment is conducted across departments or plants. The convener of the Risk Management Executive Committee or their designated person is responsible for directing and coordinating, identifying feasible strategies for preventing crisis events, and developing crisis handling procedures and recovery plans based on the crisis event.
- After assessing and summarizing risks, each functional unit monitors business risks under its jurisdiction, proposes appropriate response measures, and provides Risk Management Working Group with risk and response measures for review and tracking.

#### **D. Risk monitoring:**

For the above categories, periodic rolling reviews are conducted to comprehensively record the results of risk management implementation to gauge the effectiveness of risk management plans and related control operations. The Risk Management Working Group is required to submit annual plans and implementation status to the Risk Management Executive Task Force and hold at least two meetings per year to report and explain the implementation results to the Audit and Risk Committee. Internal auditors periodically and irregularly review the implementation of risk management procedures and controls and report to the Board of Directors based on various risk levels.

#### **(5) Implementation of risk management education and training in 2024**

To strengthen the risk management culture, annual risk management-related education and training are implemented, requiring the participation of all employees, including board members. Regular and irregular courses related to internal and external risk management scopes are held each year. These courses are included in the annual performance evaluations for employees and supervisors. The aim is to embed risk awareness into daily operations and life education, effectively enhancing the promotion and execution of risk management activities. In 2024, the Group's risk management education and training hours totaled 5,423 hours, with a total of 242 participants, including the Board of Directors, Risk Management Executive Task Force, Risk Management Working Group, and seed instructors as follows:

	<b>Training: 0-25 hours</b>	<b>Training: 26-50 hours</b>	<b>Training: 51-100 hours</b>	<b>Training: Over 100 hours</b>
<b>Independent Director</b>	4 people	0 people	0 people	0 people
<b>Responsible personnel</b>	169 people	63 people	5 people	1 person

#### **(6) Award-Winning and Highlighted Projects in 2024**

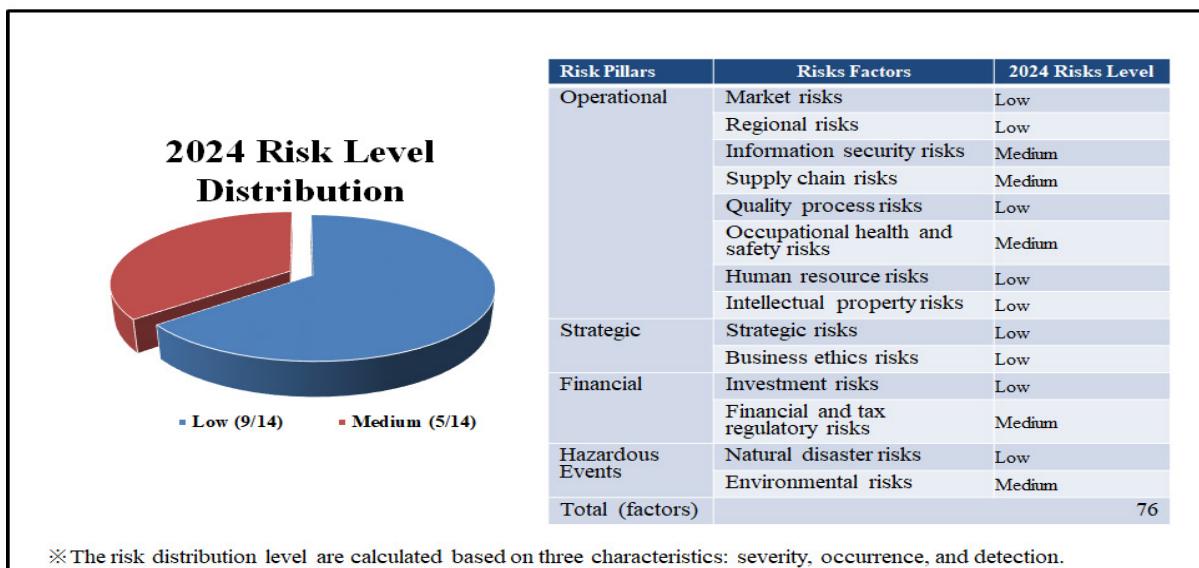
- The Group was awarded the ISO 3100:2018 Risk Management System Certificate and COSO ERM Compliance Certificate and Report by DNV Gold Medal Certification.
- In 2024, the Shenzhen Park won the Shenzhen Manufacturing Enterprise Quality Control Capability Award: Excellence in Risk Management
- On June 14, 2024, the "Risk Management Whistleblower and Protection Management Measures" were approved to establish a Risk Whistleblower Center, providing stakeholders with a channel to identify potential risks. As of the end of December, no risk whistleblowing cases were received.
- The risk management seed instructor system was launched in 2024, and a total of 226 seed instructors were trained.

(7) Follow-up on the six monitoring indicators set in the 2023 audit results: According to the analysis results of the 2023 risk matrix, there are 6 risk items that fall within the set indicator monitoring areas. The status of follow up and implementation in 2024 is as follows:

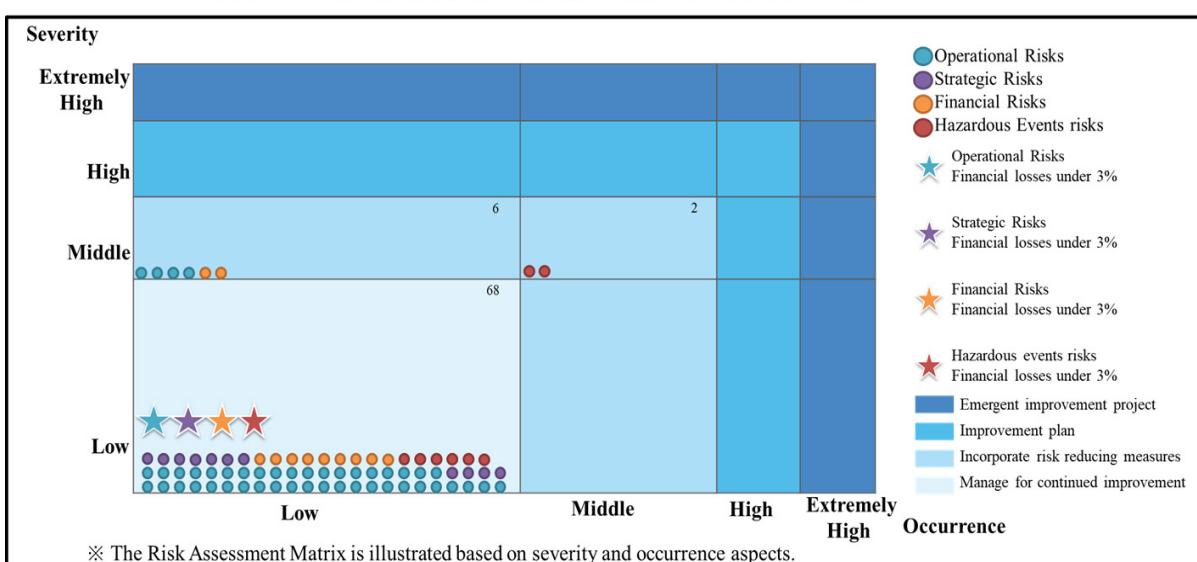
Risk items	Risk factors	Risk management policies	Reporting of set monitoring indicators
Manufacturing abnormalities	Quality process risks	Operations	In accordance with the "Manufacturing Abnormality Handling Procedures", each business unit and site establishes audit standards, audit methods, and audit personnel from the system, execution, equipment, safety, information security, and personnel aspects according to the processes (manufacturing, quality assurance, engineering technology, engineering design, etc.). The units and sites report the results at least once a day, which has reduced the risk of manufacturing abnormalities to an acceptable range. In 2023, the customer quality satisfaction rate (80% is set as the benchmark) reached 89.7%, and increased to 90.2% in 2024.
Insufficient corporate development direction and diversification	Strategic risk	Strategy	<p>The Operational Management Committee meets every two weeks to formulate and review the Company's strategic layout. In 2024, more than 38 sessions were held. The Company's annual practices regarding development direction and diversified layout are as follows.</p> <p>(1)The Thailand base has been developed into a key location for the Company's southward expansion. The first phase of the plant was topped out on August 26, 2024. The production capacity is mainly focused on high-end server, automotive, and optical communication related applications.</p> <p>(2)On December 27, 2024, the Southern Taiwan Science Park Administration approved the subsidiary to invest in the Kaohsiung AI Park to strengthen the research, development, and production of high-layer and high-density printed circuit boards required by AI servers.</p>
Cost controls	Strategic risk	Strategy	<p>The Capital Expenditure Review Committee holds meetings every two weeks to review the Group's asset expenditure and utilization management. More than 31 meetings were held in 2024. Resources are effectively allocated to improve capital utilization, cost control, and operational efficiency.</p>
Operational (asset management) risks	Finance and tax risks	Finances	
Climate change response	Environmental risk	Hazardous Events	The Group aligns its climate change response and carbon neutrality roadmap with international standards. It ranked 8th in the IT/ICT industry under the Climate Action Transparency Index (CATI), and its CDP Climate Change Assessment rating improved to a grade of B. In terms of the carbon neutrality roadmap, target execution is reviewed at least once a quarter (the target is net zero emissions by 2050).
Carbon neutral roadmap	Environmental risk	Hazardous Events	

(8) Summary of the 2024 implementation results

## 2024 Risk Management Overview



## 2024 Risk Assessment Matrix



In 2024, the Group obtained the ISO 31000:2018 Risk Management Certificate and COSO ERM Compliance Report from a third-party audit. It conducted risk identification and assessment based on the results, and the overall self-assessment was low risk. A risk matrix chart was created based on the assessment of risk occurrence rate and severity (low, medium, high, or very high). Based on the results, four key response measures were formulated, including: (1) immediate improvement projects, (2) submission of improvement plans, (3) setting indicator monitoring, and (4) maintaining rolling supervision. Analysis of the 2024 risk control matrix indicates that most assessed risk items remained under ongoing rolling supervision. Some medium-level risks were assigned to individual business units for monitoring and mitigation to reduce potential

impacts. Risk items requiring indicator-based monitoring will continue to be tracked and reported throughout 2025. To further understand the financial impact of each risk item, an estimate of potential financial losses was quantified based on the previous year's revenue. The aggregated results showed that the potential financial loss risk controlled within the Group after checking the four major risk aspects in 2024 was within 3%.

#### (9) Tracking of emerging risks in the medium to long term in 2024

To achieve the goal of corporate sustainable development, the Company analyzes mid-to long-term emerging risks arising from operations. It must continue to pay attention to the threats to enterprises posed by changes in the international political and economic situation, as well as the risks brought about by false and fabricated information. According to the Global Risks Report released by the World Economic Forum on January 15, 2025, among the top ten emerging risks in the past two years, the shifting international political and economic landscape poses a significant threat to corporate sustainability. These risks include issues such as international armed conflicts, social polarization, inequality, and involuntary migration. In addition, the risk posed by misinformation and disinformation cannot be ignored. This is defined as the widespread and persistent spread of false information (whether intentional or unintentional), which has a huge impact on public opinion. This leads to the distrust of facts and authority, and involves falsification, impersonation, and manipulation. These risks remind us that we should be more cautious in responding to various challenges in the ever-changing global landscape.

#### 1. Threat of international political and economic situation changes to the Group

Description of risk	Potential impact on the Group	Control the implementation plan	Implementation status
In recent years, ongoing international armed conflicts, such as the Russia-Ukraine war and the Israel-Hamas conflict, have triggered shortages in food, materials, and energy, leading to importing inflation. With leadership changes across many countries and Trump's re-election as President of the U.S., the rise of right-wing victories has ushered in a wave of protectionism, setting the stage for a self-defensive struggle over resources. The Asia Pacific Industrial Analysis Association further pointed out that Trump	<p>Changes in the international political and economic situation have profound implications for the Group's future fundraising and investment plans, including:</p> <p><u>Supply chain instability:</u></p> <ul style="list-style-type: none"> <li>• Protectionism and increased tariffs will increase the bargaining power of individual suppliers and customer-designated manufacturers, leading to higher production costs.</li> <li>• Protectionism will be detrimental to the entry of foreign manufacturers, who</li> </ul>	<p><b>1. Internal strengthening management:</b></p> <ul style="list-style-type: none"> <li>• Localize the supply chain to reduce the impact of U.S. protectionism, the cost of imports and exports, and enhance supply stability.</li> <li>• Allocate funds in a timely manner and diversify investments to reduce exchange rate and investment risks, as well as strengthen the financial structure.</li> <li>• Respond through operational strategy adjustments such as capacity allocation, capacity restructuring, production line</li> </ul>	<p><b>1. Internal strengthening management:</b></p> <ul style="list-style-type: none"> <li>• Increase industry-academia-research cooperation to enhance the quality and quantity of the latest inventions and research, optimizing the utilization of critical resources and improving competitiveness.</li> <li>• Increase the number of equipment and material suppliers by over 60 companies, reducing single sources for materials and supply chain disruptions.</li> <li>• Reduce the Company's costs and</li> </ul>

Description of risk	Potential impact on the Group	Control the implementation plan	Implementation status
<p>will once again push the "America First" policy, implementing higher tariff rates on exports to the United States from countries such as China and Taiwan. In addition, Trump will continue to impose high-tech export controls on China, especially in the fields of semiconductors, artificial intelligence, etc. This approach strengthens the process of "de-sinicization" in the global supply chain, increasing uncertainty in the group's future operations and investments and accelerating the group's global deployment.</p>	<p>will adopt strategic alliances and readjust the supply chain layout.</p> <p><u>Market competition dynamics:</u></p> <ul style="list-style-type: none"> <li>The implementation of the global minimum tax regime and increased trade barriers may affect market share and net profits.</li> <li>The US-China trade war and Taiwan Strait situation may affect customer order intentions. If the situation escalates further, it may affect material supplies and disrupt operations.</li> <li>Protectionism and regulatory changes for investments may affect the Group's strategic layout, operational performance, and management complexity.</li> </ul> <p>Overall, failure to effectively discern changes in the international political and economic situation may lead to erroneous operational strategies, resulting in inefficient investments and capital waste.</p>	<p>configuration, and capacity deployment.</p> <ul style="list-style-type: none"> <li>Regularly convene meetings of the Audit and Risk Committee to review changes in international dynamics and promptly adjust and develop response strategies.</li> <li>Improve local personnel training and recruitment.</li> </ul> <p><b>2. External engagement and utilization:</b></p> <ul style="list-style-type: none"> <li>More quickly understand changes in the international political and economic situation through cooperation with various stakeholders, further aligning our strategies with the current situation.</li> <li>Organize regular meetings with suppliers and customers to strengthen cooperative relationships between the parties and maintain market leadership.</li> </ul> <p><b>2. External engagement and utilization:</b></p> <ul style="list-style-type: none"> <li>Participated in seminars on international political and economic situations and engaged in discussions with academic and public sectors to exchange insights.</li> <li>Establish industry-academia alliances with local high schools to develop human resources.</li> </ul>	<p>monitor prices in real time through the localization policy to increase our own competitiveness and bargaining power.</p> <ul style="list-style-type: none"> <li>Established a capital expenditure review committee to review capital outlays, avoiding over-investment, and enhancing equipment utilization to prevent idle assets.</li> <li>The proportion of localized business cooperation with suppliers reached 79.41% in 2024, showing an increase compared to 2023.</li> <li>Strengthen the production bases in Southeast Asia to ensure product quality and quantity. The number of employees in the India Park decreased by 14.5% compared with the previous year.</li> <li>In terms of global deployment, a plant is established in Thailand to implement risk diversification and localized production.</li> </ul> <p><b>2. External engagement and utilization:</b></p> <ul style="list-style-type: none"> <li>Participated in seminars on international political and economic situations and engaged in discussions with academic and public sectors to exchange insights.</li> <li>Establish industry-academia alliances with local high schools to develop human resources.</li> </ul>

## 2. Misinformation and disinformation

Description of risk	Potential impact on the Group	Control the implementation plan	Implementation status
<p>With the rise of AI and the wave of digitalization, the flow of information has been increasingly flooded with false and fabricated information. According to the 2024 Taiwan Internet Report, 63.25% of instant messaging users agreed that the platforms they use most frequently are filled with fake news and false information (TWNIC, 2025). Beyond dissemination, there are also growing instances of phishing emails and illegal methods used to obtain, alter, and spread confidential corporate information. Such actions can cause significant damage to the reputation of enterprises. For companies in the information and electronics manufacturing industries, filtering and protection are top priorities during the intelligentization process.</p>	<p>The proliferation of misinformation and disinformation will continue to grow with the advancement of Internet and information and communication technology devices and software. The impact on the future operations of the Company includes:</p> <p><u>Operational risks:</u></p> <ul style="list-style-type: none"> <li>False or fabricated information affects every stage of the production process, creating huge risks to production capacity and quality.</li> <li>Company policy judgments made with false information will lead to errors in judgment and operational crises.</li> </ul> <p><u>Concerns about Information Security Leakage:</u></p> <ul style="list-style-type: none"> <li>Inadequate information security measures within a company can lead to the leakage or spread of false information. Employees' limited ability to identify and assess information increases the risk of confidential data breaches and the dissemination of misinformation.</li> </ul> <p><u>Reputation damage:</u></p> <ul style="list-style-type: none"> <li>False information can easily cause business losses, eliminating fairness in business</li> </ul>	<p><b>1. Internal strengthening management:</b></p> <ul style="list-style-type: none"> <li>Organize phishing email drills and increase education and training from time to time to enhance employees' information security awareness and reduce the spread of false information.</li> <li>Offer relevant online and offline courses to enhance employees' ability to identify false and fabricated information.</li> <li>Suspicious emails are filtered through anti-spam mechanisms to keep employees from opening the emails and causing a data leak.</li> <li>Strictly control the use of electronic devices and the Internet to reduce the possibility of information and data leakage.</li> <li>Implement multiple key authentication and access control measures to prevent unauthorized access and data tampering.</li> </ul> <p><b>2. External engagement and utilization:</b></p> <ul style="list-style-type: none"> <li>The spokesperson unit establishes a contingency team to respond immediately to false or fabricated information to</li> </ul>	<p><b>1. Internal strengthening management:</b></p> <ul style="list-style-type: none"> <li>Implement cybersecurity education and training, including annual phishing email drills.</li> <li>The click-through rate for phishing email drills in 2024 was below 2.7%, showing a decrease of 83.5% compared to 2023.</li> <li>49,105 hours of information security training courses were provided in 2024 to a total of 451,600 people.</li> <li>When employees enter or leave the plants, their electronic devices shall be checked by security personnel.</li> <li>In 2024, 308,022 cyber threats were blocked and more than 830 threatening emails were intercepted.</li> <li>The Group plans to introduce a public opinion management system in 2025.</li> <li>The Group did not receive reports of misinformation or disinformation incidents in 2024 from the competent authority.</li> </ul> <p><b>2. External</b></p>

Description of risk	Potential impact on the Group	Control the implementation plan	Implementation status
	<p>competition. This can lead to companies facing unfair competition, which can put the company's market share and revenue at risk of decline.</p> <ul style="list-style-type: none"> <li>Failure to promptly manage and respond to false information may lead to a decline in stakeholder trust and goodwill, damage to the company's reputation, and, in severe cases, even impact the company's value.</li> </ul>	<p>prevent further deterioration.</p> <ul style="list-style-type: none"> <li>The legal department prepares for relevant litigation in advance to reduce the losses and impact caused by false information.</li> <li>Promote the concepts of ethical management to enhance stakeholders' ability to judge information.</li> <li>Establish a good reputation and credibility to prevent and reduce the impact of false information on the Company.</li> </ul>	<p><b>engagement and utilization:</b></p> <ul style="list-style-type: none"> <li>Implement remote backup for both software and hardware to prepare for contingencies.</li> <li>Courses to promote the concepts of ethical management for stakeholders are held from time to time, with more than 238 participants and a total of 5,424 hours of study.</li> </ul>

(II) The Impacts of interest rates, exchange rate fluctuation and inflation situation on the Company's profit and loss, and the future response measures:

(1) Impact of changes to interest rate on the Company's profit or loss and response measures:

In 2024, the global economy officially entered a cycle of interest rate cuts. Except for a few economies such as Japan, major developed countries have begun to announce measures to lower interest rates. The U.S. Federal Reserve (FED) announced in September 2024 that it would lower the U.S. FED Funds Target Rate by 0.50%, and further lower it by 0.25% in November and December; The European Central Bank announced in October 2024 that it would cut the three key interest rates by 0.25%. The Bank of England announced a 0.25% cut to its base interest rate in July 2024. On the other hand, long-term interest rates in major developed countries remain relatively high, and international financial institutions believe there is still a possibility of further rate cuts in 2025.

To boost domestic demand and address the risks associated with large real estate firms, China has continued its relaxed monetary policy. In 2024, the government issued ultra-long-term special bonds and promoted a RMB10 trillion local government debt restructuring plan. The one-year loan prime rate (LPR) in China decreased from 3.45% to 3.10% over the past year, The five-year LPR dropped from 4.20% to 3.60%, both of which were new historical points for the indicator.

Due to strong economic growth and concerns over the slow cooling of the real estate

market and inflation, Taiwan's monetary policy has diverged from international trends. The central bank raised interest rates by 0.125% in March 2024, returning the Taiwan dollar rediscount rate to 2.0%. It also raised the required reserve ratio by 0.25% in June and September, and implemented policies to tighten mortgage-related controls.

Overall, the major international currency rates experienced a sharp increase in the first half of 2024 driven by FED policy changes, followed by a moderation in the latter half of the year.

(a) Impact on the Company's profit/loss:

The Company's net interest income in 2024 amounted to NT\$564,864 thousand. As the Company's primary currency for receivables is the U.S. dollar, the increase in cash generated from business operations over the past year, coupled with U.S. dollar interest rates remaining relatively high, has led to a rise in the Company's interest income. In addition, as the primary financing currency for the Company's subsidiaries in China is RMB, the slight decrease in RMB interest rates also contributed to the increase in the Company's net interest income. In 2024, the net interest income increased by NT\$454,949 thousand compared to the previous year. It is anticipated that in 2025, the U.S. will gradually lower the interest rate. Meanwhile, China will maintain a stable accommodative monetary policy. Under these circumstances, the Company's overall interest rates may face a gradual decline. However, due to the Company's continued stable operations and profitability, the decrease in net interest income is not expected to have a significant impact on the Company.

(b) Future response measures:

To meet the long-term funding needs of operational growth for the future, the Company will continue to raise long-term loans to lock in financing costs in advance to support the continued business growth. We will also use good operating performance and credit to negotiate preferential interest rates with financial institutions to maintain the overall cost of funds.

(2) The effects of exchange rate and inflation on company profits or loss and response measures:

Over the past year, the exchange rates of major international currencies have fluctuated up and down due to international political and economic news and overall economic data. In the first half of 2024, the U.S. dollar index generally maintained an upward trend due to the continuation of high interest rate policies. However, in the second half of the year, expected rate cuts, the actual implementation of tightening policies, and policy uncertainties following the election of the new U.S. president led to significant fluctuations in the U.S. dollar index. Although the U.S. dollar index maintained its upward trend throughout the year, it experienced significant fluctuations due to global economic and financial market factors, which also had some impact on the Company's profit and loss.

Due to China's continued implementation of an accommodative interest rate policy, the interest rate divergence between China and the U.S. led to a general depreciation trend of the RMB against the U.S. dollar (USDCNY) over the past year. However, the USDCNY also experienced a certain degree of fluctuation during the period, influenced by movements in the U.S. dollar index and China's overall economic conditions. In particular, during the second half of the year, repeated changes in market expectations regarding U.S. interest rate cuts resulted in sharp appreciation and depreciation of the RMB within the six-month period.

Global inflationary pressure has gradually eased over the past year. Concrete inflation data show a gradual downward trend. However, due to significant uncertainties in global geopolitical issues and the U.S. tariff policy, it is expected that it may take some time to return to stability.

**A. Impact on the Company's profit/loss:**

The Company's main operating currencies include USD and RMB. Due to the fluctuations of the USD against RMB exchange rate in 2024, there were certain exchange rate impacts. However, the company adopts a focus on the business and a conservative and stable financial policy, and has not engaged in high-risk and high-leverage speculative transactions, and it is expected that significant market risks should not arise.

**B. Future response measures:**

To evade the risks of exchange rate fluctuations, the Company adopts hedging on the basis of receivable and payable foreign currency positions for its operations in derivative products. We also offset assets and liabilities to reduce exposure and the impact of exchange rate risks.

**(III) Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions:**

The Company has established the "Procedures for Acquisition and Disposal of Assets", "Procedures for Lending to Others", "Procedures for Making Endorsements and Guarantees", and "Procedures for Engaging in Transactions of Derivative Products" as the basis for the Company and its subsidiaries' related actions.

Except for endorsements, guarantees, and loans between the Company and subsidiaries and between subsidiaries, there are no endorsements, guarantees, or loans between the Company and other companies. The aforementioned endorsements, guarantees, and loans have been processed in accordance with related operating procedures and do not affect consolidated profit and loss. The Company has always focused on operations in its main business and does not involve itself in other high-risk industries. We also base our finance policy on the principles of stability and conservatism and we do not engage in high-risk high-leverage investments or transactions. The level of related risks should be considered as limited.

The Company's derivative commodity trading strategy is primarily aimed at reducing the exchange rate risk arising from the appreciation of the Chinese yuan (RMB). The impact on profit and loss is limited, as these activities are solely aimed at hedging based on existing exposure positions. Therefore, any unrealized gains or losses can be offset against foreign currency positions recorded outside the accounts, resulting in no significant impact.

(IV) Future Research and Development (R&D) Plans and the R&D expenses expected to be invested:

Please refer to page 125 of the Annual Report for more information.

(V) The impacts of changes of important domestic and foreign policies and laws on the Company, and the response measures:

The Company is registered in the Cayman Islands ("Cayman") and operates primarily in China, Hong Kong, Thailand, India, the British Virgin Islands ("BVI"), and Taiwan. The Cayman Islands primarily engage in financial services as their main economic activity, while China is currently one of the world's major economies. The Company's business operations are carried out in accordance with important domestic and foreign policies, laws, and regulations. We also pay close attention to important domestic and foreign political development trends changes in laws to quickly respond to changes in the market environment and take appropriate response measures. In recent years, jurisdictions such as the Cayman Islands and the British Virgin Islands have introduced new regulations requiring companies established in these jurisdictions to have genuine economic substance. Despite the Cayman Islands releasing the "Economic Substance Guidance Notes v.2.0" in April 2019 and the British Virgin Islands officially issuing their economic substance regulations on October 9, 2019, companies such as Zhen Ding Technology Holding and FAT Holdings (registered in the Cayman Islands), Monterey Park, and Coppertone Enterprises (registered in the BVI) do not conduct substantial economic activities in these jurisdictions. Therefore, the implementation of economic substance requirements is not expected to have a significant impact on the financial operations of these companies. Furthermore, there have been no significant events affecting financial operations due to important policy releases or legal changes in China, Hong Kong, Thailand, India, and Taiwan.

The Company's important customers and suppliers are mostly located in Asia. Due to special political conditions in certain Asian countries such as the divided Korea, special international political relations between Mainland China and Taiwan, and Hong Kong's status as a Special Administrative Region of China, the business operations of the Company's customers and the Company's own business operations may be affected by the political, economic, and legal environment in countries in Asia. In the most recent year and as of the publication date of the Annual Report, the Company's finances and businesses have not been affected by major changes in policies and laws of domestic or foreign governments. Any change in government policies, taxation, economic conditions, or interest rate in any region or any political, diplomatic, or social incident that affects the Company's customer may affect the business operations of the Company.

(VI) Impacts of technological changes (including information security risks) and industry changes on company finances and response measures:

As technical requirements for consumer electronics products continue to increase, the Company pays close attention to market trends and evaluates their impact on the Company's operations. The Company's important customers are mostly leading companies in global consumer electronics products and we maintain close partnerships.

The Company actively plans and deploys information security measures and constantly improves the information security environment to reduce information security risks. In terms of management, the Company develops management regulations covering the aspects of policy development, organizational responsibilities, personnel safety, document control, asset management, communications and operational management, interview control, physical environment, system development and maintenance, business continuity management, information security event management, and compliance. In terms of technology, the Company has installed firewalls, intrusion detection system, email security system, operating system automatic detection and update, anti-virus systems, network access control system, security monitoring system, and vulnerability scanning system. At the end of every year, the Information Security Committee conducts reviews on the status of information security operations, risk control, and event corrections and uses the results to control and reduce information security risks. The Company organizes internal reviews and management reviews at least once a year, but not more than 12 months apart, to check the presence or absence of information security risks and to adopt corrective and preventive measures in a timely manner to ensure the continuous operation of its businesses.

In the most recent year and as of the publication date of the Annual Report, the Company's finances and businesses have not been negatively affected by changes in technologies or industries.

(VII) The impacts of change of corporate image on the enterprise crisis management and the response measures:

The Company has adopted a people-oriented corporate philosophy and core values for integrity, responsibility, and excellence since its establishment. We actively strengthen internal management to improve quality and efficiency. We also continue to recruit outstanding talents to serve the Company and cultivate the capabilities of our management team. As of the printing date of the prospectus, there were no need for crisis management resulting from change of corporate image.

In addition, the Company has received environmental credit ratings by multiple provincial governments of Mainland China, including the Blue Enterprise, Green Brand Enterprise, Green Environmental Protection Model Enterprise, Water Conservation Construction Award, Advanced Unit for environmental protection task, Green Factory of green manufacturing enterprise, and Water-Saving Enterprise (please see the annual report for further information on environmental awards received by our plants over the year). We

also won the Best Wastewater Treatment Award in the first Microsoft Annual Supplier Social and Environmental Responsibility Conference, Best Energy Conservation Award in the second Microsoft Annual Supplier Social and Environmental Responsibility Conference, and Best Corporate Social Environment Responsibility Award in the third Microsoft Annual Supplier Social and Environmental Responsibility Conference. As a result, our corporate image and culture were further enhanced.

As of the publication date of the Annual Report, there were no need for crisis management resulting from change of corporate image.

(VIII) Expected benefits and potential risks of merger and acquisition and response measures:

We improve our independent process capacity and reduce cost in response to product transformation. There are currently no potential risks of mergers or acquisitions.

(IX) The expected benefits and potential risks of capacity expansion and response measures:

(1) Expected benefits: Production began in expanded plants which have contributed to revenue.

(2) Possible risks and response measures: We continue to strengthen and improve the Company's management efficiency, optimize product structure, and maintain competitiveness. We also carefully and rigorously evaluate market supply and demand and future orders to reduce risks and lower the impact of future uncertainties.

(X) Risks associated with over-concentration in purchase or sale and response measures:

(1) Concentrated purchases:

The PCB industry is a mature industry with numerous upstream suppliers and abundant resource supply. The Company has dispersed sources of materials and there is currently no risk of concentrated purchases.

(2) Concentrated sales:

The Company is a professional PCB manufacturer and PCBs are used in a wide range of applications. International brand customers are mainly concerned about the system assembly and manufacturing strategies for PCB supply. Our main customers include large-scale international electronic manufacturing services (EMS), original design/equipment manufacturer (ODM/OEM) designated by brand customers, and assembly plants of brand customers. The Company works closely with brand customers and we also maintain close partnerships with EMS and ODM/OEM manufacturers. However, more than 60% of our current operating revenue derives from designated production and manufacturing by international brand customers.

International brand manufacturers have increasingly outsourced their production to professional contract manufacturers in recent years, so there should be no risk of concentrated sales.

(XI) The impacts and risks arising from a major quantity of shares belonging to directors or shareholders holding greater than a 10 percent stake in the company is transferred or

changes hands and the response measures: In the most recent year and as of the publication date of the Annual Report, there was no impact on the Company as a result of change of any major shareholder with more than 10% ownership interest or of large transfer/exchange of equity.

(XII) Impact of change of management rights on the Company, associated risk and response measures: In the most recent year and as of the publication date of the Annual Report, there was not impact of change of management rights on the Company.

(XIII) Results of litigation or non-litigation events with material impact on the interests of shareholders or stock price:

The Company was not involved in litigation or non-litigation events that generated major impacts on shareholder equity or share value in the most recent year as of the publication date of the Annual Report.

(XIV) Other significant matters and response measures: None.

## **VII. Other Important Issues: None**

## CHAPTER 7. Corporate Sustainable Development

In order to uphold our corporate sustainable development ideals and introduce international trends, the Company is actively promoting and strengthening our corporate governance functions related to sustainable development to reach our sustainable development goals. The "Corporate Sustainable Development Committee Charter" was passed by the Board of Directors on December 28, 2021, and the Sustainable Development Committee was established as the highest management unit for the Group's sustainable development. The "ESG Execution Committee" was established under the Sustainable Development Committee, with the Chairman chairing the committee. It is responsible for overseeing the four main execution groups composed of internal senior teams. To further enhance the functions and responsibilities of the functional committees, on December 26, 2024, the Company's Board of Directors approved the merger of the Nominating Committee with the Sustainability Committee, and duties related to reviewing corporate governance were added. The new name of the committee is the Corporate Governance, Sustainability, and Nominating Committee. For the duties of the committee and professional qualifications and experience of its members, please refer to pages 45 to 46 of the Annual Report. The committee members work with the Chief Sustainability Officer to formulate the Company's sustainability management policy and specific promotion goals. In addition, the Sustainability Executive Secretary identifies the sustainability topics to be managed by the four main groups of the ESG Execution Committee, evaluates the performance of sustainability implementation, and discloses the related results. The current year's implementation is reported to the Board of Directors at least once a year. In 2024, a total of 3 committee meetings were convened. For the important resolutions, please refer to page 47 of the Annual Report.

The structure of the Corporate Governance, Sustainability, and Nominating Committee is as follows:



The Company has issued a sustainability report every year since 2016. The 2019 report has been issued by PricewaterhouseCoopers, Taiwan and issued after the report to the Board of Directors.

The Company took on the mission of "Technological development for the benefit of mankind; protect the environment and make the Earth a better place" and we have remained committed to building a corporate culture. We also use our core values in the industry to promote activities related to sustainable development and have achieved results in the four dimensions including ethical management, environmental protection and energy conservation, employee care, and social participation. We hope to achieve sustainable development while protecting the interests of all stakeholders and become a role model in the PCB industry. Specific results in 2024 are as follow:

## **I. Pollution prevention**

### **(I) Wastewater treatment**

1. Wastewater from production is categorized into over 20 categories based on the product process and characteristics of pollutants. We collect wastewater for processing or recycling.
2. Based on the characteristics of wastewater, we adopted unique designs that include ten major processing systems with high-efficiency processing equipment, three-dimensional distribution of processing units for multiple phases, and a smart central control system.
3. Each wastewater treatment plant is equipped with a professional water quality laboratory for designated personnel to review the water quality in the wastewater treatment system.
4. Each wastewater effluent outlet is equipped with an online water quality/water volume monitoring device which is linked to environmental protection agencies for comprehensive 24-hour monitoring. A series of protection measures is implemented to ensure 100% compliance with wastewater effluent standards.

### **(II) Exhaust gas treatment**

1. The exhaust gas from all production lines is divided into over 4 categories based on the contents of pollutants for sorting and processing.
2. Regular outsourced inspections ensure emissions concentration to be compliant with legal standards and even far lower than requirements in national standards.

### **(III) Waste disposal**

1. Divided into two major types based on the properties of waste: Hazardous industrial waste and general industrial waste.
2. Waste are sorted and collected at the sources on the production line.
3. Resources are fully recycled to create value. Waste that cannot be recycled is contracted to external licensed professional contractors for processing.

## **II. Energy conservation and carbon reduction**

### **(I) Energy conservation design in plant building**

We studied the local environment and original landform to introduce green building concepts for the entire park based on characteristics of the natural environment.

### **(II) Adoption of advanced equipment for environmental protection and energy conservation**

We use production line equipment provided by the world's top three manufacturers and we prioritize the use of low-energy consumption and low-pollution equipment. We develop various energy-saving and water-saving solutions with manufacturers and strictly monitor and control all resource consumption in regular production.

### **(III) Certified clean production process**

In accordance with environmental regulations and standards issued by China, the Company has formulated management standards for its processes based on the "Guidelines for Clean Production Assessment System for Printed Circuit Board Industry (PCB Manufacturing)" and the "Cleaner Production Promotion Law". The Company implements dual-channel control from the source to the end, effectively promoting clean production. Each factory actively conducts clean production audits. By promoting various clean production initiatives, the Company not only saves material consumption but also effectively reduces production costs, enhancing its green competitiveness. Proactively undergoing reviews and continuously striving for improvement, the Company has passed clean production audits and obtained certification.

### **(IV) Carbon emissions inventory and management**

The Company has actively inventoried greenhouse gas emissions for multiple years and passed third-party accreditation.

The Company has continuously improved the energy efficiency of equipment to achieve the energy conservation and carbon reduction targets in China's 14th Five-Year Plan. Since 2015, The Company's subsidiaries have adopted the ISO 50001 Energy Management System (systems have been established and certified for all sites as of 2017) for all the manufacturing sites. We have implemented systematic optimization for energy management and control and continuously improved energy consumption efficiency to fulfill our responsibilities in energy conservation and carbon reduction and protecting the Earth.

Since 2007, we have periodically conducted annual GHG inventories in accordance with the ISO 14064-1 standard, and obtained third-party verification certificates. The scope of the inventory includes all subsidiaries of the Company. In 2024, the ISO 14064-1 GHG external certification attainment rate was 100% for all plants. In 2024, the combined Scope 1 and Scope 2 greenhouse gas emissions from the Company's major production locations was 511,141 metric tons of CO<sub>2</sub>e, the emission intensity

was 2.98 metric tons of CO<sub>2</sub>e per million NTD, representing a 69% decrease compared to the baseline year of 2013. In the future, we will continue to expand our solar power construction, develop renewable energy projects, increase green electricity, and invest in energy storage to reduce carbon emissions.

**(V) Launch of renewable energy projects**

In order to alleviate climate change trends, the Company is actively studying low carbon development strategies and is fully considering the architectural features of the plants. The Company plans to maximize the utility of the outdoor areas. We have installed solar panels on the roofs of buildings and in parking lots, and they are connected to the national grid to provide power.

In 2024, the Company's self-built solar power generation capacity reached 5.1 MW, generating 5,903 MWh of electricity annually, resulting in a carbon reduction of approximately 3,230 tons. We are committed to planning towards achieving 100% use of renewable energy in the future. The Company is continuously increasing its solar power generation capacity and is also seeking more renewable energy partners to plan deployment to achieve maximum use of renewable energy in the Company and strive towards achieving carbon neutrality goals.

**(VI) Forest conservation and ecological protection**

Established a good ecological and environmental system to respond to climate change effects. Proposed the forest conservation plan.

In January 2022, the Company voluntarily signed a 3-year cooperation agreement with the Taiwan Forestry Bureau for the "Reforestation Project of Native Tropical Plants and Removal of Invasive Species in the Hengchun Peninsula". The aim is to restore the original tropical plant community and the rich ecological chain, and to protect the biodiversity of the Hengchun Peninsula. As of December 31, 2024, the Hengchun Peninsula project has completed the removal of invasive river tamarind and planting of approximately 30,000 native trees over an area of approximately 12 hectares. In 2024, there will be continued funding for the nurturing and preservation of native tree species.

**(VII) Environmental Conservation and Energy-saving Month event**

Since 2007, the Company has been organizing Environmental Conservation and Energy-saving Month event for 17 consecutive years. This annual event takes place from April 22 (Earth Day) to June 5 (World Environment Day). We collaborate with local government units, primary and secondary schools, and environmental organizations to organize over 187 fun and educational green activities across various campuses and regions. Participants include company employees, members of the community, government officials, school organizations, and environmental groups. In 2024, a total of 270 thousand individuals participated in these activities. Through various internal and external awareness activities, we attempt to raise people's environmental awareness and take actions to realize ZDT's unique new green value.

(VIII) Promote energy conservation and carbon reductions to create a carbon asset surplus

The main production sites of the Company have all passed the certification of environmental safety and health related management systems, and the certification rate is 100%

including: ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Monitoring, ISO 50001 Energy Management System, and Cleaner Production Audit in China. At the same time, we also follow the international development trend of environmental protection, introducing and certifying the latest international environmental management system standards, such as: certification for zero-landfill in waste processing, certification for AWS sustainable water management.

(IX) Environmental safety and health management system certifications of major manufacturing sites

Site (region/legal person) certification/validation	Taiwan		China						India	
	Guanyin	Kaohsiung	Shenzhen		Huai'an		Qinhuangdao		Chennai	
	BoardTek	Avary	Avary	Leading	Hong Heng Sheng (First Park)	Qing Ding (Second Park)	Qing Ding (Third Park)	Hong Qi Sheng	Leading	Avary
Quality Management System (ISO 9001:2015)	V	V	V	V	V	V	V	V	V	V
Environmental management system (ISO 14001:2015)	V	V	V	V	V	V	-	V	V	V
GHG Inventory (ISO 14064-1:2018)	V	V	V	V	V	V	V	V	V	V
Product carbon footprint inventory (ISO 14067:2018)	V	-	V	-	V	V	-	V	V	-
Business Continuity Management System (ISO 22301:2019)	V	-	V	V	V	V	-	V	V	-
Information security management (ISO / IEC 27001:2013)	-	-	V	V	V	V	V	V	V	-
Risk Management System (ISO 31000:2018)	V	V	V	V	V	V	V	V	V	V
Corporate compliance management system (ISO 37301:2021)	-	-	V	-	-	-	-	-	-	-
Occupational Health and Safety Management System (ISO 45001:2018)	V	V	V	V	V	V	-	V	V	V
Energy Management System (ISO 50001:2011)	-	-	V	V	V	V	V	V	V	-
Hazardous Substance Process Management System (QC 080000:2017)	V	V	V	V	V	V	-	V	V	-
Automotive Quality Management System (IATF 16949:2016)	V	-	V	V	V	V	V	V	V	-

Site (region/legal person) certification/validation	Taiwan		China						India	
	Guanyin	Kaohsiung	Shenzhen		Huai'an		Qinhuangdao		Chennai	
	BoardTek	Avary	Avary	Leading	Hong Heng Sheng (First Park)	Qing Ding (Second Park)	Qing Ding (Third Park)	Hong Qi Sheng	Leading	Avary
Quality management system for the telecommunications industry (TL 9000-H R6.3-R5.7)	V	-	-	-	-	-	-	V	-	-
RBA Validated Audit Process (VAP)	-	-	V	-	V	V	-	V	-	-
Alliance for Water Stewardship (AWS)	-	-	Platinum grade certification	-	Platinum grade certification	Platinum grade certification	Platinum grade certification	Platinum grade certification	-	-
Zero Waste (UL2799 Zero Waste)	-	-	Platinum certification	-	Platinum certification	Platinum certification	Platinum certification	Platinum certification	-	-
Aerospace Quality System (AS 9100)	V	-	-	-	-	-	-	-	-	-

(X) The major plants that have received environmental management system certification are as follows

Manufacturing Sites	Name of certification Start and end dates	ISO 14001	ISO 50001	ISO 14064-1
Shenzhen Avary Park	2025.03.09-2028.03.08	2022.11.30-2025.11.29	2024.01.01-2024.12.31	
Shenzhen Leading Park	2023.06.09-2026.06.08	2024.04.19-2027.04.18	2024.01.01-2024.12.31	
Huai'an First Park	2023.04.20-2026.05.08	2023.08.02-2026.08.01	2024.01.01-2024.12.31	
Huai'an Second Park	2025.03.09-2028.03.08	2023.09.06-2026.09.20	2024.01.01-2024.12.31	
Huai'an Third Park	-	2023.09.06-2026.09.20	2024.01.01-2024.12.31	
Qinhuangdao Hong Qi Sheng Park	2024.07.31-2027.07.30	2023.12.29-2026.12.28	2024.01.01-2024.12.31	
Qinhuangdao Leading Park	2023.07.07-2026.07.06	2024.01.22-2027.01.21	2024.01.01-2024.12.31	
BoardTek Park	2023.08.13-2026.07.26	-	2024.01.01-2024.12.31	
Kaohsiung Park	2024.10.23-2027.10.23		2024.01.01-2024.12.31	
India Park	2024.04.10-2027.04.10	-	2024.01.01-2024.12.31	

### III. Recycling

- (I) PCB production requires massive amounts of water. Our plants have introduced high-performance wastewater recycling equipment to process wastewater for use based on the requirements of water usage sites. Water is recycled for reuse in production, environmental cleaning, and irrigation. The total amount of water reused in 2024 was 11,908 million liters, resulting in a water reuse rate of 50.1% and achieving the overall water reuse rate of 43.1% for the entire facility.
- (II) The Company established a waste resource management unit to implement waste sorting and management. We established a dedicated R&D team to develop new resource recycling technologies to increase the value of resources. In 2024, the total weight of waste removed from the sites was 91,763 tons, and the percentage of waste recycled was 92%, a 3% decrease compared to 2023, marking the 12th consecutive year of achieving the goal of waste recycled rate exceeding 90% annually.

### IV. Green Culture

The Company promotes the "Seven Greens" initiative, focusing on seven aspects: green innovation, green procurement, green production, green logistics, green services, green recycling, and green living. This comprehensive approach guides employees to examine and analyze every aspect of their work and daily lives, promoting green practices in energy efficiency, waste reduction, pollution control, and productivity enhancement. Using methodologies such as CAPDCA and brainstorming, we integrate these principles into our daily routines and work processes, gradually instilling a habit among all employees. This creates a unique green corporate culture, fostering intangible assets of immense value.

Our Environmental Conservation and Energy Saving Department's professional management team collaborates with all units to advance various green projects. These projects encompass energy conservation, water conservation, and waste reduction, optimizing processes from production inception to the end of the production line, covering five major categories: energy conservation, water conservation, waste gas management, and waste management. We implemented water conservation and chemical reductions in the manufacturing sites. By implementing detailed source management and introducing new green technologies, we clearly stipulated requirements for responsible management departments and for stipulating KPI requirements that will help the Company to minimize its environmental impact and simultaneously achieve the objectives of energy performance improvement and green recycling. In addition, The Company pays considerable attention to the impact of climate change on its business operations. In addition to taking actions for energy conservation and carbon reduction, we expanded the scope of the following activities to achieve greenhouse gas reduction:

- (I) We inventoried the greenhouse gas emissions of our major suppliers, guided them on establishing ISO systems, and increased the depth of suppliers' green management to enhance the Company's green influence.
- (II) We have actively participated in the Climate Change and Water Security assessments

conducted by the CDP. Through this engagement, we not only learn from leading international enterprises about carbon and water management practices but also disseminate our green development philosophy and performance to the world.

- (III) We have implemented the TCFD governance framework and management practices
- (IV) while utilizing the SBTi methodology to assess and set carbon reduction targets.

## V. Occupational health and safety

The Company is committed to providing a safe and healthy working environment for employees and contractors. We continuously improve occupational health and safety performance by implementing the ISO 45001 Occupational Health and Safety Management System. This system covers 100% of workers, activities, and workplaces. Moreover, all major manufacturing sites in China and the BoardTek Taiwan site have obtained external certification for ISO 45001:2018, ensuring compliance with regulatory and other requirements for both employees and contractors.

In 2024, the combined total of Safety Committee members across all sites was 333, with employee representatives accounting for 74% (247 people). The Safety Committee serves as a platform to foster a collective awareness of safety management, with senior executives actively participating to demonstrate the Company's commitment to safety. Monthly meetings are held to facilitate the dissemination of safety regulations, review safety incidents, improve safety management, and promote communication among different sites.

The activities and achievements in 2024 are as follows:

Implementation in 2024	Major activities	Major achievements
Fire drills and emergency response	Semi-annual fire emergency evacuation drills conducted in all manufacturing sites of the Company	A total of 100 factory-level fire evacuation drills held throughout the year, enhancing employee awareness and response capabilities in emergencies
Work environment monitoring	<ul style="list-style-type: none"> <li>• Annual professional third-party assessment of occupational hazard factors</li> <li>• Quarterly internal noise level test</li> </ul>	<ul style="list-style-type: none"> <li>• Results showed that primary physical hazards included noise, high temperature, and X-ray exposure, while chemical hazards included acid mist, ammonia, methanol, nitrogen oxides, and dust.</li> <li>• Non-compliance with regulatory requirements was addressed through technical and management measures to protect employee safety</li> </ul>
Employee health check-ups	Pre-employment, on-the-job, and post-employment occupational health check-ups for employees	A total of 19,190 health check-ups conducted throughout the year
Channels for Filing Complaints	Established channels for employees to voice concerns regarding unfair treatment	Complaints can be submitted through the control center, WeChat mini-program Ding Ding, suggestion boxes,

Implementation in 2024	Major activities	Major achievements
		opinion/complaint boxes and the Chairman/Union/Party mailbox
Prevention of infectious diseases	Enhanced control procedures and measures for infectious diseases	Established an emergency organizational framework for infectious diseases, promoted disease awareness, and stockpiled protective supplies
Employee education and training	<ul style="list-style-type: none"> <li>Quarterly assessments on must-know safety knowledge</li> <li>Safety Month and Fire Safety Month activities held in June and November, respectively</li> </ul>	<ul style="list-style-type: none"> <li>A total of 188,368 employees participated in the assessments throughout the year, achieving 100% participation and qualification rates</li> <li>14 safety events organized across all sites throughout the year</li> </ul>
Contractor safety training	All contractor personnel required to undergo annual safety training and obtain qualification certificates	Throughout the year, 7,344 construction workers and 1,450 safety officers received safety training and certification upon entry to the premises for contracted work

## VI. Employee CareZhen Ding's Six Loves—

The Company encourages employees to embody the concept of love from within and expand it outwardly through a concentric circle, encompassing "Love Yourself," "Love Family," "Love Colleagues," "Love Company," "Love Life," and "Love the Earth." Our events throughout the year revolved around the "Six Loves" theme so that employees could participate and demonstrate their commitment to the society. Through the "Six Loves" initiative, we promote care for employees and the construction of a harmonious home. Meanwhile, channels such as the monthly magazine "Ding Shen Monthly" and the radio program "Joyful Sounds of ZDT" are utilized to highlight and spread the love exhibited by our employees. This injects a continuous sense of inspiration and encouragement, fostering a strong sense of identification with the Company and enhancing both the inner and outer lives of our employees. It also strengthens their connection to the Company. In 2024, a total of 6,338 "Six Loves" activities were held, with 599,780 participants. This shows an increase of 14,552 activities compared to the previous year, demonstrating the unwavering and expanding power of love among Zhen Ding employees.

(I) Love Yourself: The Company encourages employees to learn to love themselves and pay attention to their health. We organize relaxing and fun activities that enable employees to relax their body and mind, de-stress, and improve their spiritual wellness. At the same time, a series of professional, technical, and management courses are planned to help employees enhance their skills and substance, forging their personal charm and style.

In 2024, a total of 22 "Love Yourself" activities were organized, including events such as offline health check-in events, business etiquette workshops, and women's tug of war. These activities attracted 6,874 participants.

(II) Love Family: To create a warm, happy family atmosphere at Zhen Ding, and increase employees' wellbeing and sense of belonging, the Company has organized events at all manufacturing sites, such as such as matchmaking events, parent-child trips, family open day, and couple activities, as means of building a platform that surrounds employees with the love of their families, friends, and partners.

In 2024, a total of 119 "Love Family" activities were organized, including events such as family exchanges and socializing activities. These activities attracted 22,884 participants.

(III) Love Colleagues: The Company provides employees with comprehensive care from visits to production lines, employee seminars, hotline assistance, and birthday celebrations for employees to strengthen positive relations among employees, thank employees for their hard work, and strengthen the establishment of a team culture. The Company encourages interactions and communications between employees to boost team cohesion and solidarity.

In 2024, a total of 4,754 "Love Colleagues" activities were organized, including birthday parties and cultural promotion, attracting 315,748 participants.

(IV) Love the Company: The Company provides employees with a stage to fulfill their personal values in life. We encourage employees to integrate their own growth in the Company's development. The Company's development history and representative buildings enable employees to reap the results of their labor and share the glory of the Company's success. We organize various reward and incentive activities to inspire employees' passion for their jobs and careers. We continue to encourage employees of Zhen Ding.

In 2024, a total of 213 Love the Company events were held, including the King Pro e-sports tournament, with a total of 38,763 participants.

(V) Love Life: The Company has built a movie theater, dance and yoga room, gym facility, and other integrated multi-functional cultural venues coupled with a wide range of activities (e.g., gym check-in, amateur club activities, sports competitions, themed parties, pottery, and floral design courses) to satisfy employees' different needs and help them to lead healthier and better lives.

In 2024, a total of 1,197 "Love Life" activities were organized, including the quality quiz and crowd run, attracting 209,475 participants.

(VI) Love the Earth: "Protecting the environment and making the earth a better place" is one of the Company's motto. The Company organizes events during the Environmental Protection Month, environmental protection education on

campus and in local communities, resource recycling exhibitions, and green hikes to promote a green corporate culture, fulfill our environmental missions, and make the earth a more beautiful place through our actions.

In 2024, a total of 33 Love the Earth events were held, including the battery recycling event and research activities, with a total of 6,036 participants. The aim is to work together to protect our beautiful planet.

## VII. Social EngagementZhen Ding's Six Helps—

The lyrics of the song "Let the World See" by Zhen Ding include the lines: "We strive for perfection, seek glory, to let the world see; Putting people first, integrity is essential, striving for excellence, leading the way all along." Our corporate spirit is centered around people. Through volunteer efforts, we engage in six main themes: "Help the Elderly," "Help the Weak," "Help the Disabled," "Help Education," "Help the Environment," and "Help Cleanliness." These initiatives aim to convey our corporate culture and express our responsibility to society while actualizing the concept of "benefiting humanity". Guided by this spirit, we adhere to a steady and solid approach. Through the efforts of Zhen Ding employees, we aim to continually improve the environment, society, and the planet. In 2024, a total of 94 "Six Helps" activities were organized, with 20,159 participants and 891 volunteers contributing a total of 1,814 hours of service. The total amount invested in social welfare was NT\$67,861 thousand.

(I) Help the Elderly: It is a traditional virtue of the Chinese culture to respect, honor, love, and help the elderly. The Company regularly organizes visits to elderly people who live alone and we organize employees to provide volunteer services in retirement homes to improve employees' gratitude and awareness for respecting their elders, and provide them with love and care.

In 2024, a total of 13 elderly care events were organized, including the visits to nursing homes and plaza dance competition, with 2,137 participants.

(II) Help the Weak: The Company sponsors children's homes and provides care to environmental health workers, and lead employees to care for and spend time with disadvantaged groups in society. We organize volunteer service teams and use our actions to implement the volunteer's spirit of "sacrifice, love, helping others, and progress".

In 2024, total of 28 disadvantaged care events were organized, including the care for special schools and care for Zhen Mei cleaners events, with 11,528 participants.

(III) Help the Disabled: The Company provides disabled people with jobs to help them become self-reliant and fulfill their own goals. We also regularly visit care facilities to express care and support, further realizing the Company's value of "benefiting people" and fulfilling its social responsibility.

In 2024, a total of 9 disabled care events were organized, including the charity sale and visits to families with disabled children, with 1,543 participants.

(IV) Help Studies: The Company encourages our employees to provide different volunteering services, such as collecting funds to set up a library, donating books and other learning materials to help children to broaden their horizon and expand their knowledge base. At the same time, we have helped to improve the teaching environment and sponsored financially-disadvantaged college students to help them grow and become successful. Zhen Ding has established a long-term support mechanism to enable more underprivileged students with excellent academic performance to complete their education.

In 2024, a total of 15 academic assistance events were organized, including the science popularization seminar and cultural seminar, with 917 participants.

(V) Help Transportation: We promote transportation safety and increase pedestrians' awareness of traffic laws to construct a civilized and orderly transportation environment. We encourage compliance with traffic laws and civilized driving. We provide citizens and environment sanitation workers with drinking water and we distribute environmentally friendly bags to fulfill our low-carbon environmental protection ideals and show how much the Company cares.

In 2024, a total of 12 travel assistance events were organized, including the traffic safety in schools event and traffic safety information class, with 3,086 participants.

(VI) Help Cleanliness: We take action to demonstrate the importance of environmental health and protect the health of the environment around our manufacturing sites, in order to foster environmental awareness in employees. Volunteers spend their rest time cleaning beaches and parks, transforming their care for the environment into actions in their daily lives, and putting into practice the concept of loving the earth.

A total of 17 cleanliness assistance events were organized in 2024, with 948 participants.

## VIII. Talent Education and Development

The Company supports education with the hope of providing students with learning resources and practical opportunities through sponsorship or industry-academia cooperation. By addressing disparities in educational resources and promoting the growth of young talent, Zhen Ding aims to develop the professional skills and qualities of young people and contribute to the long-term development of both the company and society by creating a talent reserve. Through a dual approach of public welfare education and industry-academia cooperation, Zhen Ding is establishing a new mutually beneficial model for talent development.

(I) Public Welfare for Supporting Education

1. Sponsoring the construction of financially-disadvantaged elementary schools and caring for elementary students:

For many years, the Company has regularly donated to elementary schools in disadvantaged and rural areas, helping schools ensure they have the equipment they need. We organized school opening talks, provided school opening gift packages and Chinese New Year gifts, donated chairs, tables, books, and winter supplies, and established reading corners in underprivileged schools. At the same time, classes on traffic safety and green campus activities were held for the students, and interactive games were used to help them broaden their horizons. Volunteers regularly visited the families of disadvantaged students in mountainous areas to care for the growth environment for students and inspiring them to focus on their studies. As of 2024, the Company has helped 36 elementary schools, benefiting more than 27 thousand elementary school students.

2. Respond to the high school and vocational talent development plan:

Starting from 2021, the Company has partnered with the Department of Education of Taoyuan City Government to support the technical and vocational talent cultivation program. We have established a student scholarship program with the Department of Education to reward outstanding students who are registered in Taoyuan City. In 2024, a total of 573 students received scholarships, including technical and vocational scholarships, assistance scholarships, and exceptional performance awards. The total amount awarded was NT\$6.05 million. It is the fourth year of the scholarship program, with the total scholarships given amounting to NT\$22.94 million, benefiting excellent high school and vocational students in Taoyuan City.

3. Sponsoring financially-disadvantaged university students with outstanding academic performance:

For many years, the Company has provided financial aid to academically excellent and financially disadvantaged students to complete their four-year university education. The Company also regularly interacts with these students to show our care and concern for their growth and learning progress. We have sponsored disadvantaged students in 9 schools and 2 regions (Ziyang, Shaanxi and Daliangshan, Sichuan). From 2019 to 2024, a total of 665 students were sponsored, including 423 students in 2024.

## (II) Industry-Academia Cooperation

"Talent" is the basis for competitiveness. To promote industry-academic cooperation and make use of schools' existing resources, the Company encourages young learners to focus on relevant academic research and technological innovation. In 2024, a total of 16 industry-academia collaborative technology development projects were carried out in partnership with 17 universities. Cumulative investments totaled NT\$20.93 million for the year. From 2015 to 2024, the total investment in industry-academia research projects amounted to NT\$164.65 million.

1. Establishing the Elite Training Scholarship:

Young students are encouraged to focus on academic research and technological innovation. In 2024, six graduate students were selected and passed the second round of interviews to receive support.

2. Established the LINK Industry-Academia Empowerment Scholarship with the Department of Economic Development of Taoyuan City Government:

In 2024, in collaboration with the Taoyuan City Government's Department of Economic Development "Taoyuan LINK Industry-Academia Talent Development Platform Scholarship", the Company successfully matched with 5 students from Lunghwa University of Science and Technology and 6 from Chien Hsin University of Science and Technology. A total of 11 undergraduate students were admitted in the inaugural round, enabling them to focus on their studies and seamlessly transition into employment with the Company upon graduation.

3. Zhen Ding Tech. - National Tsing Hua University Joint Research Center (established in July 2020; five-year plan)

Focusing on "PCB Smart Manufacturing and Advanced Process Technology Research and Development", Zhen Ding integrates relevant research resources to concentrate on the development of cutting-edge technologies such as smart manufacturing, advanced processes, and advanced materials, as well as interdisciplinary applied research with commercial potential.

4. Zhen Ding Tech. Group and YZU Joint Research and Development Center for Big Data (established in April 2021; five-year plan)

The aim is to enhance Taiwan's overall PCB manufacturing technology development and talent cultivation advantages, and encourage Taiwan's PCB industry to move towards a higher level of smart manufacturing. At the same time, we aim to cultivate engineers with research capabilities in big data computing and artificial intelligence systems. By jointly executing the projects, the company closely integrates the expertise of YZU professors with the Company's industry experience, achieving the goal of applying learned knowledge directly to practical use, thereby unifying learning and application.

5. Two-way exchange of talents between industry and academia

In 2024, the Company invited heavyweight scholars from academia to conduct six lectures at the company, increasing the possibility of integrating academic theory into industry practices. This initiative benefited 3,219 employees and encouraged outstanding talents within the company to conduct related lectures at universities, promoting the exchange between industry practices and academic theories. A total of eight universities participated and 28 sessions were organized, benefiting 1,083 students.

## IX. Community Support and Care

As a member of society, the Company has the responsibility and obligation to help disadvantaged groups in the community, improve their living conditions, and enhance the overall well-being of the community. Giving back to society by participating in community assistance creates social

recognition and trust, improving the business environment where the company is located and attracting more investors and business partners. Serving the community also provides employees with a sense of belonging and pride, enhancing their job satisfaction and loyalty to the company. At the same time, participating in community assistance can also provide employees with more learning and development opportunities, improving their personal abilities.

The Company supports and cares for the community through the following activities, and uses this as a form of public welfare.

(I) Community sponsorship projects:

Various projects in the community are supported through material and cash donations, such as comforting impoverished elderly (Help the Elderly), orphanages, impoverished households (Help the Weak), and caring for mentally and physically challenged individuals in care facilities (Help the Disabled), aimed at improving the quality of life for community residents.

(II) Provide volunteers:

Employees are sent to provide volunteer services to the community, such as providing daily care for the elderly, providing assistance to disadvantaged families, and providing teaching support to schools.

(III) Organize community learning activities:

Various community environmental protection, traffic safety, and health education activities have been organized to enhance the knowledge and awareness of community residents.

(IV) My Piece of Land:

Recognizing the importance of environmental conservation and sustainable operation, the Company is committed to continuous improvement in environmental protection efforts, striving to uphold natural ecology and establish itself as a green enterprise model. For the 13th year, the Group continues to promote rice adoption, supporting over 17 hectares of eco-friendly rice paddies and watching over the cultivation of 45,000 kilograms of rice with local farmers. The adopted rice paddies are cultivated using non-toxic farming methods, known as "natural farming", and the resulting non-toxic rice does not cause soil or environmental pollution, contributing to a healthier ecology. In 2024, we continued to work with local rice farmers in Daxi. Through the "My Piece of Land" volunteering activity, we hope employees and their spouse can contribute to Taiwan with actual actions. We also donated a portion of the rice harvested to charity organizations in need to fulfill our social responsibilities.

(V) Field of Happiness:

Through physical activities, we led employees in gaining a deeper understanding of concepts such as domestically produced grains, friendly farming, and production and sales history. The event included professional sharing by nutritionists and farming experiences in the field suitable for families, allowing employees to experience the production process

of grains firsthand and appreciate the value of the symbiosis between industry and environmental ecology. Through the "Sponsor a Field of Happiness" program, we promote the restoration of farmland and realize the concept of sustainable agriculture. At the same time, black bean tea produced by the sponsored black bean fields is provided in employee break rooms, creating happy employee break rooms that show our care for the physical and mental health of employees. We aim to establish a friendly work environment.

(VI) One Person One Tree Desertification Control Project:

The Group continues to promote ESG concepts to build a green Zhen Ding together. In 2024, we donated a total of 5,255 saplings for public welfare, treated a total of 49,997 square meters of sand, and vigorously promoted the desertification control project in Minqin County, Gansu Province.

(VII) In order to implement ESG to create a healthy workplace and contribute to environmental protection, employees were encouraged to exchange their walking step count for tree planting points in 2024. After accumulating enough tree planting points, they will be able to adopt trees that the Kaohsiung City Tree Planting Association will plant and nurture. This initiative encourages employees to stay healthy by walking and reduce carbon emissions. A total of 378 employees participated, reducing carbon emissions by 29,579.3KG and planting 18 trees. They walked a total of 3,299,174 steps, which is equivalent to walking around Taiwan two and a half times.

X. Strategic Partners

The Company has always been happy to share our experience with strategic partners and learn from each other in research and innovation. We prosper with suppliers, professional institutions, and other strategic partners and share the results of our work. The Company firmly believes that business management is not a zero-sum game but it is about coexistence and joint prosperity with strategic partners. We hope to form alliances with strategic partners to jointly innovate and develop core technologies (new products, new technologies, new equipment, new materials and new processes) and share the results. The Company also hopes that our high-quality circuit boards can be widely adopted in products of end-customers for the benefit of consumers and society. This constitutes the fulfillment of "Technological development for the benefit of mankind" (one of the Company's missions).

XI. Identity of Stakeholders, Issues of Concern, and Communication Channels

The Company identifies and discusses stakeholder groups closely related to its operations in economic, environmental, and social aspects through work meetings of the Sustainability Executive Committee. In 2024, we identified six major stakeholder groups for the Company based on dependency, responsibility, influence, diverse perspectives, focus, and the Company's actual operations: Employees, customers, suppliers, investors, competent authorities and the society.

The Company identified and confirmed 21 sustainability issues of concern to stakeholders

through the following four steps:

(I) Collecting related sustainable topics

With the assistance of external experts and following discussions internally, we followed global sustainability standards and guidelines (GRI guidelines, RBA, SDGs, SASB, TCFD, UN Global Compact) and took into consideration sustainability assessment organizations (CDP, Global S&P Corporate Sustainability Assessment (CSA), MSCI, Corporate Governance Assessment), industry characteristics, and practices of benchmark enterprises. We also collected and included stakeholder expectations based on the external stakeholder level of concern questionnaire previously distributed. Ultimately, based on the Company's overall operating environment and risk-related development strategies, a total of 21 sustainability issues were identified across the four key aspects of governance, environment, society, and products.

(II) Evaluating the dual materiality of sustainability issues

Based on the requirements of GRI 3: Material Topics 2021 under the GRI Standards, the Company conducts evaluations from two perspectives. Firstly, we consider whether the Company's operations will have significant actual or potential positive or negative impacts (impact materiality) on the environment, economy, or society (including human rights) from an inside-out perspective. Secondly, from an outside-in perspective, we assess whether there are opportunities and risks in society and the environment that could have significant actual or potential financial impacts on Zhen Ding (financial materiality). This approach allows us to score the scale and likelihood of positive and negative impacts on sustainability topics.

(III) Rank Material Topics in Order of Priority and Confirm Material Topics

In collaboration with external experts, each topic was reviewed and analyzed to assess its impact on the Company and the extent to which the company may be impacted. Relevant departments verified the completeness of the assessment. In addition to adding “Chemical Safety Management”, “Green Products” and “Innovation and R&D” were consolidated into “Green Products and Innovation Management”. Similarly, “Climate Action” and “Energy Management” were merged into “Climate and Energy”. In terms of talent development, the development and cultivation of international talent have become key areas of attention in response to global layout planning. Accordingly, the original topic of “Employee Diversity and Equal Opportunity” was revised to “Diversity and Inclusion” and elevated from a general topic to a material topic. Upon confirmation, 14 material topics and 7 general topics were identified. Further assessment was conducted to determine the impact scope, boundaries, and collection periods for each material topic, with a focus on presenting relevant information and performance.

(IV) Rank Material Topics in Order of Priority and Confirm Material Topics

In 2024, a total of 920 internal and external stakeholders, along with 32 managers and

employees responsible for sustainability-related initiatives, participated in the investigation. The results were reviewed by the ESG Execution Committee to confirm the engagement with stakeholders and to assess the Company's progress in sustainable management. The process further integrated the Enterprise Risk Management (ERM) process to identify various risk factors, their severity, and likelihood of occurrence. Ultimately, the management strategies for each department were formulated based on the opportunities and risks. The 21 sustainability topics were confirmed by the Chief Sustainability Officer and reported to the Chairman. They were subsequently presented to the Board of Directors on December 26 to guide the Company in its continued implementation of sustainable development.

Complaint channel for the stakeholders of the Company:

Stakeholder	Contact Person
Competent authority	Manager Huang Email: <a href="mailto:zdt@zdtco.com">zdt@zdtco.com</a>
Investor	Manager Ling Email: <a href="mailto:zdt-ir@zdtco.com">zdt-ir@zdtco.com</a>
Suppliers	Manager Liu Email: <a href="mailto:zdt@zdtco.com">zdt@zdtco.com</a>
Society	Manager Lee Email: <a href="mailto:zdt-hr@zdtco.com">zdt-hr@zdtco.com</a>
Customer	Deputy Manager Li Email: <a href="mailto:zdt@zdtco.com">zdt@zdtco.com</a>
Employees	Manager Lee Email: <a href="mailto:zdt-hr@zdtco.com">zdt-hr@zdtco.com</a>

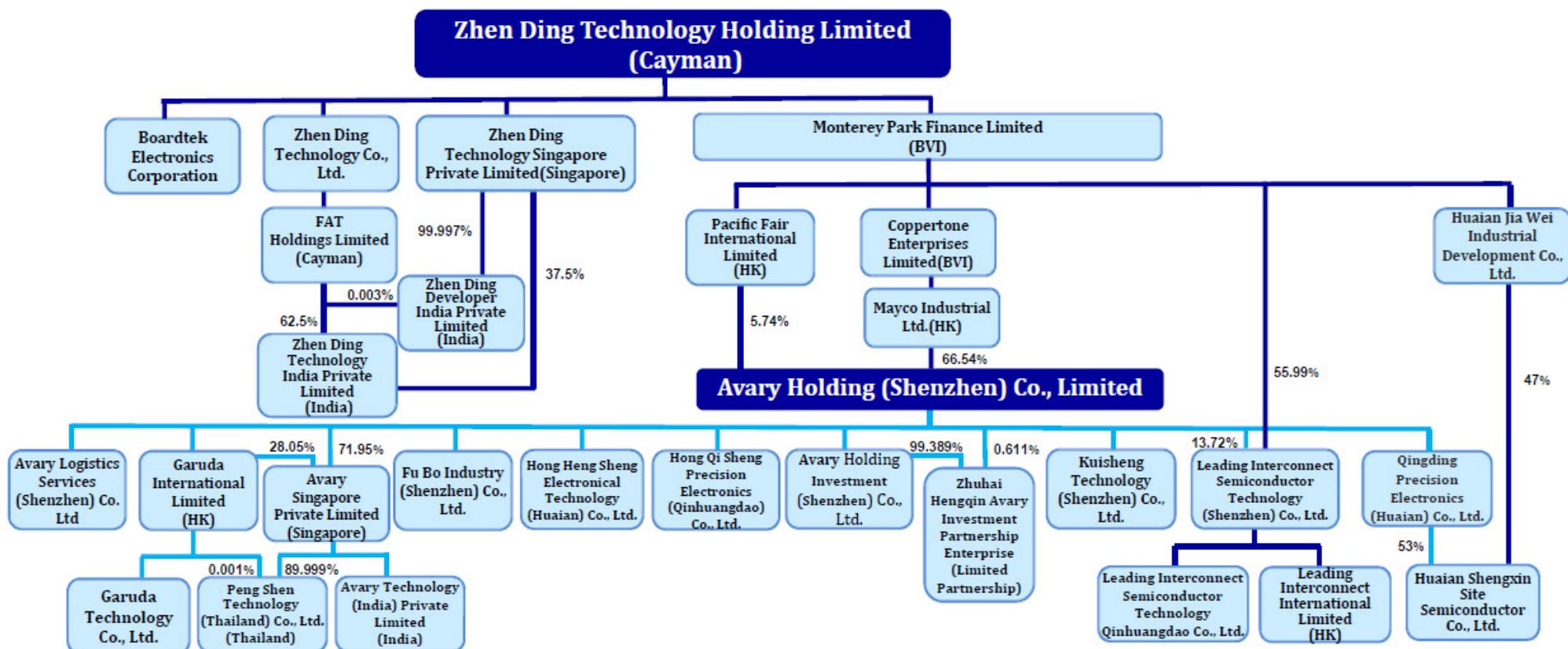
## CHAPTER 8. SPECIAL NOTES

### I. Information on Affiliates

(I) Consolidated business report of affiliates

1. Organization structure of affiliated companies

Reference date: 2024.12.31



※ Unless otherwise specified, the holding structure is 100% owned.

2. Basic information of the various affiliated enterprises

December 31, 2024

Name of affiliated companies	Date of establishment	Address	Capital	Principal business or core products
Zhen Ding Technology Co., Ltd.	1978.09.02	No.6, Lane 28, Sanho Road, Sanshi Village, Dayuan District, Taoyuan City, Taiwan, R.O.C.	NT\$125,488 thousand	Design, development, and sales of electronics products
Garuda Technology Co., Ltd.	2016.12.28	8F, No. 8, Baoqiang Road, Xindian District, New Taipei City, Taiwan	NT\$1,525,000 thousand	Sales of PCB products
Boardtek Electronics Corporation	1987.06.08	No. 16, Jingjian 1st Road, Guanyin Industrial Park, Guanyin District, Taoyuan City, Taiwan	NT\$2,159,185 thousand	Design, development, manufacturing, and sales of PCB products
Monterey Park Finance Limited	1998.10.22	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$976,250 thousand	Investment holding
Coppertone Enterprises Limited	1998.12.28	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$102,786 thousand	Investment holding
FAT Holdings Limited	1999.03.01	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	US\$5 thousand	Investment holding
Pacific Fair International Limited	2007.11.23	Suite 1222, 12/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HK\$2,133,300 thousand	Investment holding
Mayco Industrial Limited	2007.11.14	Suite 1222, 12/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HK\$9,321,842 thousand	Investment holding
Leading Interconnect International Limited	2016.07.06	Suite 1222, 12/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HK\$ 1	Sales of electronics products
Garuda International Limited	2016.08.30	Unit B,26/F.,CKK Commercial Centre,289 Hennessy Road, WanChai, Hong Kong	HK\$460,200 thousand	Sales of PCB products

Name of affiliated companies	Date of establishment	Address	Capital	Principal business or core products
Avary Singapore Private Limited	2019.03.18	8 WILKIE ROAD #03-01 WILKIE EDGE SINGAPORE (228095)	US\$123,931 thousand	Holding company
Zhen Ding Technology Singapore Private Limited	2020.09.30	9 Raffles Place, #26-01, Republic Plaza, Singapore (048619)	US\$30,000 thousand	Holding company
Avary Technology(India) Private Limited	2019.06.17	No.28, Padur Road, Kuthambakkam Village, Poonamalle Taluk, Thiruvallur District, Tamil Nadu 600124, India	INR 4,576,465 thousand	Design, development, manufacturing, and sales of PCB products
Zhen Ding Technology India Private Limited	2021.02.08	Unit No.01, 3rd Floor, No.27 Kamaraj Colony, 3rd Street, Kodambakkam, Chennai, TN 600024, India	INR 100 thousand	Design, development, manufacturing, and sales of PCB products
Zhen Ding Developer India Private Limited	2021.02.25	Unit No.02, 3rd Floor, No.27 Kamaraj Colony, 3rd Street, Kodambakkam, Chennai, TN 600024, India	INR 2,100,100 thousand	Leasing company
Peng Shen Technology (Thailand) Co.,Ltd.	2023.09.19	288 Moo 5, Nonsi Sub-district, Kabin Buri District, Prachin Buri Province 25110, Thailand	TH\$2,500,000 thousand	Design, development, manufacturing, and sales of PCB products
Avary Holding (Shenzhen) Co., Limited	1999.04.29	27F, Building A, Pengding Age Building, No. 2038, Haixiu Rd., Haibing Community, Xin'an Subdistrict, Bao'an District, Shenzhen, Guangdong Province	RMB 2,318,561 thousand	Design, development, manufacturing, and sales of PCB products
Fu Bo Industry (Shenzhen) Co., Ltd.	1998.08.03	AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China	RMB 110,070 thousand	Design, development, manufacturing, and sales of PCB products
Kui Sheng Technology (Shenzhen) Co., Ltd.	2017.03.28	AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China	RMB 20,000 thousand	Design, development, manufacturing, and sales of PCB products
Avary Holding Investment (Shenzhen) Co., Ltd.	2020.01.19	AVARY Park, Songluo Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province,	RMB 460,500 thousand	Investing in production businesses, project investments, corporate management consulting, and economic information consulting services (excluding recruitment

Name of affiliated companies	Date of establishment	Address	Capital	Principal business or core products
		China		agency services, insurance, securities, financial business, and other restricted items)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	2019.08.26	SL11, No. 8, Langdong Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen, Guangdong Province, China	US\$110,131 thousand	General Business Scope: Sales of self-manufactured products and proved related technological and after-sales services, lease of owned properties, wholesale of electronic products, import and export of electronic products and related services. Approved Business Scope: Research, development, and production of IC packaging substrate, materials for IC only, system-level packaging substrate, and solder ball bump.
Avary Property Management Services (Shenzhen) Co. Ltd.	2021.12.20	1F, Building A, Pengding Age Building, No. 2038, Haixiu Rd., Haibing Community, Xin'an Subdistrict, Bao'an District, Shenzhen, Guangdong Province	RMB 5,000 thousand	Property management. Parking lot services; Consolidate business entity management services; Corporate image planning; Etiquette services; Conference and exhibition services; Building cleaning services; Hotel management; Domestic trade agency; Park greenification construction; City greenification management.
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	2006.12.06	No.168, Fushikang Road, Huai'an Economic and Technological Development Zone, Jiangsu Province, China (within the Comprehensive Bonded Zone)	RMB 926,487 thousand	Design, development, manufacturing, and sales of PCB products
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	2014.06.23	No. 8, Pengding Road, Huai'an Economic and Technological Development Zone, Jiangsu Province, China	RMB 3,401,522 thousand	Design, development, manufacturing, and sales of PCB products
Huai'an Jia Wei Industrial Development Co., Ltd.	2018.07.05	Room A306, Building 2, No. 111, Yingbin Avenue, Huai'an Economic and Technological Development Zone, Jiangsu Province, China	US\$28,000 thousand	Manufacturing and sales of building materials, furniture, and hardware tools; Sales of decorative materials; Business information consulting; Food and beverage management; Food and beverage services
Huai'an Cheng Xin Park	2024.09.14	No. 8, Pengding Road, Huai'an	RMB 45,000	Approved items: Real estate development and

Name of affiliated companies	Date of establishment	Address	Capital	Principal business or core products
Management Co., Ltd.		Economic and Technological Development Zone, Jiangsu Province, China	thousand	management. Accommodations services. Food and beverage services General items: Park management services. Property management. Food and beverage management
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	2007.01.25	No.18, Tengfei Road, Qinhuangdao Economic and Technological Development Zone, Hebei Province, China	RMB 2,338,456 thousand	Design, development, manufacturing, and sales of PCB products
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	2021.03.29	No.18-2, Tengfei Road, Qinhuangdao Economic and Technological Development Zone, Hebei, China	RMB 500,000 thousand	The technological development, technical services, manufacturing, and sales of integrated circuit materials, systems in package, redistribution layer materials, ball grid array substrates and materials, real-time programmable grid array substrates and materials, chip scale package substrates and materials, multi-chip component substrates and materials, integrated circuit package substrates, embedded component substrates and materials, solder bump substrates, and new electronic components and equipment; Leasing of owned housing; Wholesale of electronics products; Import/export of cargo and technology.
Zhuhai Hengqin Avary Investment Limited Partnership	2020.11.10	Room 105, No. 6, Baohua Road, Hengqin New District, Zhuhai - 72049	RMB 16,417 thousand	General items: Technology intermediary services. Engage in investment activities with self-owned funds. Information consulting services

3. Information of common shareholders who are presumed to have controlling and subordinate relationship: None.

4. Status of operation for various affiliated companies:

December 31, 2024; Unit: various currencies

Name of affiliated companies	Currency	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Current profit and loss	Earnings per share
Zhen Ding Technology Co., Ltd.	NTD	125,488,000	2,723,825,127	771,643,404	1,952,181,723	-	(121,708,633)	(62,736,641)	(5.00)
Garuda Technology Co., Ltd.	NTD	1,525,000,000	16,250,818,884	15,500,238,152	750,580,732	11,519,809,525	(654,108,258)	(764,842,085)	(5.02)
Boardtek Electronics Corporation	NTD	2,159,184,530	6,464,777,579	6,074,000,266	390,777,313	5,972,821,127	(314,826,902)	(321,020,758)	(1.49)
Montereay Park Finance Limited	USD	976,250,000	3,918,198,580	1,421	3,918,197,159	-	(26,957)	345,199,132	0.35
Coppertone Enterprises Limited	USD	102,785,806	3,222,618,609	-	3,222,618,609	-	(4,470)	339,082,359	3.30
FAT Holdings Limited	USD	5,000	4,194,461	-	4,194,461	-	(6,441)	1,200,484	240.10
Pacific Fair International Limited	USD	273,500,000	525,606,126	931,302	524,674,824	-	(4,055)	40,156,605	-
Mayco Industrial Limited	USD	1,195,107,940	3,233,343,163	10,768,314	3,222,574,849	-	(94,746)	339,086,824	-
Leading Interconnect International Limited	USD	0.13	(3,043,006)	3,082,502	(6,125,508)	-	(116,384)	(2,556,997)	-
Garuda International Limited	USD	59,000,000	1,871,186,128	1,641,179,220	230,006,908	5,048,666,182	(54,289,125)	(64,956,277)	-
Avary Singapore Private Limited	USD	123,930,714	40,676,463	4,442	40,672,021	-	(24,016)	(22,037,139)	-
Zhen Ding Technology Singapore Private Limited	USD	30,000,000	30,141,148	3,331	30,137,817	-	(21,802)	999,605	-
Avary Technology (India) Private Limited	INR	4,576,465,100	5,463,865,973	7,684,298,010	(2,220,432,037)	3,630,447,177	(1,174,943,668)	(1,665,152,089)	-
Zhen Ding Technology India Private Limited	INR	100,000	13,718	1,492,053	(1,478,335)	-	(206,761)	(206,761)	-
Zhen Ding Developer India Private Limited	INR	2,100,100,000	2,402,196,804	28,540,026	2,373,656,778	-	(12,033,254)	81,442,274	-
Peng Shen Technology (Thailand) Co.,Ltd.	THB	2,500,000,000	2,942,765,543	514,297,337	2,428,468,206	-	(50,567,726)	(63,544,717)	(2.54)

Name of affiliated companies	Currency	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Current profit and loss	Earnings per share
Avary Holding (Shenzhen) Co., Limited	RMB	2,318,560,816	36,691,187,509	4,572,050,630	32,119,136,879	15,254,272,569	1,106,615,186	3,626,733,402	-
Fu Bo Industry (Shenzhen) Co., Ltd.	RMB	110,069,974	160,589,458	1,278,109	159,311,349	-	(16,031,304)	15,086,620	-
Kui Sheng Technology (Shenzhen) Co., Ltd.	RMB	20,000,000	81,917,123	32,870,173	49,046,950	293,383,516	4,038,940	4,500,070	-
Avary Holding Investment (Shenzhen) Co., Ltd.	RMB	460,500,000	537,364,756	15,943,000	521,421,756	-	(20,161)	(3,249,238)	-
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	RMB	737,629,664	6,947,111,083	5,422,171,402	1,524,939,681	709,064,070	(320,949,155)	(398,279,550)	-
Avary Property Management Services (Shenzhen) Co. Ltd.	RMB	5,000,000	11,403,499	4,528,697	6,874,802	-	(16,836,872)	1,118,905	-
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	RMB	926,487,130	2,019,896,223	1,918,483,803	101,412,420	1,515,265,310	52,438,703	34,845,566	-
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	RMB	3,401,522,136	12,162,221,896	4,289,049,606	7,873,172,290	13,347,417,268	1,009,822,022	1,057,693,995	-
Huaian Jia Wei Industrial Development Co., Ltd.	RMB	163,187,510	323,887,488	160,262,950	163,624,538	-	(167,964)	814,046	-
Huaian ChengXin Park Management Co., Ltd.	RMB	45,000,000	342,102,115	2,046,257	340,055,858	-	(11,494)	55,858	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	RMB	2,338,456,231	9,490,642,647	2,585,309,597	6,905,333,050	10,439,298,953	1,604,872,106	1,643,351,906	-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	RMB	500,000,000	2,941,632,339	2,004,634,259	936,998,080	1,389,980,079	(21,489,498)	(80,761,187)	-
Zhuhai Hengqin Avary Investment Limited Partnership	RMB	16,417,200	26,768,598	2,922,440	23,846,158	-	(417)	(380)	-

5. Information of directors, supervisors and general managers in all affiliated companies:

December 31, 2024

Name of affiliated companies	Title	Name or representative	Number of shares held	
			Number of shares	Shareholding percentage (%)
Zhen Ding Technology Co., Ltd.	Chairman	Zhen Ding Technology Holding Limited-Chang-Fang Shen	12,548,800	100%
	Director	Zhen Ding Technology Holding Limited-Te-Wang Hsiao		
	Director	Zhen Ding Technology Holding Limited-Wei-Chen Yang		
	Supervisor	Zhen Ding Technology Holding Limited-Che-Hung Yu		
Garuda Technology Co., Ltd.	Chairman	Garuda International Limited-Wei-Chen Yang	152,500,000	100%
	Director	Garuda International Limited-Te-Wang Hsiao		
	Director	Garuda International Limited-I-Hung Lin		
	Supervisor	Garuda International Limited-Che-Hung Yu		
Boardtek Electronics Corporation	Chairman	Zhen Ding Technology Holding Limited-Jing-Hsien Hsieh	215,918,453	100%
	Director	Zhen Ding Technology Holding Limited-Mei-Yu Huang		
	Director	Zhen Ding Technology Holding Limited-Mei-Chih Yen		
	Supervisor	Zhen Ding Technology Holding Limited-Eddie Chiang		
Monterey Park Finance Limited	Director	Chang-Fang Shen	-	-
Coppertone Enterprises Limited	Director	Chang-Fang Shen	-	-
FAT Holdings Limited	Director	Chang-Fang Shen	-	-
Pacific Fair International Limited	Director	Chang-Fang Shen	-	-
Mayco Industrial Limited	Director	Chang-Fang Shen	-	-
Leading Interconnect International Limited	Director	Ting-Chuan Lee	-	-
Garuda International Limited	Director	Te-Wang Hsiao	-	-
Avary Singapore Private Limited	Director	Te-Wang Hsiao	-	-
	Director	Kai-Guo Wu	-	-
Zhen Ding Technology Singapore Private Limited	Director	Eddie Chiang	-	-
	Director	Shih-Chieh Lin	-	-
Avary Technology (India) Private Limited	Director	Yen-Kung Li	-	-
	Director	Qin-Ping Lin	-	-
Zhen Ding Technology India Private Limited	Director	Qin-Ping Lin	-	-
	Director	Jien-Hong Chen	-	-
Zhen Ding Developer India Private Limited	Director	Qin-Ping Lin	-	-
	Director	Jien-Hong Chen	-	-
Peng Shen Technology (Thailand) Co.,Ltd.	Chairman	Te-Wang Hsiao	-	-
	Director	I-Hung Lin		
	Director	Guo-Qian Kao		
	Director	Rui Ma		
	Director	Vichai Kulsomphob		

Name of affiliated companies	Title	Name or representative	Number of shares held	
			Number of shares	Shareholding percentage (%)
Avary Holding (Shenzhen) Co., Limited	Chairman	Chang-Fang Shen	7,672,853	0.33%
	Director	Che-Hung Yu	-	-
	Director	Chung-Hsing Huang	-	-
	Director	Chien-Chun Chang	-	-
	Director	Ye-Lin Chang	-	-
	Director	Hsueh-Che Wei	-	-
	Director	I-Hung Lin	854,445	0.04%
	Supervisor	Cheng-En Ko	-	-
	Supervisor	Long Long	-	-
	Supervisor	Chun-Na Miao	196,238	0.01%
Fu Bo Industry (Shenzhen) Co., Ltd.	Executive Director	Jung-Hsien Hsueh	-	-
	Supervisor	Hao-Hsu Li	-	-
Kui Sheng Technology (Shenzhen) Co., Ltd.	Executive Director	Chih-Hsing Wang	-	-
	Supervisor	Chun-Mei Chen	-	-
Avary Holding Investment (Shenzhen) Co., Ltd.	Executive Director	Te-Wang Hsiao	-	-
	Supervisor	Zhou Hong	-	-
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Executive Director	Ting-Chuan Lee	-	-
	Supervisor	Yuan-Shen Wang	-	-
Avary Property Management Services (Shenzhen) Co. Ltd.	Executive Director	Te-Wang Hsiao	-	-
	Supervisor	Zhi-Chuan Liu	-	-
Hong Heng Sheng Electronical Technology (Huai'an) Co., Ltd.	Chairman	I-Hung Lin	-	-
	Director	Fang-Hsien Hsu	-	-
	Director	Wei-Chung Lin	-	-
	Supervisor	Shi-Jie Cui	-	-
Qing Ding Precision Electronics (Huai'an) Co., Ltd.	Chairman	I-Hung Lin	-	-
	Director	Geng-Min Ji	-	-
	Director	Wei-Chung Lin	-	-
	Supervisor	Ben-Fu Liao	-	-
Huai'an Jia Wei Industrial Development Co., Ltd.	Executive Director	Di-Guang Yang	-	-
	Supervisor	Pang-Chi Liu	-	-
Huai'an ChengXin Park Management Co., Ltd.	Executive Director	Zhi-Feng Huang	-	-
	Supervisor	Hsien-Chun Peng	-	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Chairman	Fang-Hsien Hsu	-	-
	Director	An-Zhi Lo	-	-
	Director	Jian-Jun Guo	-	-
	Supervisor	Li-Qun Fan	-	-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Executive Director	Ting-Chuan Lee	-	-
	Supervisor	Yuan-Shen Wang	-	-
Zhuhai Hengqin Avary Investment Limited Partnership	Executive Director	Zhi-Feng Huang	-	-

- (II) Consolidated Financial Statement of Affiliates: For details, please refer to the Company's 2024 consolidated financial statements on the Market Observation Post System.
- (III) Affiliated Company Consolidated Financial Report Statement: Not applicable.

**II. Private Placement of Securities of the Most Recent Year as of the Publication Date of the Annual Report:** None.

**III. Other Necessary Supplemental Information:** None.

**IV. Events with Major Impacts on Shareholder Equity or Share Value Described in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Most Recent Year as of the Publication Date of the Annual Report:** None.

**V. Explanation of Material Differences Between the Company's Articles of Association and Protection of Shareholders' Equity Required by the Laws of the Republic of China:**

According to the "Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Association" announced by the Taiwan Stock Exchange Corporation on May 2, 2024, certain items are not applicable under the laws of the Cayman Islands. Therefore, the reasons for the differences between the aforementioned checklist and the Company's Articles of Association are detailed in the table below (the revisions to the "Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Association" announced on May 2, 2024, have all been incorporated into the proposed amendments to the Articles of Association for discussion at the 2025 Annual General Shareholders' Meeting):

Important Matters Concerning the Protection of Shareholders' Equity	Provisions of the Company Act or Securities and Exchange Act	Provisions Contained in the Articles of Association and Reasons for Differences
<b>CHAPTER 2. Procedure for Convening a Shareholders' Meeting or Method of Adopting Resolutions</b>		
<p>1. A General Shareholders' Meeting should be convened at least once a year. It should be held within six months following the end of each fiscal year. Shareholders' meetings shall be convened by the Board of Directors.</p> <p>2. The Articles of Association shall stipulate that shareholders' meetings can be convened through video conferencing or other methods announced by the competent authority of the R.O.C. However, in the event of natural disasters, incidents, or other force majeure, the competent authority under the Company Act of the Republic of China may announce</p>	<p>1. Article 170 of the Company Act</p> <p>2. Article 172-2 of the Company Act</p> <p>3. Article 172-1 of the Company Act</p> <p>4. Paragraphs 1 and 2, Article 173 and Article 173-1 of the Company Act</p> <p>5. Article 172 of the Company Act and Articles 26-1 and 43-6 of the Securities and Exchange Act</p>	<p>The Companies Law of the Cayman Islands does not stipulate that shareholders must obtain the approval of the authority of the Cayman Islands in order to convene an extraordinary shareholders' meeting independently. Therefore, Article 17.2 of the Articles of Association does not specify that shareholders shall obtain approval of the competent authority before convening an extraordinary shareholders' meeting independently. If shareholders convene an extraordinary shareholders' meeting independently outside</p>

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<p>that companies are allowed to hold meetings via video conferencing or other announced methods within a specified period, without such provisions stipulated in the Articles of Association.</p> <p>3. In case a shareholders' meeting is proceeded via video conferencing, then the shareholders taking part in such a video conference shall be deemed to have attended the meeting in person.</p> <p>4. Regarding the convening of general shareholders' meetings via video conferencing, the conditions, operating procedures, and other matters for compliance should comply with the securities regulations of the Republic of China.</p> <p>5. Physical shareholders' meetings shall be convened by the Company within the territory of the Republic of China. If a physical shareholders' meeting is convened outside the territory of the Republic of China, it shall be resolved by the Board of Directors or permitted by the competent authority and then reported to the stock exchange for approval within two days.</p> <p>6. Shareholders holding more than 1% of the Company's outstanding shares are entitled to propose, in writing or electronically, agenda items for discussion in general shareholders meetings. Unless the proposal is not within the scope of resolutions by general shareholders' meetings, the proposing shareholder holds less than one percent of shares, the proposal is submitted outside the announcement period, the content exceeds 300 words, or it includes more than one proposal, the Board of Directors shall include it as an agenda item. If the purpose of the</p>		<p>the territory of the Republic of China, it requires no approval from the authority of the Cayman Islands. Therefore, Article 18.5 of the Articles of Association only specifies that prior approval of Taiwan Stock Exchange shall be obtained rather than that "it shall be permitted by the regulator and then reported to the stock exchange for approval within two days" as required in by the Important Matters Concerning the Protection of Shareholders' Equity.</p>

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<p>proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board may accept such proposal to be discussed in general meeting.</p> <p>7. Shareholders who have continuously held 3% or more of the total number of outstanding shares for a period of one year or longer may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the Board of Directors to call a special meeting of shareholders. If the Board of Directors fails to send a notice of shareholders' meeting within 15 days after the request is made, the shareholders may convene the meeting with the approval of the competent authority.</p> <p>8. Any shareholder who holds more than half of the total issued shares for more than three consecutive months may convene an extraordinary shareholders' meeting themselves. The calculation of a shareholder's shareholding period and number of shares shall be based on their shareholding at the time of book closure.</p> <p>9. The following matters shall be stated in the reasons for convening a general shareholders' meeting, with a summary of the major content to be discussed, and shall not be proposed as an extempory motion: The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice:</p> <p>(1) Appointment or discharge of directors.</p> <p>(2) Changes to constitution;</p>		

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<ul style="list-style-type: none"> <li>(3) capital deduction,</li> <li>(4) Application to terminate the public offering.</li> <li>(5) Dissolution, merger, share swap, and spin-off of the company.</li> <li>(6) Entering into, amending, or terminating contracts related to the lease of the entire business, commissioning of business operations, or regular joint operation with others.</li> <li>(7) Transferring of the whole or any essential part of the business or assets of the Company.</li> <li>(8) Assuming the whole business or assets of another person, which has a material effect on the Company's operation.</li> <li>(9) Private placement of any equity-related securities.</li> <li>(10) Permission for directors to engage in activities restricted by non-compete clauses.</li> <li>(11) Resolve on the distribution of stock and cash dividends through the issuance of new shares, in all or in part.</li> <li>(12) Distributing the legal reserve and capital reserve derived from share premiums or endowments by issuing new shares or in cash.</li> </ul>		
<ol style="list-style-type: none"> <li>1. When a company convenes a general shareholders' meeting, it should include electronic means as one of the channels for exercising voting rights.</li> <li>2. When the Company exercises the voting rights by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the</li> </ol>	Article 177-1 of the Company Act Article 177-2 of the Company Act	According to the lawyers in the Cayman Islands, the Companies Law of the Cayman Islands does not specify that a shareholder who exercises his/her voting power by correspondence or electronic means shall be deemed to have attended the said shareholders' meeting in person; in addition, lawyers in the Cayman Islands have not found any relevant cases. Therefore, the Articles of Association specifies that a shareholder who exercises his/her voting power by correspondence or electronic

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<p>extraordinary motions and amendments to original proposals of that meeting.</p> <p>3. Shareholders who exercise their voting rights in writing or electronically must submit their decisions to the Company at least two days before the shareholders' meeting. In the event where there are duplicate submissions, the earliest submission shall be taken into record. This is not applicable for manifestation of intentions prior to statement revocation.</p> <p>4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.</p> <p>5. In the event that a shareholder exercises their voting power by way of a written ballot or electronic transmission and has also authorized a proxy to attend a general meeting, the voting power exercised by the proxy at the general meeting shall prevail.</p>		<p>means shall be deemed to have authorized the Chairman to exercise his/her voting power at the shareholders' meeting and that the voting power which the Chairman is authorized to exercise shall not be subject to the provision that the number of voting power represented shall not exceed 3% of the voting rights of the total shares issued. Article 24.4 of the Company's Articles of Association stipulates that "When a shareholder exercises the voting right by correspondence or electronic means at a shareholders' meeting according to the aforesaid provision, he/she shall be deemed to appoint the chairman as a proxy to exercise the voting right at the shareholders' meeting as instructed by the shareholder by correspondence or electronic means. This is different from the provision that "a shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person", as prescribed in the Important Matters Concerning the Protection of Shareholders' Equity. In addition, Article 25.3 of the Company's Articles of Association stipulates that such a voting right which the Chairman of the shareholders' meeting has on behalf of the shareholder shall not be subject to the provision that the number of voting power represented shall not exceed 3% of the voting rights of the total shares issued.</p>

<p>For the following motions that relate to major equity of the shareholders, the resolution shall be adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is not sufficient to meet the criteria specified in the preceding paragraph, the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total outstanding shares of the Company:</p> <ol style="list-style-type: none"> <li>1. Enter into, amend or terminate any contract for lease of the Company's business in whole, or for entrusted business, or for regular joint operation with another party, transfer the whole or any essential part of its business or assets, or accept the transfer of the entirety of a business or asset from another party, in which the transfer has a great bearing on the business operation of the Company.</li> <li>2. Changes to constitution</li> <li>3. Resolve at the preferred shareholders' meeting on an amendment to the Articles of Association that prejudices the rights of preferred shareholders.</li> <li>4. Resolve on the distribution of stock and cash dividends through the issuance of new shares, in all or in part.</li> <li>5. Resolve on the liquidation, merger or divestment of the Company.</li> <li>6. Share swap</li> </ol>	<ol style="list-style-type: none"> <li>1. Article 185 of the Company Act</li> <li>2. Article 277 of the Company Act</li> <li>3. Article 159 of the Company Act</li> <li>4. Article 240 of the Company Act</li> <li>5. Article 316 of the Company Act</li> <li>6. Article 29 of the Business Mergers and Acquisitions Act</li> </ol>	<p>1. Regarding the resolutions at a shareholders' meeting, in addition to the ordinary resolution and supermajority resolution under the laws of the Republic of China, Article 1.1 of the Company's Articles of Association defines the special resolution under the Companies Law of the Cayman Islands. According to the definition, the special resolution means a resolution passed at a general meeting of the Company by a majority of at least two-thirds of the votes cast by shareholders (who, being entitled to do so, vote in person or by their proxies), and the notice of the meeting has legally stated that the resolution will be passed through a special resolution; however, the Company's Articles of Association may specify a higher percentage and stipulate that matters subject to a special resolution may be passed by different percentages (but not less than two-thirds). Certain matters subject to a supermajority resolution in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Association are subject to a special resolution in the Articles of Association under the Companies Law of the Cayman Islands (refer to Point 2 below). Because these differences arise from the Companies Law of the Cayman Islands, and the Company's Articles of Association have already listed matters subject to a supermajority resolution in the Checklist of Shareholders Rights Protection with respect</p>
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		<p>to Foreign Issuer's Place of Association in matters subject to a supermajority resolution and those subject to a special resolution separately, this shall have a limited impact on the shareholders' equity.</p> <p>2. According to the Companies Law of the Cayman Islands, the following matters shall be passed by a special resolution:</p> <p>(1) Amendment to the Articles of Association:</p> <p>According to the laws of the Cayman Islands, any amendments to the Articles of Association shall be passed by a special resolution prescribed in the Companies Law of the Cayman Islands. As a result, the threshold of a resolution on any amendments to the Articles of Association as set forth in Article 11.3 of the Articles of Association is not changed into a supermajority resolution in accordance with the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Association.</p> <p>Furthermore, according to Article 12 of the Articles of Association, if any amendments or changes to the Articles of Association may prejudice the preferential rights of any class of shares, such amendments or changes shall be passed by a special resolution under the Companies Law of the Cayman Islands, and</p>
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		<p>shall also be passed by a special resolution under the Companies Law of the Cayman Islands at a separate meeting of shareholders of that class of shares.</p> <p>(2) <b>Dissolution:</b>  According to the laws of the Cayman Islands, if a company is voluntarily liquidated and dissolved because it is unable to repay its debts due, its dissolution shall be adopted by a resolution at a shareholders' meeting; however, if a company is voluntarily liquidated and dissolved for reasons other than the above, its dissolution shall be adopted by a special resolution in accordance with the Companies Law of the Cayman Islands. Therefore, the threshold of a resolution on the voluntary liquidation and dissolution of the Company as set forth in Article 11.5 of the Articles of Association is not changed into a supermajority resolution in accordance with the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Association.</p> <p>(3) <b>Merger:</b>  Because the Companies Law of the Cayman Islands has a mandatory requirement for voting on the "mergers defined by the laws of the Cayman Islands", Subparagraph (b), Article 11.4 of the Articles of Association</p>
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		<p>specifies that "mergers" (except for "acquisitions and/or mergers under the Companies Law of the Cayman Islands that shall be passed by a special resolution) shall be passed by a supermajority resolution.</p> <p>The aforementioned differences are caused by different regulations provided by the laws of the Cayman Islands. Although the Company only requires an ordinary resolution to proceed when "it is voluntarily liquidated and dissolved because it is unable to repay its debts due," this shall be regarded as more favorable to shareholders, and is only applicable in certain circumstances. This shall have a limited impact on the shareholders' equity.</p>
<ol style="list-style-type: none"> <li>1. The Articles of Association shall stipulate that the distribution of earnings or make-up of deficit may be proposed at the end of each quarter or halfway through the fiscal year.</li> <li>2. The proposal of earnings distribution or make-up of deficit for the first three quarters or first half of the fiscal year, together with the business report and financial statements, shall be forwarded to the Audit Committee for their auditing, and afterwards be submitted to the Board of Directors for approval.</li> <li>3. A company distributing earnings in accordance with the provision of the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in</li> </ol>	Article 228-1 of the Company Act	<p>According to the lawyers in the Cayman Islands, because the Company does not intend to handle distribution of earnings or make-up of deficit at the end of each quarter or halfway through the fiscal year, amendments to the Articles of Association do not include rules on the distribution of earnings or make-up of deficit at the end of each quarter or halfway through the fiscal year.</p>

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<p>capital, this provision shall not apply.</p> <p>4. A company shall distribute earnings in the form of new shares to be issued by the company in accordance with the provision of Paragraph 2 by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is not sufficient to meet the criteria specified in the preceding paragraph, the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total outstanding shares of the Company. Earnings to be distributed in cash will be distributed based on the resolutions of the Board of Directors.</p> <p>5. Earnings distribution or make up of deficit by a company in accordance with the provisions of the preceding four paragraphs shall be made based on the financial statements audited or reviewed by a CPA.</p>		



**Zhen Ding Technology Holding Limited**

**Chairman: Chang-Fang Shen**

臻鼎科技股份有限公司  
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