

Stock Code: 8070

Annual Report is available at:

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

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



Chang Wah Electromaterials Inc.

2024

Annual Report

Printed on April 2, 2025

I 、1.Names, Titles and Contact Details of Company’s Spokesman and Deputy Spokesman:

Spokesman: Eric, Chen

Title: Assistant President of Business

Telephone Number: 07-3622663

E-mail address:cwe-ir@cwei.com.tw

Deputy Spokesman: Ingrid, Lee

Title: Special Assistant of Chairman’s Office

Telephone Number: (02)8751-0696

E-mail address:cwe-ir@cwei.com.tw

II 、Addresses and Telephone Numbers of Company’s Headquarters, Branches and Fabs:

Headquarter: 6F, No. 16, East 7th Street, Nanzi Dist., Kaohsiung City, Taiwan (R.O.C.)

Telephone Number: (07)362-2663

Taipei Branch: 7F, No. 35, Ln. 221, Gangcian Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

Telephone Number: (02)8751-0696

Fab: None.

Telephone Number: None.

III 、Name, Address, Website and Telephone Number of the Share Registrar:

Institution: Transfer Agency Department, SinoPac Securities Corporation

Address: 3F, No. 17, Bo’ai Rd., Taipei City, Taiwan (R.O.C.)

Telephone Number: (02)2381-6288

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

IV 、Names, Accounting Firm, Address, Website and Telephone Number of Independent Auditors in the Most Recent Year:

Names: Lee-Yuan Kuo CPA 、Hung-Ju Liao CPA

CPA Firm: Deloitte & Touche

Address: 3F, No. 88, Chenggong 2nd Rd., QianZhen Dist., Kaohsiung City, Taiwan (R.O.C.)

Telephone Number: (07)530-1888

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

V 、Overseas Securities Exchange:

None

VI 、Corporate Website: <https://www.cwei.com.tw>

Contents

	Page
I 、 Letter to Shareholders.....	1
II 、 Corporate Governance Report.....	5
1 、 Information of Directors, President, Vice President, Assistant Manager, and Branch Chief.....	5
2 、 Remuneration of Directors, President, and Vice President.....	16
3 、 Implementation of Corporate Governance.....	21
4 、 Information Regarding the Company’s Audit Fee	75
5 、 Information of CPA Change.....	75
6 、 Any of the Company’s Chairperson, President, or Managers in Charge of Finance or Accounting Held a Position in the CPA’s Firm or Its Affiliates in the Most Recent Year.....	75
7 、 Changes in Shareholding and Shares Pledged by Directors, Managers and Shareholders with 10% Shareholdings or More in the Most Recent Year and as of the Date of this Annual Report.....	76
8 、 Top 10 Shareholders Who are Related Parties, Spouses, or within Second- Degree of Kinship to Each Other.....	77
9 、 Number of Shares Held and Shareholding Percentage of the Company, the Company’s Directors, Managers and Directly or Indirectly Controlled Entities on the Same Investee.....	78
III 、 Capital Overview.....	80
1 、 Capital and Shares.....	80
2 、 Corporate Bonds.....	83
3 、 Special Shareholdings.....	84
4 、 Global Depository Receipts.....	84
5 、 Employee Stock Options.....	84
6 、 Issuance of New Restricted Employee Shares.....	84
7 、 Status of New Shares Issuance in Connection with Mergers and Acquisitions	87
8 、 Financing Plans and Implementation.....	87
IV 、 Operational Highlights.....	88
1 、 Business Activities.....	88
2 、 Market and Sales Overview.....	94

3	、 The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and as of the Date of this Annual Report.....	101
4	、 Expenditure Related to Environmental Protection.....	101
5	、 Labor Relations.....	101
6	、 Cyber Security Management.....	103
7	、 Material Contracts.....	105
V	、 Review of Financial Status, Operating Results, and Risk Management.....	107
1	、 Analysis of Financial Status.....	107
2	、 Analysis of Operating Results.....	108
3	、 Analysis of Cash Flow.....	108
4	、 Recent Year Major Capital Expenditures and Impact on Financial and Business	109
5	、 Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year.....	109
6	、 Analysis of Risk Management.....	110
7	、 Other Important Matters.....	113
VI	、 Special Disclosure.....	114
1	、 Information of the Affiliates.....	114
2	、 Private Placement Securities in the Most Recent Year and as of the Date of this Annual Report.....	114
3	、 Other Necessary Supplementary Notes.....	114
VII	、 Any Events in the Most Recent Year and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Equity or Security Prices as Stated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act.....	114

I、Letter to Shareholders

Dear Shareholders,

The Company began as a distributor specializing in packaging materials and equipment and has been deeply involved in the semiconductor packaging industry for over 30 years. Analyzing terminal applications in the first half of 2024, demand for consumer electronic chips, such as those used in mobile phones, remained relatively strong. Meanwhile, the PC sector continued to experience inventory corrections. In the automotive and industrial sectors, IDM customers saw their inventory levels bottom out in the first quarter of 2024, followed by a gradual recovery in orders in the second quarter, though demand has yet to return to previous peak levels.

Benefiting from stronger customer demand in the second half of 2024 and an official price increase for packaging materials starting in the third quarter, both gross profit margin and operating profit margin have risen. Meanwhile, the subsidiary Chang Wah Technology Co., Ltd. (CWTC) continues to expand its Mini LED product lineup and strengthen its presence in the automotive sector. Beyond pricing factors, the Company has also made significant advancements in advanced packaging materials and equipment, expanding from 12-inch wafer-level packaging to panel-level packaging. Shipments of related semiconductor materials commenced in the second half of 2024.

The Company's consolidated revenue was NT\$17.23 billion in 2024, an increase of 4% year-over-year. Operating profit amounted to NT\$1.92 billion, soaring 15% compared to 2023. Furthermore, Foreign exchange gains and other income under non-operating income also increased compared to 2023. Consequently, there was an increase in net profit after tax. Net profit attributable to owners of the Company was NT\$1.59 billion, up 8% from last year, and the earnings per share was NT\$2.32. The consolidated results of operations at the end of 2024 are listed as follows :

1、Operating Performance in 2024:

(1) Financial results:

(Parent Company Only)

Unit: NT\$ in Thousands

Item	2024		2023		2022	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Income	7,320,530	100%	6,475,334	100%	10,302,401	100%
Gross Profit	605,753	9%	481,855	8%	648,182	6%
Gross Profit Margin	9%	—	8%	—	6%	—
Operating Profit	249,415	4%	238,525	4%	263,730	2%
Net Income before Tax	1,657,000	23%	1,544,239	24%	2,298,678	22%
Net Income after Tax	1,592,225	22%	1,477,214	23%	2,163,818	21%

(Consolidated)

Unit: NT\$ in Thousands

Item	2024		2023		2022	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Income	17,231,404	100%	16,490,002	100%	21,858,509	100%
Gross Profit	3,504,926	20%	3,071,748	19%	5,069,322	23%
Gross Profit Margin	20%	—	19%	—	23%	—
Operating Profit	1,924,736	11%	1,680,410	10%	3,424,363	15%
Net Income before Tax	3,026,722	18%	2,688,052	16%	4,501,463	20%
Net Income after Tax	2,519,968	15%	2,248,755	14%	3,572,984	16%

(2) Budget implementation: The Company's financial projections for 2024 are not publicly available.

(3) Profitability analysis:

(Parent Company Only)

Item	2024	2023	2022
Financial Structure			
Debt Ratio	28%	34%	43%
Long-term Funds to Fixed Assets	26,169%	23,864%	20,266%
Net Asset Value per Share	24.75	22.40	17.07
Solvency			
Current Ratio	120%	87%	103%
Quick Ratio	114%	81%	95%
Profitability			
Return on Assets	7%	7%	11%
Return on Equity	10%	11%	19%
Net Profit Margin	22%	23%	21%
Earnings per Share	2.32	2.19	3.16

(Consolidated)

Item	2024	2023	2022
Financial Structure			
Debt Ratio	41%	46%	51%
Long-term Funds to Fixed Assets	781%	641%	616%
Net Asset Value per Share	24.75	22.40	17.07
Solvency			
Current Ratio	230%	158%	171%
Quick Ratio	193%	135%	140%
Profitability			
Return on Assets	7%	7%	12%
Return on Equity	12%	13%	23%
Net Profit Margin	15%	14%	16%
Earnings per Share	2.32	2.19	3.16

(4) Research and development status:

The Company has been a long-term distributor of Sumitomo Bakelite Co., Ltd.'s epoxy resin molding compounds (EME), conductive and non-conductive adhesives, and other semiconductor packaging materials for over 35 years. Due to our strong sales performance, Sumitomo Bakelite's EME holds the largest market share in Taiwan's semiconductor packaging industry, reinforcing its position as a global leader. The superior quality of its materials has also enabled the Company to play a pivotal role in Taiwan's semiconductor packaging sector.

In terms of advanced packaging equipment, its contribution has experienced twofold growth in 2024 compared to the previous year. This growth is driven by a steady increase in order volumes from key customers over the past two years, underscoring the robust demand in advanced packaging. The subsidiary, CWTC, has made strategic investments in Mini LED and high-end lead frame technologies in recent years, with a particular focus on developing Mini LED solutions for automotive applications over the past two years. While the certification cycle for automotive products is relatively long, the Company anticipates

sustained and steady growth in this sector over the medium to long term. Additionally, it has also expanded into the consumer electronics sector, which is expected to further enhance profitability, supporting overall business performance.

2 、 Overview of 2025 Business Plan:

(1) Business policy:

1. Mission: Understand the changes in technology, introduce advanced materials, provide total solutions for customers, create a win-win situation for customers, and with our belief in sustainability, we aim to create value for employees, customers and shareholders.
2. Vision: From being an agent for IC packaging materials to a world-class specialized supplier of packaging material – Substrates by combining the manufacturing experience of subsidiaries.
3. Core value:
 - Integrity - Hold the highest moral standard, build a trust and honest partnership between the company and suppliers, customer and employees to achieve win-win relation with mutual trust and benefit.
 - Precision - Carry out company policies, develop business with positive and responsible attitudes, deliver on time, enforce quality assurance and pursue excellent customer satisfaction.
 - Professionalism - Possess skills to provide comprehensive services, offer diverse, timely products per customers' demands, and deliver complete technical consulting services.
 - Innovation – Understand market dynamics and product technology development, seek more effective solutions for customers and become a leading company in the industry.
4. Quality policy: Strive for the highest quality within the industry and provide customers with complete and superior products.

(2) Sales forecast and sales policy:

Based on the external business environment and take into account the return-to-growth trend exhibited by the semiconductor market prompted by demand of product, as well as the projected targets and internal business plans of the agent, the Company expects to see growth momentum in major products. We remain cautiously optimistic.

(3) Key strategies for production and marketing:

CWE is not merely a distributor of specialized materials. By combining the manufacturing experience of investees, we have transformed into a manufacturer of specialized material.

1. Distributor:

CWE and suppliers are partners who work through good and bad times. As the prices of semiconductor IC products are volatile, the formula, “selling price×(1-agreed gross margin)=purchase price”, is used to determine the purchase prices. CWE and suppliers fix the gross margins to benefit both parties.

2. Manufacturer:

- (1) Develop high value-added products in accordance with market trends to establish a leading position in the market.
- (2) We will continue to develop high-end application markets, improve customer satisfaction, and strengthen partnerships with major international manufacturers.

- (3) Expanded production lines in each plant to increase production capacity and market share.
- (4) Enhanced automated scheduling system to control production costs and reduce operating costs.
- (5) Strengthen customer service, continue to enhance product quality, and reduce the number of customer complaints.

3 、Development Strategy:

CWE Group has long played a crucial role in the semiconductor materials sector. As the semiconductor market rebounds, demand for our semiconductor-related materials, including EMC, is expected to benefit and grow in tandem. Also, our subsidiary CWTC is seeing a recovery in demand across the automotive, industrial control, networking, and consumer electronics markets. Given these factors, the Company remains optimistic about its business outlook for the year.

4 、The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions:

The Industry, Science and Technology International Strategy Center (ISTI) of the Industrial Technology Research Institute (ITRI) has pointed out that the global semiconductor industry is undergoing profound transformation driven by national policy initiatives. The U.S. CHIPS Act, the EU Chips Act, and industrial development strategies in Taiwan and Japan are reshaping the global semiconductor supply chain ecosystem. As a central hub of semiconductor manufacturing, Taiwan is poised to maintain its critical role in the industry, supported by government policies and continuous technological innovation.

With global inflation easing and consumer demand in end markets gradually recovering, the rising momentum of AI-driven applications continues to fuel rapid growth in the semiconductor industry. According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is projected to reach US\$611.2 billion in 2024, representing an annual growth rate of 16.0%. Driven by the global economic rebound and AI adoption, the semiconductor industry is regaining momentum. Taiwan's semiconductor industry is expected to exceed NT\$6 trillion in output value in 2025, with a projected annual growth rate of 16.5%.

Once again, we would like to express our sincere gratitude to our shareholders for their support and trust in the Company. Finally, wish you all good health, all the best, and a happy family!

Chairman Hung, Chuen-Sing

II 、Corporate Governance Report

1 、Information of Directors, President, Vice President, Assistant Manager, and Branch Chief:

(1)Directors:

April 2, 2025

Title	Nationality/ Country of Origin	Name	Gender Age	Date Elected (on Board)	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	%	Shares (Note 2)	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	HK	Juan Yao Investment Co., Ltd. Rep.:Hung, Chuen- Sing	Male 60	2023.06.12	2	2017.05.13	97,000	0.01%	100,000	0.01%	0	0%	0	0%	Mechanical Engineering, Hong Kong Polytechnic University Possehl Electronic Taiwan Co., Ltd. President Sumitomo Precision Mold Taiwan Co., Ltd. President Sumiko Electronics Taiwan Co., Ltd. President SH Electronics Taiwan Co., Ltd. President	Chang Wah Technology Co., Ltd. Corporate Director Representative and President JMC Electronics Co., Ltd. Corporate Director Representative Advanced Echem Materials Company Limited Corporate Director Representative SH Electronics Suzhou Co., Ltd. Director SH Electronics Chengdu Co., Ltd. Director SH Precision Chengdu Co., Ltd. Director Malaysian SH Electronics Sdn. Bhd. Director SH Asia Pacific Pte. Ltd. Director Silver Connection Co., Ltd. Corporate Director Representative CWE Holding Co., Ltd. Director	None	None	None	
							0	0%	0	0%	0	0%	0	0%						
Director	ROC	Yuan Yao Energy Technology Co., Ltd. Rep.: Gary, Huang (Note 3)	Male 35	2022.06.17	3	2019.06.19	42,106,820	6.10%	43,298,820	5.97%	0	0%	0	0%	Master of Business Administration, Yunlin University of Science and Technology Chang Wah Electromaterials Inc. Manager	Chang Wah Electromaterials Inc. Corporate Director Representative and Vice President of the Business Unit Yuan Yao Energy Technology Co., Ltd. Chairman Bei Sih Jie Investment Co., Ltd. Chairman Hexin Investment Co., Ltd. Supervisor Xinxin Investment Co., Ltd. Supervisor Jinhua Investment Co., Ltd. Supervisor	None	None	None	
							0	0%	399,000	0.05%	11,000	0%	0	0%						

Title	Nationality/ Country of Origin	Name	Gender Age	Date Elected (on Board)	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	%	Shares (Note 2)	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Wah Lee Industrial Corp. Rep.: Lulu, Huang (Note 4)	Male 58	2022.06.17	3	2001.01.08	197,902,180	28.70%	197,902,180	27.27%	0	0%	0	0%	Master of Business Administration at University of California, Los Angeles, USA PricewaterhouseCoopers Senior manager Wah Lee Industrial Corp. Executive Assistant to the Chairman	Wah Lee Industrial Corp. Director Shanghai Yikang Chemicals & Industries Co., Ltd. Supervisor Wah Hong Industrial Corp. Corporate Director Representative	None	None	None	
							0	0%	0	0%	0	0%	0	0%						
Director	ROC	Huang, Shiou-Chuan	Male 74	2022.06.17	3	2010.05.21	2,658,470	0.38%	2,767,700	0.38%	0	0%	0	0%	Bachelor of Electrical Engineering in Tatung University Timex Group Taiwan Ltd. Director of Production Hp Taiwan Information Technology Ltd. Non-Computer Business Group Vice President Hon Hai Precision Industry Co., Ltd. Vice President Innolux Corporation Vice Chairman	Vizionfocus Inc. Chairman Primax Electronics Ltd. Independent Director	None	None	None	
Independent Director	ROC	Kong, Chi-Chuan	Male 65	2022.06.17	3	2019.06.19	0	0%	0	0%	0	0%	0	0%	Senior Petrochemical Division, Ko Ying Senior Vocational School of Commerce and Industry Jiao Chang Customs Brokerage Limited Manager	Jiao Chang Customs Brokerage Limited Chairman Tsing Ho Real Estate Co., Ltd. Corporate Director Representative	None	None	None	
Independent Director	ROC	Yen, Shu-Yang	Female 48	2022.06.17	3	2022.06.17	0	0%	0	0%	0	0%	0	0%	MBA/LLM, American University Bachelor and Master of Laws, Fu Jen Catholic University Chien Yeh Law Offices Junior Partner of Kaohsiung Office ASUSTeK Computer Inc. Legal Affairs Center Senior Manager Guo Yu Shan Law Firm Attorney	Asian Pacific Int'l Patent & Trademark Office Managing Attorney EFUN Technology Co., Ltd. Corporate Director representative Franbo Lines Corp. Independent Director, Audit Committee and Remuneration Committee Member	None	None	None	
Independent Director	ROC	Chen, Chih-Cheng	Male 50	2022.06.17	3	2022.06.17	0	0%	0	0%	0	0%	0	0%	Bachelor of Accounting, Feng Chia University Deloitte & Touche Senior Assistant President	Zhuo Cheng Accounting Firm CPA Yuen Chang Stainless Steel Co., Ltd. Independent Director, Audit Committee and Remuneration Committee Member Jason Co.,Ltd. Independent	None	None	None	

Title	Nationality/ Country of Origin	Name	Gender Age	Date Elected (on Board)	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers, Directors or Supervisors Who are Spouses or within Second- Degree of Kinship to Each Other			Remarks
							Shares	%	Shares (Note 2)	%	Shares	%	Shares	%			Title	Name	Relation	
																Director, Audit Committee and Remuneration Committee Member				

Note 1: If the Chairman and the President or equivalent (top manager) of the Company are the same person, spouses or relatives of the same person, the reasons, reasonableness, necessity and measures (such as increasing the number of independent directors and not having more than half of the directors as employees or managers, etc.) should be stated: None.

Note 2: The denomination of the Company's shares was changed to NT\$1 per share, which was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs on July 1, 2020, by letter No. 1090006219 and Taiwan Stock Exchange on July 9, 2020, by letter No. 1090011766.

Note 3: The legal representative of the board of directors was changed from Mr. Canon, Huang to Mr. Gary, Huang on June 28, 2024.

Note 4: The legal representative of the board of directors was changed from Mr. Chang, Tsuen-Hsien to Ms. Lulu, Huang on December 1, 2024.

s

Major shareholders of the institutional shareholders

April 2, 2025

Name of Institutional Shareholders	Major Shareholders (Note)
Juan Yao Investment Co., Ltd.	Sun,Ming-Jyuan(66.67%) ; Hung,Chi-Yau(33.33%)
Yuan Yao Energy Technology Co., Ltd.	Canon, Huang(98.44%) ; Huang, Xin-Lan(0.86%) ; Liao, Fan-Lu (0.64%) ; Huang,Yu-Li(0.03%) ; Huang,Chu-Ran(0.03%)
Wah Lee Industrial Corp.	Kang Tai Investment Co., Ltd.(7.71%) ; Fortune Investment Co., Ltd.(6.17%) ; Dragon Investment Co., Ltd.(4.91%) ; The Account of Fuhua Taiwan Technology Dividend Highlight Index ETF Securities Investment Trust Fund entrusted by Taipei Fubon Commercial Bank Co., Ltd. (3.59%) ; Ting Bao Co., Ltd.(3.20%) ; The Account of Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund entrusted by Bank of Taiwan Co., Ltd. (3.00%) ; Crystal Investment Co., Ltd.(2.78%) ; Wah Hong Industrial Corp.(2.43%) ; Chang, Ray-Ching(2.22%) ; Chinatrust Commercial Bank was granted a trust property account by Wah Lee Industrial Corp. (2.20%)

Note 1: Enter the names of the major shareholders of the corporation (the top ten shareholders) and their shareholding ratios.

Note 2: If the shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph, i.e., the name of the contributor or donor and the percentage of contribution or contribution.

Major shareholders of the Company's major institutional shareholders

April 2, 2025

Name of Institutional Shareholders	Major Shareholders (Note)
Kang Tai Investment Co., Ltd.	Fortune Investment Co., Ltd.(94.28%) ; Dragon Investment Co., Ltd.(5.72%)
Fortune Investment Co., Ltd.	Rueikang Investment Co. Ltd.(98.90%) ; Crystal Investment Co., Ltd.(1.10%)
Dragon Investment Co., Ltd.	BVI Tangdino Investment (Holdings) Inc.(100%)
The Account of Fuhua Taiwan Technology Dividend Highlight Index ETF Securities Investment Trust Fund entrusted by Taipei Fubon Commercial Bank Co., Ltd.	Non-corporate organization
Ting Bao Co., Ltd.	Chang, Ray-Ching(99.89%) ; Lin, Shu-Jen(0.11%)
The Account of Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund entrusted by Bank of Taiwan Co., Ltd.	Non-corporate organization
Crystal Investment Co., Ltd.	BVI Agatha International (stock) Inc. (78.63%) ; Yongsheng Investment Co., Ltd. (20.07%) ; Pang Da Investment Limited (1.3%)
Wah Hong Industrial Corp.	Wah Lee Industrial Corp. (27.13%) ; Rueikang Investment Co. Ltd.(3.38%) ; Dragon Investment Co., Ltd.(3.03%) ; Crystal Investment Co., Ltd.(2.59%) ; Kang Tai Investment Co., Ltd.(1.75%) ; BVI Tangdino Investment (Holdings) Inc.

Name of Institutional Shareholders	Major Shareholders (Note)
	(1.69%) ; BVI Agatha International (stock) Inc. (1.61%) ; Yikang Investment Co., Ltd. (1.58%) ; Yeh, Ching-Pin (1.49%) ; Baoguang Investment Co., Ltd. (1.43%)
Chinatrust Commercial Bank was granted a trust property account by Wah Lee Industrial Corp.	Non-corporate organization

Note 1: Enter the names of the major shareholders of the corporation (the top ten shareholders) and their shareholding ratios.

Note 2: If the shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph, i.e., the name of the contributor or donor and the percentage of contribution or contribution.

Directors

1. Professional qualifications of Directors and independence of Independent Directors:

April 2, 2025

Condition Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hung, Chuen-Sing	Hung, Chuen-Sing (60-year-old) graduated from Mechanical Engineering in the Hong Kong Polytechnic University. Once served as President of Possehl Electronic Taiwan Co., Ltd., Sumiko Precision Mold Taiwan Co., Ltd. and Sumiko Electronics Taiwan Co., Ltd., he is now the president of Chang Wah Technology Co., Ltd. and a director in several subsidiaries of the CWE Group. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	—	None
Gary, Huang	Gary, Huang (35-year-old) graduated from the Master of Business Administration in Yunlin University of Science and Technology. Once served as Deputy Manager of Chang Wah Electromaterials Inc., he has been involved in the operation and strategic management of semiconductor industry for more than 10 years. He is now the chairman and supervisor of companies within professional investment. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	—	None
Lulu, Huang	Lulu, Huang (58-year-old) graduated from the Master of Business Administration at University of California, Los Angeles, USA. Once served as the special assistant to chairman of Wah Lee Industrial Corp., she is now the president of the company as well as the director in several subsidiaries of the Wah Lee Group. She has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management. She is not a person of any conditions defined in Article 30 of the Company Act.	—	None
Huang, Shiou-Chuan	Huang, Shiou-Chuan (74-year-old) graduated from the Department of Electrical Engineering in Tatung University. Once served as vice president or Vice Chairman at several multinational corporations such as HP Taiwan Information Technology Ltd., Hon Hai Group, and Innolux Corporation, he has been involved in the scale growth of numerous companies. He is now the chairman of Vizionfocus Inc. and the Independent Director of Primax Electronics Ltd. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	—	None
Kong, Chi-Chuan	Kong, Chi-Chuan (65-year-old) graduated from the Department of Senior Petrochemical Division, Ko Ying Senior Vocational School of	He satisfies the qualification requirements set out in the “Regulations Governing Appointment of Independent	None

Condition Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	<p>Commerce and Industry. Once served as manager of Jiao Chang Customs Brokerage Limited, he is now the chairman of the company as well as a director in Tsing Ho Real Estate Co., Ltd. He has more than 35 years of experience in commercial dealings and is familiar with the technology advancement of semiconductor industry chain. His expertise lies in operation management, insights into industry development, marketing, leadership and decision-making and can therefore enhance the corporate governance quality of the Board as well as supervisory function of the Audit Committee. He is not a person of any conditions defined in Article 30 of the Company Act.</p> <p>He is the Chairman of the Remuneration Committee and a member of the Audit Committee.</p>	<p>Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act.</p>	
Yen, Shu-Yang	<p>Yen, Shu-Yang (48-year-old) graduated from MBA/LLM, American University, Bachelor and Master of Laws, Fu Jen Catholic University. Once served as Chien Yeh Law Offices Junior Partner of Kaohsiung Office and Guo Yu Shan Law Firm Attorney, she is now the Managing Attorney of Asian Pacific Int'l Patent & Trademark Office as well as a Corporate Director representative in EFUN Technology Co., Ltd. Having been involved in law-related field for more than 15 years, her expertise lies in legal affairs, industry know-how, leadership and decision-making. She can provide legal opinions on business management and can therefore enhance the corporate governance quality of the Board as well as supervisory function of the Audit Committee. She is not a person of any conditions defined in Article 30 of the Company Act.</p> <p>She is a member of the Remuneration Committee and the Audit Committee.</p>	<p>She satisfies the qualification requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act.</p>	1
Chen, Chih - Cheng	<p>Chen, Chih -Cheng (50-year-old) graduated from the Bachelor of Accounting, Feng Chia University. Once served as Senior Assistant President of Deloitte & Touche, he is now a CPA of Zhuo Cheng Accounting Firm. Having been involved in accounting and tax fields for more than 20 years, his expertise lies in accounting/financial analysis, industry know-how, leadership and decision-making. He can provide opinions concerning corporate governance on business management and can therefore enhance the corporate governance quality of the Board as well as supervisory function of the Audit Committee. He is not a person of any conditions defined in Article 30 of the Company Act.</p> <p>He is the Chairman of the Audit Committee and a member of the Remuneration Committee.</p>	<p>He satisfies the qualification requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act.</p>	2

2. Board diversity and independence:

(1) Board diversity:

Policies concerning the enhancement of Board functions are set out in the Company's "Corporate Governance Best Practice Principles". Composition of the Board shall take into account standards of multiple aspects including gender, age, nationality, culture, professional background (e.g., corporate governance, law, accounting/financial analysis, industry know-how, marketing, leadership, decision-making and operation management), professional skills and industry experience. For the business developments of the Company, the Board shall comprise experts of industry, finance and accounting and management. Each field of expertise, including operation management, accounting and financial analysis and laws, shall be covered by at least one Board member.

The Board has seven directors, including three independent directors, with different professional background or expertise. Their professional background and skills in corporate governance, marketing, industry know-how, leadership, decision-making, operation management, accounting and financial analysis and legal affairs can effectively facilitate the Company with the implementation of business and future development strategies, which is in line with the diversity policy. The average age of current members is 56-year-old. More than 29% of directors are over 61 years old while directors under 60 years old account for 71%. Except for directors with ROC nationality, there is one director of Chinese (Hong Kong) nationality. The Company has always been concerned with gender equality of Board members. There is now 2 female directors among the seven directors, i.e., the percentage of female director is 29%. In March 2025, the Company nominated four male and three female candidates for the Board of Directors. The 13th Board will assume office in May 2025, at which time it will comprise four male and three female directors, reflecting a gender ratio of 57% male and 43% female.

(2) Board independence:

The Board has seven directors, including three independent directors. Independent directors account for 43% of the Board, exceeding the regulatory requirement of being one-third of the Board. Upon assessment, all three independent directors comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". None of the directors are spouses or relatives within the second degree of kinship with one another, which comply with Article 26-3, Subparagraphs 3 and 4 of the Securities and Exchange Act.

The Board emphasizes the functions of independence and transparency. Directors and independent directors are independent individuals who exercise their powers independently. The three independent directors examine controls over existing or potential risk of the Company with their powers as Audit Committee members in accordance with relevant laws and regulations to supervise the effective implementation of the Company's internal controls, appointment (discharge) and independence of CPAs, and fair presentation of financial statements. Also, the election of directors and independent directors adopts the cumulative voting system and the candidate nomination system pursuant to the "Rules Governing the Election of Directors" of the Company. Shareholders are encouraged to participate. Shareholders with a certain number of shares may nominate candidates. Reviews on the candidates' qualification, whether there is a violation of circumstances set out in Article 30 of the Company Act, and relevant processing procedures are carried out and publicly announced in accordance with applicable laws to prevent monopolizing or abusing of nomination rights, thereby protecting shareholders' rights and maintaining independence.

(3) Management objectives of the Board and completion status:

The Board at present is comprised of seven directors. Targets and completion status of Board diversity are as follows:

Management Target	Completion Status
Have independent directors account for at least one-third of the Board	Completed
Directors who are also managerial officers of the Company shall not account for more than one-third of the Board	Completed
Independent directors shall not serve for more than three terms	Completed
Diverse professional knowledge and skills	Completed
Have at least one female director	Completed

(2)President, Vice President, Assistant Manager, and Branch Chief:

April 14, 2023

Title	Nationality	Name	Gender	On-Board Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Thomas, Huang	Male	2024.08.07	5,270	0%	0	0%	0	0%	National Kaohsiung Institute of Marine Technology Marine Engineering Dept Orient Semiconductor Electronics Limited Engineer Wah Lee Industrial Corp. Director	Chang Wah Technology Co., Ltd. Corporate Director Representative Chang Wah Energy Technology Co., Ltd. Corporate Director Representative	None	None	None	None
Taipei Branch President	ROC	Mike, Wu	Male	2018.01.01	0	0%	0	0%	0	0%	National Taiwan Institute of Technology Dept of Chemical Engineering Wah Lee Industrial Corp. Business Manager Chang Wah Electromaterials Inc. Assistant President Chang Wah Technology Co., Ltd. Vice President	Chang Wah Energy Technology Co., Ltd. Corporate Director Representative Vizionfocus Inc. Corporate Director Representative	None	None	None	None
Vice President of Sales	ROC	Gary, Huang	Male	2024.11.05	399,000	0.05%	11,000	0%	0	0%	Master of Business Administration, Yunlin University of Science and Technology Chang Wah Electromaterials Inc. Manager	Yuan Yao Energy Technology Co., Ltd. Chairman Bei Sih Jie Investment Co., Ltd. Chairman Hexin Investment Co., Ltd. Supervisor Xinxin Investment Co., Ltd. Supervisor Jinhua Investment Co., Ltd. Supervisor	None	None	None	None
Assistant Manager of Substrate Division	ROC	Ivan, Chiang	Male	2015.01.01	0	0%	0	0%	0	0%	Bachelor of Electrical Engineering, Tatung Institute of Technology (now Tatung University) Orient semiconductor electronics limited R&D Chief	None	None	None	None	None
Assistant Manager of Polymer Materials Division I	ROC	Kevin, Chao	Male	2015.01.01	1,790	0%	0	0%	0	0%	Bachelor of Mechanical Engineering, Kaohsiung Polytechnic Institute (now I-Shou University) Advanced Semiconductor Engineering, Inc. Engineer	None	None	None	None	None
Assistant Manager of Polymer Materials Division II	ROC	Eric, Chen	Male	2015.01.01	3,390	0%	0	0%	0	0%	Bachelor of Chemical Engineering, Tunghai University Sumitomo Bakelite (Taiwan) Co., Ltd. President	None	None	None	None	None
Assistant Manager of Automation Equipment Division	ROC	Alex, Chang	Male	2020.07.01	0	0%	6,650	0%	0	0%	Bachelor of Technology in Mechanical Engineering, Nantai Institute of Technology (now Southern Taiwan University of Science and Technology) Hua Shan New Technology Co., Ltd. Assistant Engineer Chang Bo Technology Co., Ltd. Business Assistant Manager	None	None	None	None	None
Corporate Governance Officer	ROC	Beatrice, Yan	Female	2023.03.24	50,720	0%	0	0%	0	0%	Bachelor of Accountancy, Providence University Chang Wah Energy Technology Co., Ltd. Chief Financial Officer	Chang Wah Energy Technology Co., Ltd. Chief Financial Officer and Corporate Governance Officer Wellstech Optical Co., Ltd. Corporate Director Representative	None	None	None	None

Title	Nationality	Name	Gender	On-Board Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Finance and Accounting Division Officer	ROC	Kelly, Chiu	Female	2023.03.24	9,000	0%	0	0%	0	0%	Bachelor of Accounting and Law, Tunghai University KPMG Auditor Deloitte & Touche Assistant Manager Chang Wah Energy Technology Co., Ltd. Chief Administrator of Accounting Division	None	None	None	None	None
Audit Officer	ROC	Amy, Huang	Female	2015.03.01	260	0%	0	0%	0	0%	Bachelor of Accountancy, Feng Chia University Deloitte & Touche Auditor Taiwan Alpha Electronic Co., Ltd. Auditor	Wellstech Optical Co., Ltd. Supervisor Shing Zheng Investment Co., Ltd. Supervisor TechNew Co., Ltd. Corporate Supervisor Representative Power Touch (Chengdu) Co., Ltd. Supervisor Power Touch (Shenzhen) Co., Ltd. Supervisor Fast Track (Shenzhen) Co., Ltd. Supervisor O'friend Optronics (Chengdu) Co., Ltd. Supervisor	None	None	None	None

Note: If the Chairman and the President or equivalent (top manager) of the Company are the same person, spouses or relatives of the same person, the reasons, reasonableness, necessity and measures (such as increasing the number of independent directors and not having more than half of the directors as employees or managers, etc.) should be stated: None.

2、Remuneration of Directors, President, and Vice President:

(1) Remuneration of Directors:

December 31, 2024/Unit: thousand shares; NT\$ thousands; %

Title	Name	Remuneration (Note 1)								Total of A, B, C and D and as a % of Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Total of A, B, C, D, E, F and G and as a % of Net Income		Compensation from Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay (B) (Note 2)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE (Note 3)	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE		From All Consolidated Entities		From CWE	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Juan Yao Investment Co., Ltd.	1,888	1,888	0	0	18,221	18,221	0	0	20,109 1.26%	20,109 1.26%	0	0	0	0	0	0	0	0	20,109 1.26%	20,109 1.26%	0
	Rep.: Hung, Chuen-Sing	0	15,554	0	0	0	0	756	777	756 0.06%	16,331 1.03%	0	28,842	0	139	0	0	0	0	756 0.06%	45,312 2.85%	53
Director	Yuan Yao Energy Technology Co., Ltd.	1,006	1,006	0	0	14,758	14,758	0	0	15,764 0.99%	15,764 0.99%	0	0	0	0	0	0	0	0	15,764 0.99%	15,764 0.99%	0
	Rep.:Gary, Huang	0	0	0	0	0	0	9	9	9 0.00%	9 0.00%	1,351	1,351	0	0	0	0	0	0	1,360 0.09%	1,360 0.09%	0
	Former Rep.: Canon, Huang	0	533	0	0	0	0	9	18	9 0.00%	551 0.04%	19,681	23,307	0	14,000	0	0	0	0	19,690 1.23%	37,858 2.38%	9
Director	Wah Lee Industrial Corp.	1,005	1,005	0	0	0	0	0	0	1,005 0.06%	1,005 0.06%	0	0	0	0	0	0	0	0	1,005 0.06%	1,005 0.06%	0
	Rep.:Lulu, Huang	0	0	0	0	0	0	3	3	3 0.00%	3 0.00%	0	0	0	0	0	0	0	0	3 0.00%	3 0.00%	0
	Former Rep.: Chang, Tsuen-Hsien	0	0	0	0	0	0	15	15	15 0.00%	15 0.00%	0	0	0	0	0	0	0	0	15 0.00%	15 0.00%	0
Director	Huang, Shiou-Chuan	1,005	1,005	0	0	0	0	18	18	1,023 0.06%	1,023 0.06%	0	0	0	0	0	0	0	0	1,023 0.06%	1,023 0.06%	3,124
Independent Director	Kong, Chi-Chuan	636	636	0	0	0	0	18	18	654 0.04%	654 0.04%	0	0	0	0	0	0	0	0	654 0.04%	654 0.04%	0
Independent Director	Yen, Shu-Yang	600	600	0	0	0	0	18	18	618 0.04%	618 0.04%	0	0	0	0	0	0	0	0	618 0.04%	618 0.04%	0
Independent Director	Chen, Chih -Cheng	660	660	0	0	0	0	18	18	678 0.04%	678 0.04%	0	0	0	0	0	0	0	0	678 0.04%	678 0.04%	0

1. The policy, system, standards and structure for the remuneration of independent directors, and the correlation between the amount of remuneration and the amount of remuneration based on the responsibilities, risks and time commitment:

The remuneration of the Company's independent directors is governed by the "Regulations Governing Directors' Compensation". The Company may pay each independent director between NT\$30,000 and NT\$60,000 per month, regardless of the Company's operating profit or loss or the responsibilities, risks, and time commitment of the independent director.

2. Except as disclosed in the table above, compensation received for services rendered (e.g., a non-employee consultant to the parent company/entities within the financial statements/investees) by directors in the most recent year: No.

Note 1: In accordance with the Company's Articles of Incorporation and the Regulations Governing the Compensation of Directors.

Note 2: There is no actual payment and no provision for retirement pension for this year.

Note 3: On March 12, 2025, the Board of Directors approved the distribution of directors' remuneration in the amount of NT\$32,979 thousand for 2024.

(2) Remuneration for President and Vice President:

December 31, 2024
Unit: NT\$ thousands ; thousand shares ; %

Unit: NT\$ thousands / thousand shares / %

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D) (Note)				Total of A, B, C and D and as a % of Net Income		Compensation from Non- consolidated Affiliates or Parent Company
		From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE		From All Consolidated Entities		From CWE	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President (Note 2)	Thomas Huang	6,854	6,854	216	14,216	26,649	26,661	0	0	0	0	33,719 2.12%	47,731 3.00%	350
Former President (Note 2)	Canon, Huang													
President, Taipei Branch	Mike, Wu													
Vice President of Sales (Note 3)	Gary, Huang													

Note 1 : Estimated on a pro-rata basis based on the actual allotment in the previous year.

Note 2: Mr. Canon, Huang will retire on August 7, 2024 due to age, and Mr. Thomas, Huang will be promoted to President.

Note 3: Mr. Gary, Huang was promoted to Vice President of the Business Unit on November 5, 2024.

※Compensation Scale

Range of Remuneration	Name of President and Vice President	
	From CWE	From All Consolidated Entities
Under than NT\$1,000,000	Gary, Huang	Gary, Huang
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Thomas, Huang 、Mike, Wu	Thomas, Huang 、Mike, Wu
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Canon, Huang	None
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	None	Canon, Huang
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None
NT\$100,000,000 or more	None	None
Total	4	4

(3) Remuneration for the top five highest paid executives: N.A.

(4)Employee compensation granted to managers:

Year 2024/Unit: Thousand Shares, NT\$ thousands, %

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Total as a % of 2024 Net Income
Managers	President (Note 2)	Thomas, Huang	0	3,921	3,921	0.27%
	Taipei Branch President	Mike, Wu				
	Vice President of Sales	Gary, Huang				
	Polymer Materials Division I Assistant President	Kevin, Chao				
	Polymer Materials Division II Assistant President	Eric, Chen				
	Substrate Division Assistant President	Ivan, Chiang				
	Automatic Equipment Division Assistant President	Alex, Chang				
	Corporate Governance Officer (Note 2)	Beatrice, Yan				
	Finance and Accounting Division Officer (Note 2)	Kelly, Chiu				

Note 1: Name and title of should be disclosed separately, however, compensation can be disclosed in aggregate.

Note 2: Mr. Canon Huang will retire on August 7, 2024 due to age, and Mr. Thomas Huang will be promoted to President.

Note 3: The employee compensation (both stock and cash) granted to managers approved by the Board of Directors in the most recent year is disclosed. If it cannot be estimated, the amount to be distributed this year is calculated in proportion to the actual payment last year. Net income refers to net income of the most recent year. For companies already adopted International Financial Reporting Standards, net income refers to net income in the parent company only or individual financial statements of the most recent year.

Note 4: Pursuant to the official letter Tai-Cai-Zheng-San-Zi No. 0920001301 issued by the Securities and Futures Commission on March 27, 2003, the scope of the term “managerial officer” is defined as follows:

- (1) the President and persons with equivalent positions
- (2) the Vice President and persons with equivalent positions
- (3) Assistant Vice President and persons with equivalent positions
- (4) Chief Financial Officer
- (5) Chief Accounting Officer
- (6) Other persons authorized to manage affairs and sign documents on behalf of the Company

(5)Compare and explain separately the analysis of remuneration and compensation paid to Directors, President and Vice Presidents by the Company and all consolidated entities in 2022 and 2023 as a percentage of net income in the parent company only or individual financial statements and explain the remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks:

1.Analysis of remuneration and compensation paid to Directors, President and Vice Presidents by the Company and all consolidated entities in 2022 and 2023 as a percentage of net income in the parent company only or individual financial statements:

Unit: NT\$ thousands;%

Title	2023				2024			
	From CWE		From All Consolidated Entities		From CWE		From All Consolidated Entities	
	Total	% to Net Income	Total	% to Net Income	Total	% to Net Income	Total	% to Net Income
Directors	64,807	4.39%	131,101	8.88%	61,675	3.87%	124,399	7.81%
President and Vice Presidents	34,465	2.47%	42,672	2.89%	33,719	2.12%	47,731	3.00%
Explanation for difference:								
The remuneration of directors, presidents and vice presidents is set at relatively reasonable amount								

with consideration to the Company's profitability as well as the executives' performance, level of participation in Group operations, and contribution.

1. Remuneration to directors decreased in 2024 compared to 2023, primarily due to a mid-year change in the representative of the corporate director who also served as an employee of the Company, despite an increase in net profit after tax in 2024 compared to 2023.
2. Remuneration to President and Vice Presidents of all consolidated entities increased in 2024 compared to 2023, primarily due to the President has retired and received pension, which led to an increase in remuneration for the year.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance:

- (1) Policy, standard and composition of remuneration to directors and the procedures for setting the remuneration:

Remuneration is paid based the Company's "Standards, Policy and Structure of Director Remuneration". It is reviewed regularly by the Compensation Committee and distributed upon approvals from the Board. Remuneration to directors comprises of base compensation, compensation to directors and allowances. Base compensation is a fixed amount distributed from a budget of NT\$8 million every year. Whether the director is a member of a functional committee and his/her involvement and contribution to the operation are taken into account when the Board determines the compensation amount. Compensation to directors is paid pursuant to the Articles of Incorporation. When the Company's net income for the year exceeds NT\$800 million, 2% of the excess from income between NT\$800 million and NT\$1 billion shall be distributed as remuneration to directors. When the annual income exceeds NT\$1 billion, 4% of the excess shall be distributed as remuneration to directors. Allowances include attendance allowance and others. Remuneration policy is established with consideration to the level of participation and contribution of individual director to the Company (please refer to page 26 for results of performance evaluation on the Board and individual director), industry average (companies in the electronics distribution industry or one with similar levels of paid-in capital, revenue, or profits) as well as business performance indicators. Performance of the Chairman is evaluated by performance indicators associated with operation, governance and financial performance, including profit before tax, earnings per share, budget achievement and growth.

- (2) Policy, standard and composition of compensation to managers and the procedures for setting the compensation:

Compensation is paid based the Company's "Standards, Policy and Structure of Manager Compensation". It is reviewed regularly by the Compensation Committee and distributed upon approvals from the Board. Compensation to managers comprises of salary, allowance, bonus, benefit, employee compensation, severance pay or pension. Salary and allowance are determined based on managers' education, work experience, professional competence and positions within the Company as well as the Company's personnel management rules. Bonus is linked to performance evaluation and the Company's business performance. Performance evaluation of managers (e.g., the President) include financial targets (e.g., revenue of departments, profit before tax, earnings per share, budget achievement and growth) and non-financial targets (e.g., business management and risk control capabilities). Bonus is calculated based on the results of performance evaluation. Rules for benefits are formulated to meet the needs of employees and retain talents for the Company. Employee compensation is distributed pursuant to the Articles of Incorporation, i.e., when the Company makes profits for a year, compensation to employees shall be no less than 1% and no higher than 12% of the profits. Severance pay or pension conform to labor laws and regulations. Compensation system is constantly reviewed to reflect actual business performance and applicable laws and regulations.

- (3) Correlation with business performance and future risks:

Compensation policy for directors and managers of the Company is determined based on the

overall performance of the Company as well as individual contribution and performance to drive improvement in management effectiveness of the Board and management team and continual growth of the Company. Annual reviews on business performance, market standards, industry development trends and applicable laws and regulations along with the compensation system are conducted to ensure our compensation packages remain competitive to retain talents.

(6) The Company's operating performance is appropriately reflected in employee compensation:

1. Overall Compensation Policy:

In order to attract and retain talented employees and to enable them to share the results of operations with the Company, the Company provides employees with competitive and motivating salary compensation through a comprehensive compensation structure, including: monthly salary and year-end bonus. The monthly salary is based on the employee's past experience, ability and value of the position; the year-end bonus is based on the company's operational performance and the employee's personal performance. In accordance with Article 18-2 of the Company's Articles of Incorporation, employee compensation shall be distributed at a rate of not less than 1% and not more than 12% of the Company's profitability for the year. The appropriation of employee compensation for the last three years is as follows:

Unit: NT\$ thousands			
Year	2022	2023	2024
Items			
Distribution Ratio	2%	2%	2%
Distribution Amount	48,142	32,090	34,489

2. Employee Stock Ownership Trust:

The Company encourages employees to make long-term investments by allocating a certain amount of money to purchase shares of the Company and its subsidiaries, and providing incentive payments based on 100% of the employees' deposits.

3、Implementation of Corporate Governance:

(1) Board of Directors:

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

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairman	Juan Yao Investment Co., Ltd. Rep.: Hung, Chuen-Sing	6	0	100%	None
Director	Yuan Yao Energy Technology Co., Ltd. Rep.: Gary, Huang Former Rep.: Canon, Huang	6	0	100%	None
Director	Wah Lee Industrial Corp. Rep.: Lulu, Huang Former Rep.: Chang, Tsuen-Hsien	6	0	100%	None
Director	Huang, Shiou-Chuan	6	0	100%	None
Independent Director	Kong, Chi-Chuan	6	0	100%	None
Independent Director	Yen, Shu-Yang	6	0	100%	None
Independent Director	Chen, Chih -Cheng	6	0	100%	None

Note: The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and their actual attendance during the term of their employment.

The attendance of independent directors at each board meeting in 2024 is as follows:

⊕: in person ; ◇: proxy

2024	1	2	3	4	5	6
Kong, Chi-Chuan	⊕	⊕	⊕	⊕	⊕	⊕
Yen, Shu-Yang	⊕	⊕	⊕	⊕	⊕	⊕
Chen, Chih -Cheng	⊕	⊕	⊕	⊕	⊕	⊕

Other mentionable items:

1、The Board of Directors shall state the date and time of the meeting, the content of the motion, the opinion of the Independent Director, and the Company's handling of the Independent Director's opinion if any of the following circumstances apply to the operation of the Board of Directors:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act

Date	Session	Motion	Resolution	Note
2024.02.21	12-14	Approved the amendments to Rules Governing the Conduct of Meetings of the Board of Directors and Organizational Procedures of the Audit Committee.	Passed without objection	N/A
		Approved the date, venue and reason for convening the 2024 regular shareholders' meeting.	Passed without objection	N/A
		Approved the syndicated loan application with an amount of NT\$3 billion from the consortium including the Taishin International Bank.	Passed without objection	N/A
		Approved the retrospective recognition of acquisition of marketable securities and the investments on marketable securities.	Passed without objection	N/A

Date	Session	Motion	Resolution	Note
		Approved the issuance of restricted stock awards.	Passed without objection	N/A
2024.03.12	12-15	Approved director's compensation and emoluments for 2023	Passed without objection	N/A
		Approved staff remuneration for 2023	Passed without objection	N/A
		Approved the Company's FY2023 IFRSs financial statements	Passed without objection	N/A
		Approved the Company's 2023 Annual Business Report	Passed without objection	N/A
		Approved the distribution of surplus for FY2023	Passed without objection	N/A
		Approved the distribution of cash from capital surplus.	Passed without objection	N/A
		Adopted the Company's Statement of Internal Control System.	Passed without objection	N/A
		Approved the retrospective recognition of acquisition and disposal of marketable securities.	Passed without objection	N/A
		Approved the amendments to the causes for convening the 2024 annual shareholders' meeting.	Passed without objection	N/A
2024.05.13	12-16	Approved the Company's IFRSs financial statements for the three months ended March 31, 2024	Passed without objection	N/A
		Approved financing provided to subsidiary Chang Wah Energy Technology Co., Ltd. NT\$200 million.	Passed without objection	N/A
2024.08.06	12-17	Approved the Company's IFRSs financial statements for the six months ended June 30, 2024	Passed without objection	N/A
		Approved the Company's 2023 Sustainability Report.	Passed without objection	N/A
		Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds	Passed without objection	N/A
		Approved the monthly salaries of the Company's insiders and audit officer	Passed without objection	N/A
		Approved the signing of lease agreements with subsidiary Chang Wah Technology Co., Ltd.	Passed without objection	N/A
		Approved the details and date of payment of directors' emoluments	Passed without objection	N/A
		Approved the change in the Company's President.	Passed without objection	N/A
		Approved the retrospective recognition of acquisition and disposal of marketable securities	Passed without objection	N/A
2024.11.05	12-18	Approved the Company's IFRSs financial statements for the nine months ended September 30, 2024	Passed without objection	N/A
		Approved the distribution of surplus for the first half of FY2024	Passed without objection	N/A
		Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds	Passed without objection	N/A
		Approved the amendment to the 2024 Rules Governing the Issuance of Employee Restricted Stock Awards.	Passed without objection	N/A
		Approved the establishment of the Sustainable Development Committee and the adoption of the Sustainable Development Committee Charter.	Passed without objection	N/A
		Approved the transfer of treasury shares repurchased in 2023 to employees.	Passed without objection	N/A
		Approved the Company's proposal to appoint Mr. Canon Huang as strategic advisor.	Passed without objection	N/A
		Approved the adoption of the Rotating CEO Allowance Management Guidelines.	Passed without objection	N/A
		Approved the monthly salary for the Company's President.	Passed without objection	N/A
		Approved the promotion of Mr. Gary Huang to Vice President of Sales and the adjustment of his monthly salary.	Passed without objection	N/A
		Approved the appointment of the first-term Sustainable Development Committee members.	Passed without objection	N/A

Date	Session	Motion	Resolution	Note
		Approved the retrospective recognition of acquisition and disposal of marketable securities	Passed without objection	N/A
2024.12.19	12-19	Approved the 2025 budget	Passed without objection	N/A
		Approved the financial institution financing line for FY2025	Passed without objection	N/A
		Approved the audit plan for FY2025	Passed without objection	N/A
		Approved the appointment and remuneration of the CPA for FY2025	Passed without objection	N/A
		Approved the 2025 endowment budget	Passed without objection	N/A
		Approved the amendments to Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises and the Corporate Governance Best Practice Principles.	Passed without objection	N/A
		Approved the adoption of the Sustainability Information Management Regulations and the Internal Control System - Sustainability Information Management.	Passed without objection	N/A
		Approved the performance bonus and retirement package for Mr. Canon, Huang, an employee of the Company.	Passed without objection	N/A
		Approved the investment in common shares of Sumitomo Bakelite Co., Ltd.	Passed without objection	N/A
		Approved manager's performance bonuses	Passed without objection	N/A
		Approved the Company's designation of internal and auditing officers as corporate directors' representatives of the investee company and the payment of remuneration to supervisors	Passed without objection	N/A
		Approved the retrospective recognition of acquisition and disposal of marketable securities	Passed without objection	N/A

(2) Other than the foregoing, there are no other resolutions of the Board of Directors that were opposed or qualified by the independent directors and are recorded or stated in writing: None of the above occurred.

2、In the event that a director recuses himself/herself from the implementation of an interest motion, he/she shall state the name of the director, the content of the motion, the reasons for the recusal and the circumstances of his/her participation in the vote:

Meeting Date	Name	Motion	Interest Avoidance	Vote Participation
2024.02.21	Hung, Chuen-Sing Canon, Huang Chang, Tsuen-Hsien	Approved the retrospective recognition of acquisition and disposal of marketable securities	The investment object was a corporate director of the Company, Chairman Chuen-Sing Hung and Director Canon Huang were stakeholders in the lawsuit involving the investment object	The motion was voted on by investment objects. Except where the investment object was a corporate director of the Company, Chairman Chuen-Sing Hung and Director Canon Huang were stakeholders in the lawsuit involving the investment object and thereby recused themselves from the discussion and vote by law, the motion was passed without objection by the other Directors present.
2024.03.12	Hung, Chuen-Sing Canon, Huang Chang, Tsuen-Hsien	Approved the retrospective recognition of acquisition and disposal of marketable securities	The investment object was a corporate director of the Company, Chairman Chuen-Sing Hung and Director Canon Huang were stakeholders in the lawsuit involving the investment object	The motion was voted on by investment objects. Except where the investment object was a corporate director of the Company, Chairman Chuen-Sing Hung and Director Canon Huang were stakeholders in the lawsuit involving the investment object and thereby recused themselves from the discussion and vote by law, the motion was passed without objection by the other Directors present.

Meeting Date	Name	Motion	Interest Avoidance	Vote Participation
2024.05.13	Canon, Huang	Approved financing provided to subsidiary Chang Wah Energy Technology Co., Ltd. NT\$200 million.	Director Canon Huang was also the Chairman of subsidiary Chang Wah Energy Technology Co., Ltd.	Director Canon Huang, who was also the Chairman of Chang Wah Energy Technology Co., Ltd., recused himself from the discussion and vote by law, and the motion was passed without objection by the other Directors present.
2024.08.06	Gary, Huang	Approved the monthly salaries of the Company's insiders and audit officer	Director	The motion was passed without objection by the other directors present except those directors who recused themselves from the discussion and vote by law.
	Hung, Chuen-Sing Yuan Yao Energy	Approved the signing of lease agreements with subsidiary Chang Wah Technology Co., Ltd.	Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy are also the Directors of subsidiary Chang Wah Technology Co., Ltd.	Except where Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy were also directors of Chang Wah Technology Co., Ltd. and recused themselves from the discussion and vote by law, the motion was passed without objection after the acting chairman consulted the remaining Directors present.
	Canon, Huang Chang, Tsuen-Hsien Huang, Shiou-Chuan Hung, Chuen-Sing	Approved the details and date of payment of directors' emoluments	Directors	The motion was passed without objection by the other directors present except those directors who recused themselves from the discussion and vote by law.
	Hung, Chuen-Sing Yuan Yao Energy Chang, Tsuen-Hsien Huang, Shiou-Chuan	Approved the retrospective recognition of acquisition and disposal of marketable securities	The investment object was a corporate director of the Company and Chairman Chuen-Sing Hung is a stakeholder in the lawsuit involving the investment object, Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy are also the Directors of subsidiary Chang Wah Technology Co., Ltd.	The motion was voted on by investment objects. Except where the investment object was a corporate director of the Company and Chairman Chuen-Sing Hung is a stakeholder in the lawsuit involving the investment object, Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy are also the Directors of subsidiary Chang Wah Technology Co., Ltd. and thereby recused themselves from the discussion and vote by law, the motion was passed without objection by the other Directors present.
2024.11.05	Gary, Huang	Approved the Company's proposal to appoint Mr. Canon Huang as strategic advisor.	Director Gary Huang is a first-degree relative of a party involved	Except for Director Gary Huang, who is a first-degree relative of a party involved and therefore recused herself from discussion and voting in accordance with applicable regulations on conflicts of interest, the motion was approved without objection by the remaining directors present.
	Gary, Huang	Approved the monthly salary for the Company's President.	Director Gary Huang is a third-degree relative of a party involved	Except for Director Gary Huang, who is a third-degree relative of a party involved and therefore recused herself from discussion and voting in accordance with applicable regulations on conflicts of interest, the motion was approved without objection by the remaining directors present.
	Gary, Huang	Approved the promotion of Mr. Gary Huang to Vice President of Sales and the adjustment of his monthly salary.	Director	The motion was passed without objection by the other directors present except those directors who recused themselves from the discussion and vote by law.
	Hung, Chuen-Sing Gary, Huang Kong, Chi-	Approved the appointment of the first-term Sustainable Development Committee	Directors	The motion was passed without objection by the other directors present except those directors who recused themselves from the

Meeting Date	Name	Motion	Interest Avoidance	Vote Participation
	Chuan	members.		discussion and vote by law.
	Hung, Chuen-Sing Yuan Yao Energy	Approved the retrospective recognition of disposal of marketable securities	Chairman Chuen-Sing Hung is a stakeholder in the lawsuit involving the investment object and Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy are also the Directors of subsidiary Chang Wah Technology Co., Ltd.	The motion was voted on by investment objects. Except where Chairman Chuen-Sing Hung is a stakeholder in the lawsuit involving the investment object, Chairman Chuen-Sing Hung and Corporate Director Yuan Yao Energy are also the Directors of subsidiary Chang Wah Technology Co., Ltd. and thereby recused themselves from the discussion and vote by law, the motion was passed without objection by the other Directors present.
2024.12.19	Gary, Huang	Approved the performance bonus and retirement package for Mr. Canon Huang, an employee of the Company.	Director Gary Huang is a first-degree relative of a party involved	Except for Director Gary Huang, who is a first-degree relative of a party involved and therefore recused herself from discussion and voting in accordance with applicable regulations on conflicts of interest, the motion was approved without objection by the remaining directors present.
	Gary, Huang	Approved manager's performance bonuses	Director	Except Director Gary Huang who recused himself from discussion and vote by law, the motion was passed without objection after the acting chairman consulted the other directors present. (Director Gary Huang recused himself from the discussion and voting on the distribution of his remuneration by law as this is a matter of his own interest).
	Hung, Chuen-Sing	Approved the Company's designation of internal and auditing officers as corporate directors' representatives of the investee company and the payment of remuneration to supervisors	Directors	The motion was passed without objection by the other directors present except Chairman Chuen-Sing Hung as a party, who recused themselves from the discussion and vote by law (Chairman Chuen-Sing Hung recused themselves from the discussion and voting on the distribution of their remuneration by law as this is a matter of their own interest).

3、Evaluation of Self (or Peer) Appraisal by the Board of Directors:

Board of Directors' Evaluation of Implementation

Cycle	Duration	Criteria	Method	Details
Once a year	Evaluation of the performance of the Board of Directors from January 1, 2024 to December 31, 2024	Evaluation of the performance of the entire Board of Directors, individual Board members and functional committees	Internal self-evaluation by the Board of Directors, self-evaluation by the Board members, internal self-evaluation by the Functional Committee	Note

Note:

- (1) Performance evaluation of the board of directors: including the level of participation in the company's operations, improvement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control. The evaluation covered 45 indicators in five aspects. The overall score was 99.76/100, indicating an excellent operation and receiving positive reviews.
- (2) Performance evaluation of individual board members: including the mastery of the company's objectives and tasks, awareness of directors' responsibilities, participation in the company's operations, internal relations and communication, professional and continuing education of directors, and internal control. The evaluation covered 22 indicators in six aspects. The overall score was 91.75/100, indicating an excellent operation and receiving positive reviews.
- (3) Performance evaluation of the Audit Committee: including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members, and internal control. The evaluation covered 22 indicators in five aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.
- (4) Performance evaluation of the Salary and Compensation Committee: including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members. The evaluation covered 19 indicators in four aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.
- (5) Performance evaluation of the Sustainable Development Committee: including the level of participation in the company's operations, recognition of functional committee responsibilities, improvement of the quality of functional committee decisions, functional committee composition and selection of members. The evaluation covered 17 indicators in four aspects. The overall score was 100/100, indicating an excellent operation and receiving positive reviews.
- (6) Conclusion: In 2024, the score in every aspect was 91.95 or above. The Board, individual Board members, the Audit Committee, the Compensation Committee and the Sustainable Development Committee scored 99.76, 91.95, 100, 100 and 100, respectively. The results of self-evaluations were between 80 (agree) and 100 (strongly agree). Based on these results, the overall operation of the Board and functional committees was excellent, which conformed to corporate governance standards and effectively enhanced Board functions and protected shareholders' right.

4、Evaluation of the current and most recent year's goals for strengthening the Board of Directors' functions (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation:

Objectives for stepping up the Board's functions	Implementation assessment
1. Increase information transparency on an ongoing basis	The Company has compiled the sustainability report.
2. Actively establish communication with stakeholders	<ol style="list-style-type: none"> 1. The Company has a spokesperson and a deputy spokesperson that stakeholders can use as a channel of communication or go to the Stakeholder section of the Company's website to ask questions and make suggestions online. 2. The annual shareholders' meeting is scheduled to receive proposals from shareholders. Shareholders who have the right to make proposals may submit applications to the Company during the acceptance period, and the Company will convene a board meeting to review the proposals as required.
3. Enhance the Board's operational efficiency and decision-making capacity	1. The Company has formulated the Corporate Governance Best Practice Principles, the Rules of Procedure for Board of Directors Meetings, the Audit Committee Charter, the Compensation Committee Charter, the Ethical Corporate

Objectives for stepping up the Board's functions	Implementation assessment
	Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, and the Sustainable Development Best Practice Principles to implement corporate governance and strengthen the functions of the board. 2. The Company has formulated “Self-Evaluation or Peer Evaluation of the Board of Directors” and has implemented the evaluation for 2024 and presented it to the board on March 12, 2025.
4. Enhance professional knowledge	All directors of the Company have completed the requisite number of hours of continuing education for directors in 2024.
5. Purchase directors' and managers' liability insurance	The Company's directors' and managers' liability insurance has been renewed and presented to the board of directors on May 13, 2024.

(2) Audit Committee Operations:

The annual work focus of the Audit Committee and its operations for the year are summarized as follows:

1. The Audit Committee consists of three independent directors and is responsible for overseeing the fair presentation of the Company's financial statements, the selection, independence and performance of the certified public accountants, the effective implementation of internal controls, compliance with relevant laws and regulations, and the control of existing or potential risks of the Company. The main duties and responsibilities are listed below:

- (1) To establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) To evaluate the effectiveness of the internal control system.
- (3) To establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee of others in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters in which the directors have an interest.
- (5) Significant asset or derivative transactions.
- (6) Significant loans, endorsements or guarantees of funds.
- (7) The raising, issuance or private placement of securities of an equity nature.
- (8) The appointment, dismissal or compensation of a certified public accountant.
- (9) Appointment or removal of the chief financial officer, chief accounting officer or chief internal audit.
- (10) Annual financial reports and semi-annual financial reports.
- (11) Other significant matters as required by the Company or the competent authorities.

2. Review of Financial Reports

The Board of Directors has audited the accompanying consolidated financial statements and parent company only financial statements and the accompanying proposal for distribution of earnings for the year ended December 31, 2024. The audit of the parent company only and consolidated financial statements was completed by accountants Lee-Yuan Kuo and Hung-Ju Liao of Deloitte & Touche with independent auditors' reports issued. The above-mentioned operating report, consolidated financial statements, parent company only financial statements and proposal for distribution of earnings have been examined by the Audit Committee and no inconsistency has been found.

3. Assessment of the Effectiveness of Internal Control

The Audit Committee assessed the effectiveness of the Company's internal control system as of December 31, 2024, including the extent to which the Company understands the effectiveness of its operations and the achievement of its efficiency objectives, and that the reporting is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, and that the design and implementation of the internal control system is effective.

4. Certified Public Accountant

The Audit Committee shall evaluate the independence of the certifying accountant's office to

ensure the fairness of the financial statements. The Audit Committee shall evaluate the independence of the certified public accountants and submit the evaluation form (the assessment was made with reference to the “Bulletin of the Norm of Professional Ethics for Certified Public Accountants” No. 10 and Article 47 of the “Certified Public Accountant Act”) to the Audit Committee for approval on December 21, 2023, and submit it to the Board of Directors for resolution on the same day. On December 21, 2023, the audit committee approved and reported to the board of directors on the same day, and approved that Lee-Yuan Kuo and Hung-Ju Liao, Certified Public Accountants, met the independence evaluation criteria and were qualified to serve as the Company's certified public accountants.

5. The Independent Director attended 6 meetings of the Audit Committee in 2024 (A) as follows:

Position	Name	Actual attendance (B)	By Proxy	Presenting Rate (%) (B/A)(Note)	Note
Independent Director	Kong, Chi-Chuan	6	0	100%	None
Independent Director	Chen, Chih-Cheng	6	0	100%	None
Independent Director	Yen, Shu-Yang	6	0	100%	None

Note: The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee and the actual attendance during his or her employment.

Other mentionable items:

1.If the operation of the Audit Committee meets one of the following criteria, the date and session of Audit Committee meeting, the content of the resolution, objections, reservations or significant recommendations of independent directors, the result of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion shall be stated.

(1)The matters listed in Article 14-5 of the Securities and Exchange Act.

Date	Session	Motion	Objections, Reservations or Significant Recommendations of Independent Directors	Resolution	Note
2024.02.20	5-13	Approved the amendments to Rules Governing the Conduct of Meetings of the Board of Directors and Organizational Procedures of the Audit Committee.	None	Passed without objection	NA
		Approved the syndicated loan application with an amount of NT\$3 billion from the consortium including the Taishin International Bank.	None	Passed without objection	NA
		Approved the retrospective recognition of acquisition of marketable securities and the investments on marketable securities.	None	Passed without objection	NA
		Approved the issuance of restricted stock awards.	None	Passed without objection	NA
2024.03.11	5-14	Approved the Company's FY2023 IFRSs financial statements	None	Passed without objection	NA
		Approved the Company's 2023 Annual Business Report	None	Passed without objection	NA
		Approved the distribution of surplus for FY2023	None	Passed without objection	NA
		Approved the distribution of cash from capital surplus.	None	Passed without objection	NA
		Adopted the Company's Statement of Internal Control System	None	Passed without objection	NA
		Approved the retrospective recognition of acquisition and disposal of marketable securities	None	Passed without objection	NA
2024.05.13	5-15	Approved the Company's IFRSs financial statements for the three months ended March 31, 2024	None	Passed without objection	NA
		Approved financing provided to subsidiary Chang Wah Energy Technology Co., Ltd.	None	Passed without objection	NA

Date	Session	Motion	Objections, Reservations or Significant Recommendations of Independent Directors	Resolution	Note
		NT\$200 million.			
		Established the “General Principles for the Policy of Prior Approval to Non-assurance Services”	None	Passed without objection	NA
2024.08.05	5-16	Approved the Company’s IFRSs financial statements for the six months ended June 30, 2024	None	Passed without objection	NA
		Approved the Company’s 2023 Sustainability Report.	None	Passed without objection	NA
		Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds	None	Passed without objection	NA
		Approved the signing of lease agreements with subsidiary Chang Wah Technology Co., Ltd.	None	Passed without objection	NA
		Approved the retrospective recognition of acquisition and disposal of marketable securities	None	Passed without objection	NA
2024.11.04	5-17	Approved the Company’s IFRSs financial statements for the nine months ended September 30, 2024	None	Passed without objection	NA
		Approved the distribution of surplus for the first half of FY2024	None	Passed without objection	NA
		Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds	None	Passed without objection	NA
		Approved the amendment to the 2024 Rules Governing the Issuance of Employee Restricted Stock Awards.	None	Passed without objection	NA
		Approved the transfer of treasury shares repurchased in 2023 to employees.	None	Passed without objection	NA
		Approved the retrospective recognition of disposal of marketable securities	None	Passed without objection	NA
2024.12.18	5-18	Approved the audit plan for FY2025	None	Passed without objection	NA
		Approved the appointment and remuneration of the CPA for FY2025	None	Passed without objection	NA
		Approved the 2025 endowment budget	None	Passed without objection	NA
		Approved the amendments to Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises and the Corporate Governance Best Practice Principles.	None	Passed without objection	NA
		Approved the adoption of the Sustainability Information Management Regulations and the Internal Control System - Sustainability Information Management.	None	Passed without objection	NA
		Approved the investment in common shares of Sumitomo Bakelite Co., Ltd.	None	Passed without objection	NA
		Approved the retrospective recognition of acquisition and disposal of marketable securities	None	Passed without objection	NA

(2) Other than the foregoing, there are no other matters that have not been approved by the Audit Committee and approved by two-thirds of all directors: None of the above has occurred.

2. In the event of recusal of the independent directors from the implementation of the interest motion, the names of the independent directors, the content of the motion, the reasons for the recusal and their participation in the voting should be stated: Not applicable.

3. Communication between the independent directors and internal auditors and accountants (e.g., matters, methods and results of communication regarding the Company's financial and business conditions):

- 1.The “Audit Report Summary Sheet” is prepared monthly and sent to each audit committee by email along with the audit report. If there is any doubt, we will call or email to the audit supervisor to ask or inform them about the process.
- 2.Audit reports with deficiencies must be tracked for internal control deficiencies and abnormalities and submitted to each audit committee on a quarterly basis.
- 3.The internal audit supervisor is required to attend the audit committee to report audit operations.
- 4.The Company's certified public accountant reports annually to the audit committee and the directors on the results of the audit of the current year's financial statements and other communication matters required by the relevant laws and regulations, and the communication between the members of the Company's audit committee and the certified public accountant is in good condition.
- 5.The independent directors have access to the audit reports provided by the Board of Directors and the Audit Committee as well as the audit unit on a regular basis to understand the Company's operations (including financial and business conditions) and the audit situation, and have good communication with the accountants through various reports and channels (e.g. telephone, etc.).
- 6.For the year ended December 31, 2024 and as of the date of this annual report, the following is a summary of communications:

(1)Summary of communication between the independent directors and the head of internal audit:

Date	Summary of communication
2024.03.12	1. Audit Operations Performance Report for Jan - Dec 2023 2. Report on the Statement of Internal Control System 3. Independent director's recommendation: None
2024.05.13	1. Audit Operations Performance Report Q1 2024 2. Independent Director's Recommendation: None
2024.08.06	1. Audit Operations Performance Report Q2 2024 2. Independent Director's Recommendation: None
2024.11.05	1. Audit Operations Performance Report Q3 2024 2. Independent Director's Recommendation: None
2024.12.19	1. Jan- Oct 2024 Audit Report Review Meeting 2. Audit plan for 2025 3. Independent Director's Recommendation: None
2025.03.12	1. Audit Operations Performance Report Jan-Dec 2024 2. Report on the Statement of Internal Control System 3. Independent Director's Recommendation: None

(2) Summary of communication between independent directors and accountants:

Date	Summary of communication
2024.03.11	1.A CPA was arranged to give a briefing and explanation to the independent directors and directors on: 2023 consolidated and parent company only financial reports 2. Discussion and communication between the CPA and the independent directors and attendees on the issues raised. 3. Independent Director's Recommendation: None
2024.12.18	1. A CPA was arranged to give a briefing and explanation to the independent directors on: Critical audit issues in the 2024 annual audit report by CPAs and briefing and explaining to independent directors separately. 2. Review of the appointment, independence and competency of the CPA. 3. Independent Director's Recommendation: None
2025.03.11	1. A CPA was arranged to give a briefing and explanation to the independent directors on: 2024 consolidated and parent company only financial reports 2. Discussion and communication between the CPA and the independent

Date	Summary of communication
	directors and attendees on the issues raised. 3. Independent Director's Recommendation: None

(3) Composition, Responsibilities and Operations of the Compensation Committee:

1. Members of Compensation Committee:

December 31, 2024

Criteria Title \ Name		Professional Qualifications	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving in the Salary and Compensation Committee
Independent Director / Convener	Kong, Chi-Chuan	Please refer to page 10 Director for details.	Please refer to page 10 Director for details.	0
Independent Director	Chen, Chih-Cheng	Please refer to page 11 Director for details.	Please refer to page 11 Director for details.	2
Independent Director	Yen, Shu-Yang	Please refer to page 11 Director for details.	Please refer to page 11 Director for details.	1

2. Regular review of salary and compensation

1. The function of the Compensation Committee is to evaluate the remuneration policies and systems of the Company's directors and managers in a professional and objective manner, and to meet at least twice a year, and to meet as often as necessary to make recommendations to the Board of Directors for their reference in making decisions.

2. Compensation Committee

- (1) Regularly review the organizational procedures of the Compensation Committee and propose amendments.
 - (2) To establish and regularly review the policies, systems, standards and structures for annual and long-term performance goals and compensation for directors and managers of the Company.
 - (3) The performance targets of the Company's directors and managers are evaluated periodically, and the content and amount of their individual remuneration are determined.
3. In carrying out the aforementioned duties and responsibilities, the Compensation Committee shall be guided by the following principles:
- (1) To ensure that the company's salary and compensation arrangements comply with the relevant laws and regulations and are sufficient to attract the best talent.
 - (2) The performance evaluation and compensation of directors and managers shall be based on the usual level of compensation in the industry, and shall take into account the time devoted by the individual, his or her responsibilities, the achievement of personal goals, the performance of other positions, the compensation offered by the Company to equivalent positions in recent years, and the achievement of short-term and long-term business goals and the Company's financial position, etc. to assess the relationship between the individual's performance and the Company's operating performance and future risks. Reasonableness.
 - (3) Directors and managers should not be induced to engage in conduct that exceeds the Company's risk appetite in pursuit of remuneration.
 - (4) The percentage of bonuses paid to directors and senior managers for short-term performance and the timing of payment of some variable compensation shall be determined by considering the characteristics of the industry and the nature of the Company's business.
 - (5) Members of the Compensation Committee are not allowed to join the discussion and vote on their personal compensation decisions.

4. Attendance of Members at Compensation Committee Meetings:

1、There are 3 members in the Compensation Committee.

2、The term of office of the current members: June 29, 2022 to June 16, 2025, the latest annual Compensation Committee met 4 times (A), and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Kong, Chi-Chuan	4	0	100%	None
Committee Member	Chen, Chih-Cheng	4	0	100%	None
Committee Member	Yen, Shu-Yang	4	0	100%	None

Note: The actual attendance rate (%) is calculated based on the number of Compensation Committee meetings and actual attendance during the period of employment.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Salary and Compensation Committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the Salary and Compensation Committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the Compensation Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

5、The date and session of the Salary and Compensation Committee, the content of the motion, the results of the resolution, and the Company's handling of the opinions of the members.

Date	Session	Motion	Resolution	Company's handling of the resolution
2024.03.11	5-7	Approved director's compensation and emoluments for 2023	Passed without objection	N/A
		Approved staff remuneration for 2023	Passed without objection	N/A
2024.08.05	5-8	Approved the monthly salaries of the Company's insiders and audit officer	Passed without objection	N/A
		Approved the details and date of payment of directors' emoluments	Passed without objection	N/A
2024.11.04	5-9	Approved the adoption of the Rotating CEO Allowance Management Guidelines.	Passed without objection	N/A
		Approved the monthly salary for the Company's President.	Passed without objection	N/A
		Approved the promotion of Mr. Gary Huang to Vice President of Sales and the adjustment of his monthly salary in advance.	Passed without objection	N/A
2024.12.18	5-10	Approved the performance bonuses for managers	Passed without objection	N/A
		Approved the Company's designation of internal and auditing officers as corporate directors' representatives of the investee company and the payment of remuneration to supervisors	Passed without objection	N/A
		Approved the work plan of the Compensation Committee for FY2025	Passed without objection	N/A

(4) Sustainable Development Committee Operations:

The roles and activities of the Sustainable Development Committee for the year are outlined as follows:

1、Under the authorization of the Board of Directors, the Committee is committed to carrying out the following duties with the due care of a prudent manager and in good faith, and report to the Board of Directors:

- (a) Formulate, promote, and enhance the Company's sustainability policies, annual plans, and strategies.
- (b) Review, monitor, and revise the implementation and effectiveness of sustainability initiatives.
- (c) Oversee sustainability disclosures and review the Sustainability Report.
- (d) Supervise the execution of sustainability-related initiatives, including those under the Company's Sustainable Development Guidelines or other matters approved by the Board of Directors.

2、The members attended 1 meetings of the Sustainable Development Committee in 2024 (A) as follows:

Position	Name	Should attendance	Actual attendance	By Proxy	Presenting Rate (%)	Note
Convener	Hung, Chuen-Sing	1	1	0	100%	None
Committee Member	Kong, Chi-Chuan	1	1	0	100%	None
Committee Member	Gary, Huang	1	1	0	100%	None

3、The date and session of the Sustainable Development Committee, the content of the motion, the results of the resolution, and the Company's handling of the opinions of the members.

Date	Session	Motion	Resolution	Company's handling of the resolution
2024.12.18	1-1	Approved the adoption of the Sustainability Information Management Regulations and the Internal Control System - Sustainability Information Management.	Passed without objection	N/A
		Approved the implementation status of the Company's risk management policy.	Passed without objection	N/A
		Approved the engagement of a third-party assurance provider for the Company's 2024 Sustainability Report.	Passed without objection	N/A

(5) Members and operation of Nomination Committee: The Company has yet to set up a Nomination Committee.

(6) Implementation of Corporate Governance and Non-compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has drawn up “Corporate Governance Best Practice Principles” which are disclosed on the Company's website and on the Market Observation Post System and there is no particular difference in its operation.	None.
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		1) The Company has a spokesperson and a deputy spokesperson system to handle external communication matters, and a stakeholder section on the Company's website to properly process shareholders' proposals, queries and disputes to ensure shareholders' rights and interests. The Company has also commissioned a professional stock agency to handle matters relating to the rights and interests of shareholders.	(1) None.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		2) The Company keeps track of a list of substantial shareholders who are in effective control of the Company and ultimate controllers of substantial shareholders based on monthly filings of changes in insider (directors, supervisors, managers and major shareholders holding 10% or more of the shares) shareholdings and by engaging a professional stock agency to handle shareholding matters as required by law.	(2) None.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		3) The Company has established relevant operating procedures in its internal control system by law as well as the “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises”, the implementation of which is regularly monitored by auditors.	(3) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		4) The board of directors amended the “Procedures for Handling Material Internal Information” on December 20, 2022 and established the “Procedures for Prevention of Insider Trading” on December 21, 2023, which prohibits insiders from trading securities using information not publicly available in the market. Also, the Company reminds directors on a quarterly basis in 2024 not to trade the Company’s shares or other equity-type marketable securities in the open market during the 30-day period before the release of annual financial report and the 15-day period before the release of quarterly financial reports.	(4) None.
3. Composition and Responsibilities of the Board of Directors (1) Does the Board of Directors formulate diversity policy and specific management goals and execute them accordingly?	✓		1) The Company's Corporate Governance Best Practice Principles have a policy of strengthening the functions of the board of directors. The composition of the board of directors should take into account diverse criteria such as gender, age, nationality, culture, professional background (e.g., legal, accounting, industrial, financial, marketing or technology) expertise and industry experience. To cater for the needs of the Company's business development, the Board of Directors of the Company shall be comprised of experts in industry, finance and accounting and management, with at least one member in each of the professional fields of business management, accounting and financial analysis skills and law. The Company's Board of Directors currently consists of seven directors, including three independent directors with different professional backgrounds or fields of expertise, which possess Corporate Governance,	(1) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			Marketing, industry knowledge, leadership, decision-making, Operation management, accounting and financial analysis and legal Affairs, to effectively implement the Company's operation and future development strategies in line with the policy of diversity. The average age of the current Board members is 56, of which 29% are aged 61 or above and 71% are aged 60 or below. There are two female directors and one director with Chinese (Hong Kong) nationality. Of the three independent directors, two of them have served for three year while the third one has served for six years. The Company has always been concerned with gender equality of the Board. At this stage, the target is to have at least one female director. At present, two of the seven directors are female directors. Please refer to page 12, 43 for the implementation of the Board Member Diversity Policy (Note1).	
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		2) The Board meeting on November 5, 2024, Approved the establishment of the “Sustainable Development Committee” and the adoption of the “Sustainable Development Committee Charter.”	(2) None.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually? The results of the performance evaluation will be reported to the board of directors and used as reference for individual director's salary compensation and nomination for reappointment.	✓		3) The Company has formulated “Self-Evaluation or Peer Evaluation of the Board of Directors” and conducts regular performance evaluations annually and discloses the relevant information on the Company's website. The results of the performance evaluation have been presented to the board of directors on March 12, 2025 and will be used as reference for individual directors' remuneration and nomination for reappointment (e.g., considering individual directors' attendance and areas of responsibility, etc.). The Company's website in	(3) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			Chinese and English: https://www.cwei.com.tw	
(4) Does the company regularly evaluate the independence of CPAs?	✓		4) The Company requires an annual “Statement of Independence” from the CPA, as well as data related to the 13 Audit Quality Indicators (AQI). The Company would assess the CPA firm and audit quality of the audit team based on the “Guidance on the Interpretation of Audit Quality Indicators by Audit Committee” issued by the competent authority. Also, the Audit Committee would conduct annual assessments on the independence and competence of CPAs and reports the outcome to the Board. The “CPA Independence Assessment Form” for 2024 was completed by the Financial Accounting Department (the assessment was made with reference to the “Bulletin of the Norm of Professional Ethics for Certified Public Accountants” No. 10 and Article 47 of the “Certified Public Accountant Act”) and submitted to the Audit Committee for concurrence on December 19, 2024 and presented on the same day to the board of directors for approval. Please refer to page 44 for independence criteria of CPAs (Note2).	(4) None.
4. Does the listed company have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board and shareholders'	✓		The Company has established the “Secretariat of BOD” specifically for corporate governance, and on May 6, 2019, the board of directors appointed the corporate governance officer for dealing with matters related to meetings of the board, the audit committee, the Salary and Compensation Committee, Sustainable Development Committee and the board of shareholders as required by law; assisting directors in their induction and continuing education; providing information necessary for directors to carry out their business; and assisting directors in complying with laws and regulations, etc., and as the most	None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
meeting related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?			<p>senior executive for corporate governance-related matters with more than three years of experience in finance, shareholder services and rules of procedure.</p> <p>The business implementation for 2024 is as follows.</p> <ol style="list-style-type: none"> 1. Provided directors from time to time with information on continuing education courses to remind them to complete their courses per the requirements of the "Guidelines for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" and to report on the status of their studies as required. 2. Assessed the purchase of directors' and managers' liability insurance for members of the board of directors and reported to the board of directors on the contents of such insurance. 3. Convened communication meetings with the CPAs, independent directors and the heads of audit and finance and accounting from time to time to implement the internal audit and control system, with the minutes of the communication meetings available on the Company's website https:// www. cwei.com. tw 4. Conducted board and committee meetings as required by law: notified all directors and members to attend the board and committee meetings seven days before the event and provided sufficient information to facilitate directors' understanding of the content of the motions; reminded them in advance to recuse themselves from the meeting if having an interest in the meeting; and distributed to each director the minutes of the meeting within 20 days after the event. 5. Released material information or announcements of important resolutions after the day of the board meeting and shareholders' 	

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			<p>meeting to ensure the legality and accuracy of the information disclosed in order to protect information symmetry for investors.</p> <p>6. Conducted regular performance reviews of the board of directors each year in accordance with the Company's "Self-Evaluation or Peer Evaluation of the Board of Directors".</p> <p>7. Provided the directors with information from time to time on new enactments relating to the execution of business, corporate governance or the conduct of business.</p> <p>8. Registered the date of shareholders' meeting pursuant to applicable laws and regulations, prepared meeting notice, agenda and minutes within the prescribed deadline and registered changes to the Articles of Incorporation or the election of directors on a timely basis.</p> <p>9. Promoted corporate governance matters. Reviewed item by item each year the achievement of the corporate governance assessment indicators, and proposed improvement plans and measures to address the indicators that did not score.</p> <p>10. Provided operational information such as business or finance as required by the directors and maintained smooth communication between the directors and business executives.</p> <p>11. To prevent insider trading, the Company, in accordance with Article 10 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," notifies directors and insiders who have access to the Company's financial reports or performance-related information that they are prohibited from trading the Company's stock during the blackout periods, i.e., 30 days prior to the announcement of the</p>	

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			annual financial report and 15 days prior to the announcement of quarterly financial report.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		Depending on the targeted parties, the Company has instructed its departments, including investor relations and shareholder services, to communicate with stakeholders and on its website (https://www.cwei.com.tw) provides contact information for spokespersons and related business departments, and has also set up a stakeholder section to respond appropriately to the concerns of stakeholders [Investor, employees, client, suppliers, governments and Non-profit organizations (local communities, non-governmental organizations, etc.) six categories in total] to facilitate smooth communication. The Company has an internal communication channel for staff to express their views via e-mail. Please see page 44~45 for the identity of stakeholders, issues of concern, communication channels and responses(Note3).	None.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has commissioned the stock transfer agency department of SinoPac Securities Corp to conduct the business of the shareholders' meeting.	None.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		1) The Company has set up a website to disclose information on its financial, operations and corporate governance. The Company's website in Chinese and English: https://www.cwei.com.tw	(1) None.
(2) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		2) The Company has launched an English-language website and has designated a person to be responsible for the disclosure of material information about the Company and to input it into the Market Observation Post System and the Company's website as scheduled, and has implemented a spokesperson system as required. Also, documents related to investor conferences are uploaded to the corporate	(2) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			website.	
(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadline?		✓	3) The Company is currently making announcements in accordance with the prescribed schedule of "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds". The Company has posted and filed its 2024 annual financial report on March 12, 2025 and has posted and filed its first, second and third quarter financial reports and operations for each month by the required deadline.	(3) As the summary states.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>1. Employee rights and care: Upholding a humane management style, the Company gives full respect and care to our staff and constantly plans various employee benefits to pursue a perfect working environment. In addition to protecting the legal rights of employees pursuant to the Labor Standards Act, it also offers company trips, health check-up subsidies and parking spaces, etc.</p> <p>2. Investor relations: A spokesperson and deputy spokesperson system is in place to handle external communication matters, and a stakeholder section is available on the Company's website to properly process shareholder proposals, queries and disputes to ensure shareholders' rights and interests, and a professional shareholder services agency is engaged to deal with issues relating to shareholders' rights and interests.</p> <p>3. Supplier relations: Reviews suppliers on a regular basis, communicates well with each other and maintains a good relationship with suppliers.</p> <p>4. Rights of interested parties: Stakeholders can contact us via the Company's website and we will respond to any queries or suggestions received from</p>	None.

Evaluation Item	Implementation Status			Non-compliance and Reasons					
	Yes	No	Abstract Description						
			<p>stakeholders as soon as possible.</p> <p>5. Please refer to page 46 for the directors' further education for the most recent fiscal year and the current fiscal year up to the date of publication of the annual report (Note4).</p> <p>6. Implementation of risk management policies and risk measurement standards: The Company adopts a precautionary policy on risk management. In addition to a strict internal control system by law and regular and irregular audits by internal auditors, the Company also takes out relevant insurance policies such as property insurance, commodity transportation and merchandise liability insurance to hedge risks.</p> <p>7. Implementation of customer policy: The Company maintains a good supply relationship with its customers by adhering to the Ethical Corporate Management Best Practice Principles. We have staff to communicate with our customers on a continuous basis to resolve problems regarding on-time delivery of orders, quality requirements and after-sales service.</p> <p>8. Where the Company has taken out liability insurance for directors and managers: Liability insurance has been taken out for directors and managers and is reported to the board of directors annually upon signing of a new contract of insurance.</p>						
9. Please specify the improvements that have been made in relation to the results of the latest annual corporate governance assessment published by the Corporate Governance Center of Taiwan Stock Exchange Corporation and propose priorities and measures to enhance those that have not yet been improved:									
1) Improvements:									
1. The Company established the Sustainable Development Committee on November 5, 2024.									
2. The Company's Sustainability Report has been third-party verified.									
3. In alignment with the TCFD framework, the Company has disclosed information regarding its governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities.									
2) Priorities and measures:									
<table><tr><th>Priorities</th><th>Measures</th></tr><tr><td>1. At least one-third of the Board members are of a different gender.</td><td rowspan="2">The Company will continue to make improvements regarding the assessment items that have not yet</td></tr><tr><td>2. The Company plans to disclose its annual greenhouse gas</td></tr></table>					Priorities	Measures	1. At least one-third of the Board members are of a different gender.	The Company will continue to make improvements regarding the assessment items that have not yet	2. The Company plans to disclose its annual greenhouse gas
Priorities	Measures								
1. At least one-third of the Board members are of a different gender.	The Company will continue to make improvements regarding the assessment items that have not yet								
2. The Company plans to disclose its annual greenhouse gas									

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
emissions, water consumption, and total waste volume for the past two years, with external verification. 3. The Company intends to disclose its policy linking executive compensation with ESG-related performance evaluations.			scored in the structure and operational aspects of the Board.	

Note 1: Implementation of the Diversity Policy for Board Members:

Criteria Name	Basics				
	Nationality	Gender	Age	CWE Employee	Seniority of Independent Director
Chairman Hung, Chuen-Sing	HK	Male	60		
Director Gary, Huang	ROC	Male	35	V	
Director Lulu, Huang	ROC	Female	58		
Director Huang, Shiou-Chuan	ROC	Male	74		
Independent Director Kong, Chi-Chuan	ROC	Male	65		6
Independent Director Yen, Shu-Yang	ROC	Female	48		3
Independent Director Chen, Chih-Cheng	ROC	Male	50		3

Criteria Name	Professional Knowledge and Skills							
	Corporate Governance	Marketing	Industry Knowledge	Leadership	Policy-making ability	Operation Management	Legal Affairs	Accounting and financial analysis skills
Chairman Hung, Chuen-Sing	V	V	V	V	V	V		
Director Gary, Huang	V	V	V	V	V	V		
Director Lulu, Huang	V	V	V	V	V	V		
Director Huang, Shiou-Chuan	V	V	V	V	V	V		
Independent Director Kong, Chi-Chuan	V	V	V	V	V	V		
Independent Director Yen, Shu-Yang	V		V	V	V	V	V	
Independent Director Chen, Chih-Cheng	V		V	V	V	V		V

Note 2: Independence Criteria of CPAs

Assessment Item	Outcome	Independence
Whether the CPAs are involved in any direct or material indirect financial interests with the Company	No	Yes
Whether there is close business relationship or potential employment relationship between the CPAs and the Company	No	Yes
Whether the CPAs and the audit team members are the Company's Directors, managers or employees with significant influence over the audit engagement at present or in the past two years	No	Yes
Whether the CPAs provide the Company with non-audit services which may have a direct impact on the audit engagement	No	Yes
Whether the CPAs act as a broker of shares or other securities issued by the Company	No	Yes
Whether the CPAs are counsels or representatives of the Company in legal cases or other disputes between the Company and other third parties	No	Yes
Whether the CPAs are relatives to the Company's Directors, managers or employees with significant influence over the audit engagement	No	Yes

Note 3: Stakeholder Identity, Concerns, Communication Channels and Responses in 2024:

Stakeholder status	Issues of concern	Communication channels / dedicated staff	Frequency	Response
Investor	<ul style="list-style-type: none"> ●Business performance ●Employment ●Occupational health and safety ●Local Communities 	<ul style="list-style-type: none"> ●Investor Relations section on the official website. ●Annual shareholders' meeting. ●Periodic release of financial reports. ●Regular investor conferences. ●Assistant President Chen, Business Unit (Email: cwe-ir@cwei.com.tw) 	Monthly, quarterly, annually	<ul style="list-style-type: none"> ●Annual institutional investor conference ●Annual regular shareholders' meeting ●Market Observation Post System notices and publication on the Company's website
Client	<ul style="list-style-type: none"> ●Business performance ●Energy ●Water and effluents ●Emissions ●Waste ●Occupational health and safety ●Customer privacy 	<ul style="list-style-type: none"> ●Monitor and discuss product quality and process, and provide technical support when needed. ●Communicate with customers about orders and delivery schedules. ●Conduct annual customer interviews and audits and discuss product quality, new product development and future prospects of the Company. ●Assistant President Chen, Business Unit (Email: cwe-ir@cwei.com.tw) 	Quarterly, annually	<ul style="list-style-type: none"> ●Immediate response to customers
Supplier	<ul style="list-style-type: none"> ●Business performance ●Occupational health and safety 	<ul style="list-style-type: none"> ●Supplier audit and interview. ●Inspection at equipment suppliers' premises. ●Face-to-face/telephone/e-mail communication. ●Construction Safety Commitments. ●Supplier evaluation form. 	Annually	<ul style="list-style-type: none"> ●Feedback to suppliers

Stakeholder status	Issues of concern	Communication channels / dedicated staff	Frequency	Response
		<ul style="list-style-type: none"> ●Assistant President Chen, Business Unit (Email: cwe-ir@cwei.com.tw) 		
Non-profit organizations (governments, local communities, non-governmental organizations, etc.)	<ul style="list-style-type: none"> ●Business performance ●Energy ●Water and effluents ●Emissions ●Waste ●Employment ●Labor/management relations ●Occupational health and safety ●Diversity and equal opportunity ●Local Communities 	<ul style="list-style-type: none"> ●Comply with relevant laws and regulations of authorities at all levels. ●Official correspondence. ●Assistant Manager Kuo, Secretariat of BOD (Email: max@cwei.com.tw) 	Monthly, quarterly, annually	<ul style="list-style-type: none"> ●Market Observation Post System notices ●Official documents going back and forth
Employee	<ul style="list-style-type: none"> ●Business performance ●Energy ●Water and effluents ●Emissions ●Waste ●Employment ●Labor/management relations ●Occupational health and safety ●Diversity and equal opportunity ●Customer privacy 	<ul style="list-style-type: none"> ●Improvement proposal incentive form ●Employee opinion mailbox and reporting hotline ●Labor-management and employee welfare committee meetings ●Human Resources Arbitration Committee ●Environmental Management Committee ●E-suggestion box/phone/bulletin board ●Manager Pan, Management Department (Email: sally@cwei.com.tw) 	Quarterly, annually, when needed	<ul style="list-style-type: none"> ●For employees to submit proposals at any time, and bonuses would be given based on the outcome as an incentive. ●For employees to report issues which would be handled immediately by dedicated personnel. ●For employees to propose suggestions and negotiate with the Company. ●It conducts performance assessments and promotion list reviews every year and holds reward/punishment review meetings when needed. ●It holds quarterly meetings where employees can submit environmental suggestions for approval and implementation.

Note 4: Directors' continuing education for the most recent year and as of the date of this annual report:

Title	Name	Date of course	Course Title	Course Hour
Chairman	Hung, Chuen-Sing	2024.03.27	Corporate Governance and Securities Regulation	3
		2024.04.19	Business Strategies in the Digital Era	3
Director	Gary, Huang	2024.09.24 2024.09.25	Workshop for (Independent) Directors, Supervisors, and Corporate Governance Officers	12
Director	Lulu, Huang	2024.09.11	Tax Analysis for High-Income Individuals' Assets and Investment (Holding) Companies	3
		2024.09.12	Seminar on Insider Shareholding for TPEx-Listed Companies	3
		2024.09.25	Case Study Analysis of Eight Key Substantive Taxation Scenarios in Insurance	3
Director	Huang, Shiou-Chuan	2024.08.07	Analysis of IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
		2024.11.06	Corporate Governance and Securities Regulation	3
Independent Director	Kong Chi-Chuan	2024.07.03	Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Yen, Shu-Yang	2024.04.17	Corporate Governance Forum	3
		2024.07.03	Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chen, Chih-Cheng	2024.06.12	Application of the Business Judgment Rule by Independent Directors, Audit Committees, and Compensation Committees	3
		2024.06.21	International Trends and Practices in Anti-Money Laundering	3
		2024.08.07	ESG: Carbon Fees and Carbon Border Tax - How Taiwanese Companies Can Respond	3
		2024.12.09 2024.12.10	ISO 14064-1:2018 Internal GHG Verifier Training Course	14
		2024.12.26	New Corporate Governance Blueprint and Key Insights on Securities Law Compliance	3

(7) Implementation of Sustainable Developments and Non-compliance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
1. Does the company establish a governance structure for promoting sustainable developments and set up an exclusively (or concurrently) dedicated sustainability unit with senior management being authorized by the Board to handle relevant issues under the supervision of the Board?	✓		<p>The Company is committed to maintain corporate governance principles with high standards, establish effective corporate governance structure, and set up a comprehensive director selection system. The procedures of director election are fair, just and transparent. We contemplate on the composition and diversity standards of the Board and set up functional committees and independent auditing unit for effective monitoring and management, thereby ensuring all investors are treated fairly as well as safeguarding the shareholders’ rights.</p> <p>The Company initially designated the President as the convener responsible for coordinating sustainability-related initiatives. In 2024, the Company established the Sustainability Development Committee to further strengthen its sustainability governance framework, with the Chairman of the Board serving as the convener to ensure top-level strategic oversight and execution. The Company convened a meeting of the Sustainable Development Committee on December 18, 2024, during which the implementation status of the Company’s risk management policy and other related proposals were approved. For details on the Committee’s operations, please refer to page 33. The Board of Directors oversees and guides environmental, social and corporate governance issues related to sustainable development. The Company had reported to the Board on the outcome of actions taken and corporate strategies on February 21, March 12, May 13, August 6 and November 5 as well as December 19 in 2024. Besides reviewing the progress of strategies, the Board would urge the team to make adjustments when necessary. Please refer to page 60 for details on the promotion of sustainable developments.</p>	None.
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing	✓		The boundary of risk assessment centers around the Company. The subsidiary, Chang Wah Technology Co., Ltd., is included for its relevant to the core business and level of impact concerning major issues.	None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
the corporate social responsibility policies and reporting to the board?			The Company has formulated and disclosed the “Sustainable Development Best Practice Principles” on the corporate website. The Principles explicitly state that the CSR policy aims to implement corporate governance, develop a sustainable environment, maintain social welfare and enhance CSR information disclosure. Possible risk and countermeasures are also set out. Please refer to page 60 for details on the promotion of sustainable developments.	
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		1) The company, as a distributor, is engaged in IC packaging materials and equipment distribution business, and its product development is based on energy conservation and carbon reduction. In response to global trends and customers’ requests, the subsidiary, Chang Wah Technology Co., Ltd., has established an environmental management system which has obtained the ISO14001:2015 certification. The latest certificate is valid from November 29, 2022 to November 23, 2025.	(1) None.
(2) Does the company committed to improving the energy efficiency and utilizing renewable materials that have low environmental impact?	✓		3) The Company promotes electronic document processing, paper recycling, double-sided printing paper and the use of recycled paper to reduce paper consumption and mitigate corporate energy consumption. The Company actively supports renewable energy policies and, in 2024, purchased one Green Power Certificate representing 1,000 kilowatt-hours, with an investment of NT\$2,000. Based on the 2023 grid emission factor of 0.494 kg CO ₂ /kWh announced by the Bureau of Energy, this initiative is estimated to achieve a carbon reduction of approximately 0.494 metric tons. The Company has set an annual energy saving target of 3,000 GJ and continuously enhances its energy performance through the ISO 50001 Energy Management PDCA approach, aiming to improve overall energy efficiency. Waste disposal and recycling control is carried out in accordance with internal controls on the entry and exit	(2) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			of scrapped products. The raw materials used in the products are in compliance with EU regulations and customers' requirements for environmentally banned substances, such as the Restriction of Hazardous Substances Directive (ROHS), Halogen Free (HF), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and customers' requirements for environmentally banned substances. The Company also focuses on increasing the efficiency of its products to achieve low power consumption and lessen the impact on the environment.	
(3) Does the company assess the present and future potential risks and opportunities of climate change for the entity, and takes measures to respond to climate-related issues?	✓		3) The Company is in the electronic distribution industry and is exposed to the potential risks of climate change, mainly due to extreme weather events that may put the safety of employees at risk and could have an impact on the Company's operations and result in losses. The Company is developing and promoting policies for energy saving and carbon abatement, greenhouse gas reduction, water reduction and other waste management to mitigate the impact of the Company's operations on climate change. In addition, the Company follows the TCFD framework to disclose potential risks and opportunities arising from climate change, both now and in the future. The Company has established corresponding strategies and assessed their financial impacts to demonstrate the resilience of its operations. The subsidiary, Chang Wah Energy Technology Co., Ltd., focuses on solar and green industries in line with the government's policies to combat global warming. Solar power systems installed generated a total of 8,410 MWh of electricity in 2024.	(3) None.
(4) Has the company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulated policies for greenhouse gas reduction,	✓		4) To create an atmosphere of energy saving and carbon reduction, to lead all employees to implement energy saving policies, to actively promote energy saving measures, to reduce operating costs and to enhance competitiveness, the Company has adopted the following policies:	(4) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons																														
	Yes	No	Abstract Description																															
water use reduction or other waste management?			<div>1. The central air-conditioning system uses water-driven fans in the cooling towers to improve energy efficiency, and regular checks are carried out on the performance of the chilled water mainframe.</div> <div>2. Advocating for constant air conditioning temperature and turning off the power and air conditioning when needed.</div> <div>3. Reducing fluorescent tube usage in non-office areas.</div> <div>4. Complete replacement of LED energy-saving tubes and other measures.</div> <div>5. Continuous refuse sorting, recycling and reduction.</div> <div>6. Information systems have been introduced into the virtualization platform, and after the launch of the physical host virtualization migration project, the energy required to deploy physical hosts has been significantly reduced, moving towards a new generation of green server rooms to achieve the goal of energy saving and carbon reduction.</div> <div>(1) GHG emissions in the last two years (Scope is the company) Unit: tCO2e</div> <table><tr><td>Year</td><td>Scope 1</td><td>Scope 2</td><td>Total</td></tr><tr><td>2023</td><td>12</td><td>50</td><td>62</td></tr><tr><td>2024</td><td>14</td><td>27</td><td>41</td></tr></table> <div>(2) Water consumption in the last two years (Scope includes the company and its subsidiaries) Unit: Million liters</div> <table><tr><td>Year</td><td>Water consumption</td></tr><tr><td>2023</td><td>1,136</td></tr><tr><td>2024</td><td>1,374</td></tr></table> <div>(3) Waste volume in the last two years (Scope includes the company and its subsidiaries) Unit: T</div> <table><tr><td>Year</td><td>General waste</td><td>Hazardous waste</td><td>Total</td></tr><tr><td>2023</td><td>6,751</td><td>9,664</td><td>16,415</td></tr><tr><td>2024</td><td>4,814</td><td>13,124</td><td>17,938</td></tr></table>	Year	Scope 1	Scope 2	Total	2023	12	50	62	2024	14	27	41	Year	Water consumption	2023	1,136	2024	1,374	Year	General waste	Hazardous waste	Total	2023	6,751	9,664	16,415	2024	4,814	13,124	17,938	
Year	Scope 1	Scope 2	Total																															
2023	12	50	62																															
2024	14	27	41																															
Year	Water consumption																																	
2023	1,136																																	
2024	1,374																																	
Year	General waste	Hazardous waste	Total																															
2023	6,751	9,664	16,415																															
2024	4,814	13,124	17,938																															

Evaluation Item	Implementation Status			Non-compliance and Reasons						
	Yes	No	Abstract Description							
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<div>1) The Company complies with the Labor Standards Act, the Act of Gender Equality in Employment and other labor laws and regulations, and has established various management practices while striving to institutionalize various operations in-house. Also, it supports and respects the “United Nations Universal Declaration of Human Rights” and “United Nations Global Compact” on rights such as gender equality, right to work and rights against discrimination. Employees are hired, dismissed and remunerated in accordance with the internal control management system, and labor insurance, health insurance, group insurance and pension contributions are handled to protect the legitimate rights and interests of employees. The Company’s human right management policies and measures are summarized as follows:</div> <table><tr><th>Human Right Management Policy</th><th>Measures</th></tr><tr><td>Prohibition of Human Trafficking and Child Labor</td><td>The Company, in fulfillment of its responsibility to protect the physical and mental development of children and adolescents, does not employ individuals under the age of 16. For minors aged 16 to 18, the Company requires the submission of written consent from a legal guardian and valid proof of age prior to employment.</td></tr><tr><td>Provision of Fair and Reasonable Compensation and Working Conditions</td><td>The Company ensures that normal working hours, maximum limits on daily, weekly, and monthly overtime, rest days, special leaves, and other types of leave comply with all applicable labor laws and regulations. Compensation and benefits, including</td></tr></table>	Human Right Management Policy	Measures	Prohibition of Human Trafficking and Child Labor	The Company, in fulfillment of its responsibility to protect the physical and mental development of children and adolescents, does not employ individuals under the age of 16. For minors aged 16 to 18, the Company requires the submission of written consent from a legal guardian and valid proof of age prior to employment.	Provision of Fair and Reasonable Compensation and Working Conditions	The Company ensures that normal working hours, maximum limits on daily, weekly, and monthly overtime, rest days, special leaves, and other types of leave comply with all applicable labor laws and regulations. Compensation and benefits, including	(1)None.
Human Right Management Policy	Measures									
Prohibition of Human Trafficking and Child Labor	The Company, in fulfillment of its responsibility to protect the physical and mental development of children and adolescents, does not employ individuals under the age of 16. For minors aged 16 to 18, the Company requires the submission of written consent from a legal guardian and valid proof of age prior to employment.									
Provision of Fair and Reasonable Compensation and Working Conditions	The Company ensures that normal working hours, maximum limits on daily, weekly, and monthly overtime, rest days, special leaves, and other types of leave comply with all applicable labor laws and regulations. Compensation and benefits, including									

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
				minimum wages and overtime pay rates, are provided in accordance with legal standards. Electronic payslips are issued to employees for transparency. The Company prohibits wage deductions as a form of disciplinary action unless expressly agreed upon by the employee.
			Ban on forced labor	Comply with the government's labor laws and regulations, international standards and human right policy of the Company. Do not force or coerce personnel to perform tasks involuntarily.
			Provision of Diverse Communication Channels and a Free Environment for Expressing Opinions	For promote effective communication, the Company holds quarterly labor-management meetings to listen to employees' opinions and needs. In cases where employees' labor rights may be affected, timely notifications and consensus-building efforts are made. We respect employees' rights and ensure that no retaliatory actions are taken against employees for expressing their views. The Company values employees' right to file complaints and offers multiple grievance channels, including direct reporting to supervisors or management, as well as dedicated hotlines and email reporting mechanisms for issues such as sexual harassment. Confidentiality and fairness are strictly upheld throughout the

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
				grievance process, and both the complainant and the accused are informed of the investigation results in writing.
			Respect for Employees' Freedom of Association and Collective Bargaining Rights	Freedom of association is a fundamental employee right and a core corporate value. Through supporting freedom of association, the Company strives to create a diverse, open, and harmonious workplace where employees can fully realize their potential and build strong collegial relationships. Quarterly labor-management meetings are convened to ensure continuous communication and understanding of employees' needs and concerns.
			Establishment of a Safe and Healthy Working Environment and Prohibition of Harassment, Retaliation, and Inhumane Treatment	The Company is committed to complying with relevant laws and regulations, promoting workplace safety awareness, reducing occupational risks, preventing injuries, and continuously improving health and safety performance. The Company has established the "Sexual Harassment Prevention Measures, Complaints and Disciplinary Measures" and a sexual harassment complaint channel.
			Prohibition of any form of discrimination	The Company follows local government labor laws and regulations, including the Labor Standards Act and the Act of Gender Equality in Employment, and has established appropriate management practices and procedures for

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			<p>internal communication and promotion. Provide a fair work environment and eliminate unfair or differential treatment based on gender, race, socio-economic class, nationality, age, marital and family status, language, religion, political party, appearance and height, mental or physical disabilities, etc. The Company is committed to protecting the basic human rights of its employees, complying with relevant labor laws and regulations, and safeguarding the legitimate rights and interests of its employees.</p> <p>The Company arranged a total of 44 hours trainings on human rights protection in 2024.</p>	
(2) Has the company established and implemented reasonable employee benefit measures (including salary, vacation and other benefits) and appropriately reflected operational performance or results in employee compensation?	✓		<p>2) The Company's remuneration policy is based on the individual's responsibilities, contribution to the Company and performance, and is positively correlated with operational performance. The overall remuneration package consists of three main components: salary, bonus and employee profit sharing, and benefits. In terms of remuneration, salaries are determined in accordance with market conditions and company policy for the position held by the employee. Bonuses and profit-sharing are given in relation to the achievement of staff and departmental objectives and company performance. Benefits are designed in line with the statutory requirements and in consideration of the needs of the employees, so that they can be shared. The Company incorporates gender balance into all of its human</p>	(2)None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			resources practices. In 2024, female employees accounted for 47% of all employees and women in management positions (assistant manager and above) accounted for 20% of the management team. We believe that having more women taking on the leadership roles enhances the Company's inclusive culture. It would further promote gender balance, produce better decisions and innovations as well as enhance employee satisfaction. Pursuant to Article 18-2 of the Articles of Incorporation, employee compensation shall be no less than 1% and no higher than 12% of the profits for the year. The Company has appropriated 2% of its profits as employee compensation for the past three years.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>3) 1. Workplace safety and protection measures for employees: The office arranges cleaners to maintain the workplace environment and conducts regular disinfection of the environment; sets up security personnel to regularly check the safety and protection of the workplace; requires staff to use identification cards to enter and leave the office; visitors and guests must be guided by staff and are not allowed to enter without permission; sets up 24-hour security personnel and surveillance system to maintain office safety; holds regular safety-related training every year to enhance the safety awareness of staff and strengthen their emergency response capability. There was no occupational accident nor fires in 2024.</p> <p>2. Health management measures: The Company has a total ban on smoking in its premises and conducts regular staff health checks and invites doctors to the Company to deliver talks on health examination results to enhance health education.</p> <p>3. Health activities promotion: (1)The Company's welfare committee provides a channel for</p>	(3)None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			<p>staff to create and participate in club activities, and subsidizes the costs of organizing club activities to help staff foster their interests and promote healthy and diversified leisure activities. In order to create a healthy workplace for the physical and mental well-being of employees, CWE has established the jogging club in 2020. A one-hour road running session is arranged every week. Participants can thus enjoy running or brisk walking in a safe environment.</p> <p>(2) To protect the health of employees, create a smoke-free workplace and encourage those who are addicted to smoking to quit tobacco, the Company has instituted the “Smoke-free Workplace Incentive and Allowance Management Regulations”. The Company has set July 1, 2015 to be the CWE No Tobacco Day and turned the premises into a smokefree workplace. With their consents, employees with smoking addition had all started to quit smoking. There has been no smoker in the Company since and every employee is entitled to a monthly “smokefree incentive allowance” of NT\$2,500.</p> <p>(3) The Company invited the Organic Lifestyle and Environment Association to host a seminar on low-carbon diets and healthy living, encouraging employees to adopt a healthier lifestyle.</p>	
(4) Does the company provide its employees with career development and training sessions?	✓		<p>4) The Company encourages supervisors of all levels and employees to take functional training courses, e.g., professional developments or management training, organized by internal or external parties. Those who do not meet the requirements will be given more on-the-job training, and the department head will extend appropriate care and guidance, while those who perform well will be</p>	(4)None.

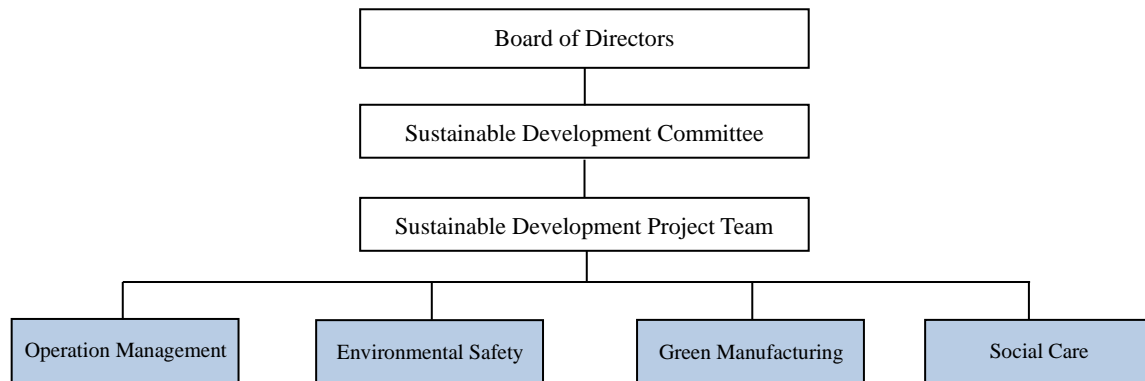
Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			rewarded with promotion according to their ability and willingness, and will be assisted in further training and cultivation based on their career plans.	
(5) Has the company complied with related regulations and international standards for issues of customer health and safety, customer privacy, marketing and labeling of products and services, and formulated relevant consumer or customer protection policies and complaint procedures?	✓		<p>5) The Company's products and services are subject to local regulations in the areas where customers and suppliers are based and international standards regarding customer health and safety, customer privacy, marketing and labeling, and do not exaggerate, compromise customer privacy or violate good customs. Product labelling and delivery requirements are set at the request of customers, and import and export operations are carried out in compliance with government regulations and import/export and bond regulations. The Company has set up a stakeholder complaint mechanism and channels, and maintains good communication channels with customers, and provides transparent and effective customer complaint handling procedures for products and services, while the customer grievance handling procedures include steps for processing customer complaints and return and exchange procedures to protect customers' rights and interests in the use of products.</p> <p>The Company has laid down procedures for handling customer complaints and established a customer-oriented quality system to enhance customer satisfaction with products or services, and to understand customer needs and expectations as a basis for product development and improvement to achieve the goal of sustainable business operation.</p>	(5)None.
(6) Does the company have a supplier management policy that requires suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights issues, and how is it	✓		<p>6) The Company has a “Supplier Management Process” in which environmental safety and social impact are evaluated in the course of procurement practices. Major suppliers are international manufacturers that have incorporated sustainability and environmental protection into their corporate</p>	(6)None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
implemented?			governance and key policies. The Company has asked suppliers to sign a social responsibility commitment letter and an integrity commitment letter.	
5、Has the company referred to the internationally accepted report preparation standards or guidelines for its preparation of sustainability report or other reports which disclose the Company's non-financial information? Do the aforementioned reports obtain a third-party assurance or verification statement?	✓		The Company prepared its 2023 Sustainability Report in accordance with the Universal Standards, Sector Standards, and Topic Standards issued by the Global Reporting Initiative (GRI). The report discloses the material economic, environmental, and social topics (including human rights) identified by the Company, along with related impacts, disclosures, and reporting requirements. In addition, the report references the Sustainability Accounting Standards Board (SASB) standards, disclosing industry-specific metrics and providing a SASB Content Index mapping the relevant information. The 2023 Sustainability Report also includes a GRI Content Index, with annotations indicating that the report has been assured at a moderate (Type 1) level by DNV Business Assurance Co., Ltd. (DNV) in accordance with the GRI Standards and AA1000 AS v3 principles. All past Sustainability Reports are publicly available on the Company's website (https://www.cwei.com.tw/downloads).	None.
6. If the Company has established its sustainable principles according to “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please specify any discrepancy between the policies and their implementation: The Company has established “Sustainable Development Best Practice Principles”, and there are no material differences.				
7. Other important information for understanding the operation of corporate social responsibility (CSR): 1) Environmental protection: The Company, through its subsidiary Chang Wah Technology Co., Ltd., is enforcing environmental protection laws and regulations and promotes the ISO14001 environmental management system. 2) Consumer rights: Dedicated staff are responsible for handling customer complaints and protecting consumer rights. 3) Safety and health: Provision of a fair working environment: The Company guarantees fairness in the management mechanism in terms of salary and promotion opportunities, and ensures that employees are not discriminated against, harassed or treated unfairly on the basis of race, nationality, gender, religious beliefs, age, political stance, etc. The Company has labor safety and health management staff in place to enforce controls in accordance with government regulations. Through regular labor-management meetings and diversified staff communication channels, communication between management and staff is established to fulfill the responsibility of respecting staff's human rights and protecting their interests.				

Evaluation Item	Implementation Status			Non-compliance and Reasons								
	Yes	No	Abstract Description									
4) Social responsibilities: On December 14, 2024, CWE and its affiliates organized a beach cleanup event, with 92 employees from the CWE Group joining as environmental advocates. The team cleaned up the coastline at Oyster Shack Beach in Kaohsiung, gaining firsthand awareness of the severity of marine pollution. The initiative aimed to inspire greater reflection on environmental resources in daily life and reinforce the Group's commitment to ESG goals.												
5) Other sustainability activities: 1. Every year, the Company fulfils its CSR by actively promoting sports and nurturing sports talents through sponsorship and co-organization. 2. The subsidiary, Chang Wah Technology Co., Ltd., has obtained ISO9001, IATF 16949 and ISO14001 certifications.												
<table><tr><th>Certification</th><th>Effective Period</th></tr><tr><td>ISO 9001 : 2015</td><td>2023/04/04~2026/04/03</td></tr><tr><td>IATF 16949 : 2016</td><td>2023/04/04~2026/04/03</td></tr><tr><td>ISO14001 : 2015</td><td>2022/11/29~2025/11/23</td></tr></table>					Certification	Effective Period	ISO 9001 : 2015	2023/04/04~2026/04/03	IATF 16949 : 2016	2023/04/04~2026/04/03	ISO14001 : 2015	2022/11/29~2025/11/23
Certification	Effective Period											
ISO 9001 : 2015	2023/04/04~2026/04/03											
IATF 16949 : 2016	2023/04/04~2026/04/03											
ISO14001 : 2015	2022/11/29~2025/11/23											

Promotion of Sustainable Developments:

1. Structure for Promotion of Sustainable Development



2. Governance for Promotion of Sustainable Development

(I) Board of Directors :

- (1) Approving sustainability management objectives, relevant management policies, concrete implementation plans, and internal control systems related to sustainability information.
- (2) Supervising the effective design, operation, and performance of internal control systems pertaining to sustainability information.
- (3) Overseeing whether the members of the Sustainability Development Committee possess sufficient knowledge and capabilities to effectively fulfill their responsibilities.

(II) Sustainable Development Committee :

- (1) Formulating, promoting, and strengthening the Company's sustainability policies, relevant management guidelines, concrete implementation plans, and internal control systems related to sustainability information.
- (2) Reviewing, tracking, and revising the implementation status and effectiveness of sustainability initiatives.
- (3) Supervising the disclosure of sustainability information, reviewing the Sustainability Report, and regularly reporting to the Board of Directors.
- (4) Overseeing the execution of the Company's Sustainable Development Best Practice Principles and other sustainability-related tasks as resolved by the Board of Directors.
- (5) Confirming the qualifications and suitability of members of independent third-party assurance or verification bodies.

(III) Sustainable Development Project Team :

- (1) Responsible for collecting, analyzing, and compiling sustainability information and the Sustainability Report, and regularly reporting to the Sustainability Development Committee.
- (2) Ensuring the accuracy and consistency of data.

3. Risk Assessment for Promotion of Sustainable Development

Material Issue	Risk Evaluation Item	Risk Management Policy and Measure
Operation	Peers competition	<ul style="list-style-type: none"> Map out cross-regional strategies with developments in the Asia-Pacific market as our advantages. Maintain excellent customer relations to enhance customer loyalty and trust.
	Shrinking of profit margin	<ul style="list-style-type: none"> Expand product applications. Enhance product reliability and improve customer satisfaction to secure more sales opportunities.
	High barrier of entry for high-end products	<ul style="list-style-type: none"> CWE has close ties with customers, we can introduce appropriate high-end packaging materials for use to gain a head start. Constantly keep track of the development in high-end products and technology and introduce timely and appropriate materials to every packaging firms.
Finance	Interest rate fluctuations	<ul style="list-style-type: none"> CWE regularly review the interest rate and financial information of monetary market. CWE utilizes its capital in the most favorable way by taking into account the cost of capital and potential returns.
	Exchange rate fluctuations	<ul style="list-style-type: none"> Achieve a certain degree of natural hedging through trading and adjust the positions of assets and liabilities denominated in foreign currencies in a timely manner. CWE would use professional financial information system to monitor exchange rate fluctuations on a timely basis to actively take actions in eliminating the negative impacts of exchange rate volatility. CWE periodically assesses its foreign-currency net asset (liability) positions and volatility of exchange rates to mitigate currency risk.
	Changes in the inflation rate	<ul style="list-style-type: none"> Closely monitor price fluctuations in the upstream raw materials markets. Maintain good relationships with suppliers and customers in order to properly adjust the inventory level of raw materials.
Information security	External threats	<ul style="list-style-type: none"> Strengthen external threat protection and track monitoring, and enhance information security transparency to lower operational risk. Establish management mechanisms in compliance with applicable rules and carry out regular reviews and amendments to satisfy the ever-changing information security standards.
	Hosting equipment risks	<ul style="list-style-type: none"> Establish a high-availability information service platform to ensure uninterrupted business operations.
Environment	Environmental protection	<ul style="list-style-type: none"> Delegate the manufacturing plants of subsidiaries to promote reduced water usage in the manufacturing process, establish wastewater recycling facilities, and improve wastewater treatment efficiency with an annual target to increase the recycling volume by 10%.
	Climate change	<ul style="list-style-type: none"> Implement energy conservation and carbon reduction initiatives, conducting GHG inventories annually to gradually reduce carbon dioxide emissions.
Society	Talent recruitment	<ul style="list-style-type: none"> Launch a talent nurturing policy, supported by planned and systematic training initiatives, to sustain long-term growth and mitigate the impact of workforce gaps on the Company.

Climate-Related Information of the Company :

(1) Implementation 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.	The Board of Directors is the highest decision-making and oversight body of the Company for climate change issues. The Sustainable Development Committee coordinates and oversees climate change matters, with the Chairman serving as the Chairman and convener of the Committee. The Sustainable Development Committee is responsible for formulating and implementing measures addressing climate change-related issues. It holds regular meetings to review the progress and the target achievement level, and report to the Board of Directors regularly.			
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company has identified three major climate-related risks and one significant climate-related opportunities in 2024 after conducting assessments under the TCFD framework.			

Item	Implementation status				
	Opportunity	Replace existing products and services with low-carbon products	Long-Term (Over 5 years)	<ul style="list-style-type: none"> • Growing customer preference for low-carbon products has led to increased orders and higher revenue. • By offering products with lower carbon footprints and supporting customers in achieving their carbon reduction goals, the Company can expand its market presence, satisfy customer demand, and maintain competitiveness. 	<ul style="list-style-type: none"> • Understand customer needs and assess the feasibility of customization to provide low-carbon/green product solutions.
3. Describe the financial impact of extreme weather events and transformative actions.	Heavy rainfall or floods caused by extreme weather may disrupt product transport or even result in work suspension. Since all of our operations are located in the metropolitan areas with sound flood control facilities and well-developed information networks, losses are not expected to have a significant impact. Please refer to the potential financial impacts outlined in Item 2 for the effects of transition actions on financial performance.				
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company conducts materiality analyses through sustainability questionnaires, and the results indicate that the climate change issue is a material issue. Therefore, the Company incorporates climate change risk into management scope pursuant to the “Risk Management Policy” for further risk assessment and management. In terms of process, the Company identifies climate change risks and opportunities with reference to the TCFD framework. The heads of relevant departments then customize specific, feasible, and effective climate change risk management policies for significant risk items with consideration to the Company's current operating status and available resources.				
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Transition risk refers to the assessment and reports of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) on emission roadmaps. Physical risk refers to the estimates under RCP2.6, RCP4.5, and RCP8.5 scenarios of the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), it has been estimated that there will be no significant impact on the financial situation.				
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.	The Company actively promotes carbon neutrality to mitigate climate change, and urges all production sites to gradually achieve net zero emissions by 2050. We also set climate-related targets, including a 20% reduction in GHG emissions by 2028, and an increase in water recycling rate every year.				
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has implemented an internal carbon pricing mechanism. In the initial phase, based on the recommendations from the 2024 study commissioned by Taiwan’s Ministry of Environment and conducted by the London School of Economics and Political				

Item	Implementation status
	Science on Taiwan's carbon pricing system, the reference price was set at NT\$300 per metric ton of carbon. The Company has further established an internal carbon price of NT\$500 per metric ton as a basis for operational decision-making and the promotion of carbon reduction initiatives. Through the internal carbon pricing and carbon trading management mechanisms, the Company aims to incentivize departments to achieve carbon reduction targets and enhance overall carbon management efforts.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to "3 Greenhouse Gas Reduction Targets, Strategy and Concrete Action Plan".
9. Greenhouse gas inventory and assurance status (separately fill out in point (2) and (3) below).	Please refer to "2 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years" and "3 Greenhouse Gas Reduction Targets, Strategy and Concrete Action Plan".

2 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

(1) Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

With reference to the updated version of ISO14064-1:2018, the Company establishes a standard mechanism for GHG inventory by adopting the operational control approach to aggregate the GHG amounts, and promotes carbon inventory both within and outside the organization. In addition to scope 1 (direct GHG emissions) and scope 2 (indirect GHG emissions from energy usage), the Company also conducts Scope 3 (other indirect emissions) inventory.

Emission data for the past two years are summarized below:

Year	2023	2024
Scope 1	12	14
Scope 2	50	27
Total	62	41
Emissions Intensity	0.957	0.560
Scope 3	343	387

*Note :

1. Unit : tCO₂e

2. Emissions Intensity = Scope 1 and Scope 2 emissions of GHG(tCO₂e)/Revenue - Parent Company Only (in million NTD)

3. The boundary of data was the Company.

(2) Greenhouse Assurance Status Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of the assurance, assurance institutions, assurance standards and assurance opinion.

2024

2024

Company	Scope	Assurance Organization	Description of Assurance Status
The Company	Scope 1 Scope 2 Scope 3	DNV GL Business Assurance Co., Ltd.	Assurance process is scheduled to be completed by June 2025.
Chang Wah Technology Co., Ltd.		DNV GL Business Assurance Co., Ltd.	
SH Electronics Suzhou Co., Ltd.		Centre Testing International Group Co., Ltd.	
SH Electronics Chengdu Co., Ltd.			
SH Precision Chengdu Co., Ltd.			
Shanghai Chang Wah Electromaterials Inc.			
CWTC (Shanghai) Inc.		TÜV SÜD PSB Pte Ltd.	
SH Asia Pacific Pte. Ltd.			
Malaysian SH Electronics Sdn. Bhd.		Bureau Veritas Certification (M) Sdn. Bhd	

2023

Company	Scope	Assurance Organization	Description of Assurance Status
The Company	Scope 1 Scope 2 Scope 3	DNV GL Business Assurance Co., Ltd.	Obtained reasonable assurance from assurance agency under ISO14064-1.
Chang Wah Technology Co., Ltd.		DNV GL Business Assurance Co., Ltd.	Obtained reasonable assurance from assurance agency under ISO14064-1.
SH Electronics Suzhou Co., Ltd.		Centre Testing International Group Co., Ltd.	Obtained reasonable assurance from assurance agency under ISO14064-3:2019.
SH Electronics Chengdu Co., Ltd.			
SH Precision Chengdu Co., Ltd.			
Shanghai Chang Wah Electromaterials Inc.			
CWTC (Shanghai) Inc.		TÜV SÜD PSB Pte Ltd.	Obtained reasonable assurance from assurance agency under ISO14064-3:2019.
SH Asia Pacific Pte. Ltd.			
Malaysian SH Electronics Sdn. Bhd.		Bureau Veritas Certification (M) Sdn. Bhd	Obtained reasonable assurance from assurance agency under ISO14064-3:2019.

3 Greenhouse Gas Reduction Targets, Strategy and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Reduction base year and goals for GHG

To develop its GHG reduction strategy, CWE Group is in the process of establishing a baseline year, with the ultimate goal of achieving carbon neutrality by 2050.

GHG reduction strategy and concrete action plan

CWE Group has integrated carbon management into their operational strategies. By using a carbon management platform, they systematically integrate emissions data across the Group, providing real-time access to the information needed for carbon management. This platform also enables comprehensive oversight of various GHG reduction initiatives, including improving energy efficiency, purchasing energy-saving equipment, installing solar power systems, and reducing GHG emissions at the raw material source. These measures ensure that reduction efforts stay on track while minimizing carbon emission impacts and enhancing operational competitiveness.

To ensure that management, the execution team, and all employees work together to achieve GHG reduction targets and improve energy efficiency, key project goals have been incorporated into the Group's operational performance indicators. These indicators serve as the basis for employee performance evaluations and bonuses, reinforcing a culture of accountability in management.

Achievement of GHG reduction goals

Plant	Measures and Performance in 2024
Taiwan Plant	Through the replacement of the chilled water system, the addition of new magnetic levitation chillers, the reduction of cleanroom circulation fan loads, and the replacement of lighting fixtures in the underground parking facility, the Company achieved an annual energy saving of 567,078 kWh (equivalent to 2,042 GJ).
Malaysia Plant	Through the replacement of the turbo air compressor, the Company achieved an annual energy saving of 761,280 kWh (equivalent to 2,741 GJ).
Suzhou Plant	By shutting down the air conditioning systems in standby areas, utilizing chilled water from the raw water tank to replace chiller supply for air compressors and electroplating air handling units, controlling air conditioning temperatures, adjusting the operating frequency of air compressors, and installing automatic shutdown mechanisms for fans to reduce idle time, the Company achieved an annual energy saving of 570,730 kWh (equivalent to 2,055 GJ).
Total	6,838GJ

(8) Implementation of Ethical Corporate Management and Non-compliance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company established the ethical corporate management policies approved by the Board and declare the policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p>	✓		<p>1) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. These policies and any amendment thereafter shall take effect after being reviewed by the Audit Committee and approved by the Board of Directors. These policies have disclosed matters that should be noted in the performance of its business on the Market Observation Post System and the Company's website (https://www.cwei.com.tw) as an expression of its policy and practice of ethical corporate management. The members of the Board of Directors and senior management of the Company are committed to conducting their business with an ethical and integrity-based approach to steering the operations of the Company to create a sustainable business environment.</p>	(1) None.
<p>(2) Does the company establish assessment mechanism for the risk of unethical conducts, regularly analyze and assess the operating activities with higher risk of unethical conducts in its business scope, establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	✓		<p>2) All employees of the Company have signed a confidentiality pledge and abide by the work rules for employees, which stipulate that employees shall not engage in any fraud, leak company secrets or commit other illegal acts that may cause losses to the Company, and shall not use their authority to receive, request or agree to any reward or gift, etc. Any violators will be held responsible by law. In addition, the procedures for dealing with the acceptance of improper benefits and facilitation payments are set out in the “Procedures for Ethical Management and Guidelines for Conduct” as well as the provision that Company shall report to the Board of Directors any donation of political contributions or charitable donations or sponsorships of a certain amount or</p>	(2) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			more before it can be made. The Company has adopted precautionary measures and conducts regular evaluations to implement its ethical corporate management policy.	
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		3) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and has specified the procedures in each program. In the event of a significant breach, the employee will be dismissed in accordance with the personnel regulations and information on the violator’s title, name, the date of breach, content of breach and the status of handling will be announced internally.	(3) None.
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		1) Pursuant to the Ethical Corporate Management Best Practice Principles, the Company will consider the legitimacy of agents, suppliers, customers or other business counterparties and the existence of a record of dishonest conduct before engaging in business dealings, and avoid dealing with those who have a history of dishonest conduct. When entering into a material contract with another party, it should contain provisions for compliance with the ethical corporate management policy and for termination or cancellation of the contract at any time if the counterparty is involved in dishonest conduct.	(1) None.
(2) Has the Company set up a dedicated unit under the Board of Directors to enhance business integrity management and regularly (at least once a year) report to the Board of Directors of its integrity management policies, plans for preventing dishonest behaviors, and supervision of implementation?	✓		2) The Company’s dedicated unit for the promotion of ethical corporate management is the Board Secretariat, which is responsible for coordinating the promotion of ethical policy, formulating precautionary measures as well as overseeing the implementation thereof, and reporting regularly to the Board on its implementation on an annual basis to assist the Board in assessing the effectiveness of the safeguards established by the Company. The Board on February 20, 2025 has completed the ethical	(2) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
			corporate management performance report for 2024. Please refer to page 72 for details.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>3) The Company has a conflict of interest prevention policy in place and provides appropriate channels for directors and managers to proactively state whether they have a potential conflict of interest with the Company.</p> <p>Directors shall exercise a high degree of self-discipline and shall be allowed to present their views and answer questions on motions listed by the board of directors if they have an interest in themselves or the legal entity they represent, which may be detrimental to the interests of the Company, but shall not join in the discussion or vote, and shall recuse themselves from the discussion or vote and shall not exercise their voting rights on behalf of other directors. Directors should also exercise self-discipline and should not support each other improperly. A director or manager shall not, by virtue of his office in the Company, improperly benefit himself, his spouse, his parents, his children or any other person. The “Procedures for Ethical Management and Guidelines for Conduct” also provide for the handling of dishonest conduct by company personnel, encouraging internal and external personnel to report dishonest conduct or misconduct. If a report is substantiated, the relevant unit should review the relevant internal control system and operating procedures and propose improvement measures to prevent the recurrence of the same behavior</p>	(3) None.
(4) Has the company has established an effective accounting system and internal control system for the realization of business integrity with the internal audit unit drawing up a relevant audit plan based on the assessment results of dishonest behavior risks,	✓		<p>4) To reasonably ensure that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with relevant laws and regulations are met, the Company has developed accounting systems, internal control systems and related management practices to implement the spirit of ethical corporate</p>	(4) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
and verifying compliance with the plan for preventing dishonest behaviors based on it, or entrusted an accountant to perform the audit?			management. Based on the risk assessment, the internal audit unit prioritizes high-risk operations in its annual audit plan to step up preventive measures, and regularly checks compliance with the preceding system and submits audit reports to the board of directors on a regular basis. Moreover, through the Company's annual internal control self-assessment exercise, each department reviews its own internal control system to ensure the effectiveness of the system's design and implementation.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		5) The Company held internal and external training courses on ethical corporate management (including business lectures, regulatory compliance, safety and health education and information security) for 68 participants and a total of 279 hours in FY2024.	(5) None.
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		1) The Company has established an "Employee Complaint Procedure" and has set up an "Employee Complaint Section" on the employee information website, with appropriate personnel assigned to handle the complaints as a convenient channel for employees to report grievances; or put in place a point of contact (the current audit officer) for reports of unethical business behavior. The reward system is implemented in conformity with the payroll and personnel cycle - personnel reward and punishment procedures and staff reward and punishment regulations. External parties can ask questions or make suggestions through the Stakeholders' Section of the Company's website. There were no significant internal or external accusations against the Company in FY2024. Dedicated staff: Audit Officer (Email: audit1@cwei.com.tw)	(1) None.

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		2) In accordance with the provisions of Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct”, the Company shall record and preserve the receipt, investigation process, results and related documents of whistleblowing cases, and shall keep the identity of the whistleblower and the contents of the report confidential, and shall allow anonymous reporting. If, after investigation, the personnel or unit responsible for handling the complaint finds that there is a material breach of the law or that the Company is in danger of being materially prejudiced, it shall immediately prepare a report and notify the independent directors in writing. There were no significant internal or external accusations against the Company in FY2024.	(2) None.
(3) Does the company provide proper whistleblower protection?	✓		3) In accordance with the provisions of Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct”, the Company shall record and preserve the receipt, investigation process, results and related documents of whistleblowing cases, and shall keep the identity of the whistleblower and the contents of the report confidential, and shall allow anonymous reporting. Reference is also made to measures taken to protect whistleblowers from improper treatment as a result of their reports.	(3) None.
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The Company's Ethical Corporate Management Best Practice Principles are disclosed on the Company's website and on the Market Observation Post System, and the results of the initiatives are updated on the Company's website from time to time.	None.
5. If the Company has established the ethical corporate management policies based on “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please specify any discrepancy between the policies and their implementation.: Except for the establishment of a reporting channel and the reward system for violations of the integrity management regulations, which are carried out in accordance with the Payroll Cycle - Personnel Reward and Punishment Operation and Employee Reward and Punishment Regulations, there are no significant				

Evaluation Item	Implementation Status			Non-compliance and Reasons
	Yes	No	Abstract Description	
differences.				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).</p> <p>In accordance with the Code of Conduct for Integrity Management, the Company submits the “Corporate Integrity Management Report” to the Board of Directors on a regular annual basis and uploads it to the Company's website to facilitate understanding of the Company's integrity management operations.</p> <p>Implementation of integrity management in 2023 is as follows:</p> <p>(1) Formulation and review of integrity management policies</p> <p>The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”, explicitly banning the acceptance of improper benefits or unethical conducts. The aforementioned internal rules are reviewed, adjusted and amended by the regulatory compliance section based on changes in laws and regulations as well as internal supervision practices.</p> <p>(2) External and internal policy promotion</p> <p>Important internal rules, such as the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”, are available on the corporate website and intranet for the public and employees to access.</p> <p>(3) Whistleblowing channel, actions taken and protection of whistleblower</p> <p>Internal independent complaint email and hotline are established and disclosed on the corporate website and intranet to encourage the reporting of unethical or improper behaviors from internal and external parties. Anonymous reporting is permitted and the identity of the whistleblower and details of the report are kept confidential. Violations of integrity management rules would be handled according to the severity of the case. Where necessary, reports would be prepared to notify the independent directors in writing.</p> <p>(4) Assistance with domestic sports development</p> <p>The Company sponsored NT\$2.97 million in 2024 for golf and other sports developments in Taiwan as part of our corporate social responsibilities.</p> <p>(5) Education and training</p> <p>The Company regularly prepares and organizes education and training sessions. Attendees and hours of training in 2024 are listed below:</p> <p>A 20-minute session on “Prevention of Insider Trading and sexual harassment prevention” for directors and managers. The seminar focused on the definition of insider trading, sexual harassment prevention regulations, associated criminal and civil liabilities and case studies to prevent violations of relevant laws, strengthen corporate governance and build a corporate culture which prevents insider trading and sexual harassment prevention.</p>				

(9) Other Important Information Regarding Corporate Governance:

1. In order to establish a good mechanism for handling and disclosing material internal information, to avoid improper leakage of information, and to ensure consistency and correctness of information released to the outside world, the Company has established "Procedures for Handling Material Internal Information" for compliance.

2. The manager participates in corporate governance related education and training:

Title	Name	Date	Organizer	Course	Hrs.
President	Thomas, Huang	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	3
		2024.10.07	Chinese National Association of Industry and Commerce	Taishin Net Zero Summit	3
		2024.12.12	Securities and Futures	Shareholders' Meeting,	3

Title	Name	Date	Organizer	Course	Hrs.
			Institute	Proxy Contest and Ownership Strategy	
		2024.12.20	International Project Management Association	SDGs and ESG Sustainable Management	3
Vice President of Sales	Gary, Huang	2024.09.24 2024.09.25	Securities and Futures Institute	Workshop for (Independent) Directors, Supervisors, and Corporate Governance Officers	12
Corporate Governance Officer	Beatrice, Yan	2024.05.16 2024.05.17	Securities and Futures Institute	Practical Workshop on Sustainability Disclosure	9
		2024.10.07	Chinese National Association of Industry and Commerce	Taishin Net Zero Summit	3
Finance and Accounting Division Officer	Kelly, Chiu	2024.11.14 2024.11.15	Accounting Research and Development Foundation	Continuing education course for issuer-dealer stock exchange accounting executives	12

(10) Execution Status of Internal Control System:

1. Statement of Internal Control System: Please refer to the Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement. (Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>)
2. Audit report on internal control of the accountants' project review: None.

(11) Major Resolutions of Shareholders' Meeting and Board Meetings:

1. Major Resolutions of Shareholders' Meeting:

Item	Date	Major resolutions	Implementation
Regular shareholders' meeting	2024.05.31	1. Resolved that the Company's FY2023 annual report of operations and financial statements be ratified.	Completed.
		2. Resolved that the Company's FY2023 Earnings Distribution Report.	Completed.
		3. Approved the issuance of restricted stock awards.	The Company received the approval letter from the Financial Supervisory Commission on October 1, 2024.

2. Major Resolutions of and Board Meetings:

Session	Meeting Date	Important Resolutions
14th board meeting in 12th term	2024.02.21	1. Approved the amendments to management rules. 2. Approved the date, venue and reason for convening the 2024 regular shareholders' meeting. 3. Approved the syndicated loan application with an amount of NT\$3 billion from the consortium including the Taishin International Bank. 4. Approved the retrospective recognition of acquisition of marketable securities and the investments on marketable securities. 5. Approved the issuance of restricted stock awards.
15th board meeting in 12th term	2024.03.12	1. Approved director's compensation and emoluments for 2023. 2. Approved staff remuneration for 2023. 3. Approved the Company's FY2023 IFRSs financial statements. 4. Approved the Company's 2023 Annual Business Report. 5. Approved the distribution of surplus for FY2023.

Session	Meeting Date	Important Resolutions
		6. Approved the distribution of cash from capital surplus. 7. Adopted the Company's Statement of Internal Control System. 8. Approved the retrospective recognition of acquisition and disposal of marketable securities. 9. Approved the amendments to the causes for convening the 2024 annual shareholders' meeting.
16th board meeting in 12th term	2024.05.13	1. Approved the Company's IFRSs financial statements for the three months ended March 31, 2024. 2. Approved financing provided to subsidiary Chang Wah Energy Technology Co., Ltd. NT\$200 million.
17th board meeting in 12th term	2024.08.06	1. Approved the Company's IFRSs financial statements for the six months ended June 30, 2024. 2. Approved the Company's 2023 Sustainability Report. 3. Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds. 4. Approved the monthly salaries of the Company's insiders and audit officer. 5. Approved the signing of lease agreements with subsidiary Chang Wah Technology Co., Ltd. 6. Approved the details and date of payment of directors' emoluments. 7. Approved the change in the Company's President. 8. Approved the retrospective recognition of acquisition and disposal of marketable securities.
18th board meeting in 12th term	2024.11.05	1. Approved the Company's IFRSs financial statements for the nine months ended September 30, 2024. 2. Approved the distribution of surplus for the first half of FY2024. 3. Approved the issuance of new shares for the conversion of the fifth issuance of domestic unsecured convertible bonds 4. Approved the amendment to the 2024 Rules Governing the Issuance of Employee Restricted Stock Awards. 5. Approved the establishment of the Sustainable Development Committee and the adoption of the Sustainable Development Committee Charter. 6. Approved the transfer of treasury shares repurchased in 2023 to employees. 7. Approved the Company's proposal to appoint Mr. Canon Huang as strategic advisor. 8. Approved the adoption of the Rotating CEO Allowance Management Guidelines. 9. Approved the monthly salary for the Company's President. 10. Approved the promotion of Mr. Gary Huang to Vice President of Sales and the adjustment of his monthly salary. 11. Approved the appointment of the first-term Sustainable Development Committee members. 12. Approved the retrospective recognition of acquisition and disposal of marketable securities.
19th board meeting in 12th term	2024.12.20	1. Approved the 2025 budget. 2. Approved the financial institution financing line for FY2025. 3. Approved the audit plan for FY2025. 4. Approved the appointment and remuneration of the CPA for FY2025. 5. Approved the 2025 endowment budget. 6. Approved the amendments to Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises and the Corporate Governance Best Practice Principles. 7. Approved the adoption of the Sustainability Information Management Regulations and the Internal Control System - Sustainability Information Management. 8. Approved the performance bonus and retirement package for Mr. Canon Huang, an employee of the Company. 9. Approved the investment in common shares of Sumitomo Bakelite Co., Ltd. 10. Approved manager's performance bonuses. 11. Approved the Company's designation of internal and auditing officers as corporate directors' representatives of the investee company and the payment of remuneration to supervisors.

Session	Meeting Date	Important Resolutions
		12. Approved the retrospective recognition of acquisition and disposal of marketable securities.
20th board meeting in 12th term	2025.02.20	1. Approved the amendment of the Articles of Incorporation. 2. Approved the election of the 13th Board of Directors which has seven Directors (including three Independent Directors). 3. Approved the lifting the competition restrictions for the newly el ected Directors. 4. Approved the date, venue and reason for convening the 2025 regular shareholders' meeting.
21th board meeting in 12th term	2025.03.12	1. Approved director's compensation and emoluments for 2024. 2. Approved staff remuneration for 2024. 3. Approved the Company's FY2024 IFRSs financial statements. 4. Approved the Company's 2024 Annual Business Report. 5. Approved the distribution of surplus for FY2024. 6. Approved the distribution of cash from capital surplus. 7. Adopted the Company's Statement of Internal Control System. 8. Approved the review on qualification of nominees of directors (including independent directors). 9. Approved the amendments to the causes for convening the 2025 annual shareholders' meeting.

(12) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

4 、 Information Regarding the Company's Audit Fee:

(1) The amount of audit fees and non-audit fees and the content of non-audit services:

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Note
Deloitte & Touche	Lee-Yuan Kuo Hung-Ju Liao	2024	3,171	1,170	4,341	Non-audit fee included the fees for transfer pricing report and tax compliance audit, service fee for the fifth issuance of domestic unsecured convertible bonds, service fee for employee restricted stock awards in 2024, as well as expenses of travelling, typing and printing by CPAs.

(2) If the audit fee for the year of change of accounting firm is less than the audit fee for the year before the change: None.

(3) Audit expenses decreased by 10% or more from the previous year: None.

5 、 Information of CPA Change: None.

6 、 Any of the Company's Chairperson, President, or Managers in Charge of Finance or Accounting Held a Position in the CPA's Firm or Its Affiliates in the Most Recent Year: None.

7、Changes in Shareholding and Shares Pledged by Directors, Managers and Shareholders with 10% Shareholdings or More in the Most Recent Year and as of the Date of this Annual Report:

- (1) Changes in Shareholding of Directors, Managers and Major Shareholders: Please refer to the Market Observation Post System > Single company > Equity changes/Securities issuance > Equity transfer information inquiry > Ex-post reporting form of insider shareholding changes, the object of equity transfer or equity pledge has no related persons.
(Website: https://mops.twse.com.tw/mops/#/web/query6_1)
- (2) Shares Trading with Related Parties: None.
- (3) Shares Pledge with Related Parties: None.

8、Top 10 Shareholders Who are Related Parties, Spouses, or within Second-Degree of Kinship to Each Other:

April 2, 2025

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or within Second-Degree of Kinship to Each Other (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Wah Lee Industrial Corp.	197,902,180	27.27%	0	0%	0	0%	None	None	None
Wah Lee Industrial Corp. Rep.: Chang, Tsuen-Hsien	0	0%	0	0%	0	0%	None	None	None
Shin Xin Investment Co., Ltd.	57,176,000	7.88%	0	0%	0	0%	None	None	None
Shin Xin Investment Co., Ltd. Rep.: Huang, Bei-Wen	329,000	0.05%	0	0%	0	0%	Yuan Yao Energy Technology Co., Ltd. Rep.	The Chairman is a relative within the second degree of kinship to each other	None
							Bei Sih Jie Investment Co., Ltd. Rep.	The Chairman is a relative within the second degree of kinship to each other	None
Yuan Yao Energy Technology Co., Ltd.	43,298,820	5.97%	0	0%	0	0%	None	None	None
Yuan Yao Energy Technology Co., Ltd. Rep.: Gary, Huang	399,000	0.05%	11,000	0%	0	0%	Shin Xin Investment Co., Ltd. Rep.	The Chairman is a relative within the second degree of kinship to each other	None
							Bei Sih Jie Investment Co., Ltd. Rep.	Chairman/same person	None
Chang Wah Technology Co., Ltd.	35,188,000	4.85%	0	0%	0	0%	None	None	None
Chang Wah Technology Co., Ltd. Rep.: Hung, Chuen-Sing	0	0.00%	0	0%	0	0%	None	None	None
Bei Sih Jie Investment Co., Ltd.	21,734,050	3.00%	0	0%	0	0%	None	None	None
Bei Sih Jie Investment Co., Ltd. Rep.: Gary, Huang	399,000	0.05%	11,000	0%	0	0%	Shin Xin Investment Co., Ltd. Rep.	The Chairman is a relative within the second degree of kinship to each other	None
							Yuan Yao Energy Technology Co., Ltd. Rep.	Chairman/same person	None
JMC Electronics Co., Ltd.	13,815,000	1.90%	0	0%	0	0%	None	None	None

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or within Second- Degree of Kinship to Each Other (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
JMC Electronics Co., Ltd. Rep.: Wan, Wen-Tsai	0	0.00%	0	0%	0	0%	None	None	None
Citibank (Taiwan) Commercial Bank is the custodian for the UBS Europe SE Investment Account	12,642,084	1.74%	0	0%	0	0%	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for JP Morgan Securities Investment Account	11,825,350	1.63%	0	0%	0	0%	None	None	None
Standard Chartered in custody for Standard Chartered Bank (HK) Limited - Stock Transactions	6,741,000	0.93%	0	0%	0	0%	None	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,375,000	0.74%	0	0%	0	0%	None	None	None

Note 1: The top ten shareholders should be listed, and the names of corporate shareholders and Rep. should be listed separately if they are corporate shareholders.

Note 2: The calculation of the percentage of shareholding refers to the percentage of shareholding in the name of oneself, spouse, minor children or using others.

Note 3: The shareholders listed in the preceding paragraph include both legal and natural persons, and the relationship between them should be disclosed in accordance with the Guidelines Governing the Preparation of Financial Reports by Issuers.

9、Number of Shares Held and Shareholding Percentage of the Company, the Company's Directors, Managers and Directly or Indirectly Controlled Entities on the Same Investee:

April 2, 2024
Unit: Shares ; %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Chang Wah Energy Technology Co., Ltd.	9,000,000	100	0	0	9,000,000	100
Chang Wah Technology Co., Ltd.	454,336,925	49	101,503,492	10	555,840,417	59
JMC Electronics Co., Ltd.	35,531,390	43	238,750	0	35,770,140	43
Wellstech Optical Co., Ltd.	19,314,164	37	0	0	19,314,164	37
CWE Holding Co., Ltd.	2,400,000	100	0	0	2,400,000	100
Shing Zheng Investment Co., Ltd.	10,000,000	10	49,000,000	49	59,000,000	59
Silver Connection Co., Ltd.	300,000	30	0	0	300,000	30
SH Asia Pacific Pte. Ltd.	0	0	21,206,103	100	21,206,103	100
WSP Electromaterial Ltd.	0	0	5,235,000	100	5,235,000	100
Malaysian SH Electronics Sdn. Bhd.	0	0	23,000,000	100	23,000,000	100

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
SH Electronics Suzhou Co., Ltd.	0	0	25,000,000	100	25,000,000	100
SH Electronics Chengdu Co., Ltd.	0	0	8,500,000	100	8,500,000	100
SH Precision Chengdu Co., Ltd.	0	0	3,500,000	100	3,500,000	100
CWTC (Shanghai) Inc.	0	0	2,000,000	100	2,000,000	100
Shanghai Chang Wah Electromaterials Inc.	1,225,000	31	2,775,000	69	4,000,000	100
Guangdong How Weih Electronics Co., Ltd.	37,742,647	25	0	0	37,742,647	25

Note: The Company's long-term investments are accounted for by the equity method.

III 、Capital Overview

1 、Capital and Shares:

(1) Source of Capital:

April 2, 2025

Month /Year	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2024.08	-	1,200,000,000	1,200,000,000	703,286,618	703,286,618	Convertible bonds converted to share capital of NT\$13,864,286	None	Note 1
2024.11	-	1,200,000,000	1,200,000,000	725,648,455	725,648,455	Convertible bonds converted to share capital of NT\$22,361,837	None	Note 2

Note 1: Approved by the Bureau of Industrial Parks, Ministry of Economic Affairs on August 21, 2024, under Official Letter No. MOEA-Park-Investment-Consulting-1130016670.

Note 2: Approved by the Bureau of Industrial Parks, Ministry of Economic Affairs on November 18, 2024, under Official Letter No. MOEA-Park-Investment-Consulting-1130022732.

April 2, 2025 ; Unit: Shares

Share Type	Authorized Capital (Note)			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	725,648,455	474,351,545	1,200,000,000	Listed

Note: The authorized capital was 1,200,000,000 shares, of which 120,000,000 shares were reserved for the issuance of employee stock options, new shares with restricted employee rights, preferred shares with stock options or stock options with stock options.

Information about the Omnibus Reporting System: Not applicable.

(2) List of Major Shareholders:

April 2, 2025

Shareholder's Name	Shareholding	Shares	Percentage
Wah Lee Industrial Corp.		197,902,180	27.27%
Shin Xin Investment Co., Ltd.		57,176,000	7.88%
Yuan Yao Energy Technology Co., Ltd.		43,298,820	5.97%
Chang Wah Technology Co., Ltd.		35,188,000	4.85%
Bei Sih Jie Investment Co., Ltd.		21,734,050	3.00%
JMC Electronics Co., Ltd.		13,815,000	1.90%
Citibank (Taiwan) Commercial Bank is the custodian for the UBS Europe SE Investment Account		12,642,084	1.74%
JPMorgan Chase Bank N.A., Taipei Branch in custody for JP Morgan Securities Investment Account		11,825,350	1.63%
Standard Chartered in custody for Standard Chartered Bank (HK) Limited - Stock Transactions		6,741,000	0.93%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		5,375,000	0.74%

(3) Dividend policy and its execution status:

1. The dividend policy is stipulated in the Articles of Incorporation as follows:

In light of overall environment and industrial growth, and in line with the company's long-term financial planning in pursue of sustainability and stable operation development, the dividend policy adopts the residual dividend policy. Annual capital demand is measured based on the company's capital budget plans. The foremost priority is to reserve earnings for financing needs and the remaining earnings can then be distributed as cash or stock dividends. Steps taken for distribution are as follows:

(1) To formulate the best capital budget

(2) To determine the amount of funds required to finance the above-mentioned capital budget

(3) To determine the portion of funds to be supported by retained earnings

(4) If needed, a portion of earnings can be retained for operations. The remaining earnings can then be distributed as dividends to shareholders. The amount to be distributed shall not be lower than 10% of the company's distributable earnings for the year and the cash dividend shall not be lower than 10% of the total dividends.

2. Proposed Distribution of Dividend:

The Company resolved to distribute earnings for 2024 as follows:

(1) On November 5, 2024, the Board of Directors approved the appropriation of earnings for the first half of 2024, which resulted in a dividend of NT\$506,742 thousand (NT\$0.70000000 per share), to be paid on January 17, 2025. On March 12, 2025, the Board of Directors approved the distribution of earnings for the second half of the year, which resulted in a shareholders' bonus of NT\$1,378,520 thousand (NT\$1.90425014 per share) and a cash dividend of NT\$69,315 thousand (NT\$0.09574986 per share) from capital surplus related to income derived from issuance of shares at a premium. Payment is scheduled to be in the second half of the year. The total cash dividends to shareholders for 2024 amounted to NT\$1,954,577 thousand (NT\$2.70000000 per share).

(2) If the number of outstanding shares is subsequently affected by the issuance of employee restricted stocks, the repurchase of the Company's shares, the transfer or cancellation of treasury shares, or the conversion of convertible bonds, etc., and the dividend distribution rate per share is changed as a result, Chairman is authorized to change the dividend distribution rate for shareholders.

3. Expected significant changes in dividend policy: None.

(4) The effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share:

No distribution of unremunerated allotment of shares was proposed at this shareholders' meeting and is therefore not applicable.

(5) Employee Bonus and Directors' Remuneration:

1. Information Relating to Employee Bonus and Directors' Remuneration in the Articles of Incorporation:

Employee compensation shall be distributed at a rate of not less than one percent and not more than twelve percent of the current year's profitability. However, if the Company has accumulated losses, the Company shall make up for them.

The remuneration of directors shall be distributed within 2% of the excess of NT\$800 million to NT\$1 billion and within 4% of the excess of NT\$1 billion if the profitability of the year exceeds NT\$800 million. However, if the Company still has accumulated losses, the Company shall make up for them.

Compensation to employees may be made in the form of stock or cash, and the recipients of stock or cash may include employees of subordinate companies who meet certain

criteria, which shall be established by the board of directors.

Earnings for the year referred to in Item 1 are defined as earnings before income taxes for the year before the distribution of employee and director compensation.

The distribution of employee compensation and director compensation shall be made by a resolution of the Board of Directors with at least two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting.

2. The basis for estimating the amount of compensation to employees and directors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

- (1) The basis for estimating the compensation of employees and directors:

The estimated amounts of employees' compensation and directors' compensation payable for 2024 were NT\$34,489 thousand and NT\$32,979 thousand, respectively, which were calculated based on 2% of the net income before tax and 3.6% of the excess earnings.

- (2) The number of shares for employee compensation based on stock distributions is calculated:

The Company does not distribute employee compensation in shares.

- (3) Accounting for differences between the actual allotment amount and the estimated amount:

Changes in accounting estimates are accounted for as adjustments in the following year.

3. Profit Distribution Approved in Board of Directors Meeting:

- (1) The amount of employees' and directors' remuneration distributed in cash or stock. If the amount differs from the estimated amount of recognized expenses, the difference should be disclosed, the reason for the difference and the treatment of the difference:

On March 12, 2025 the Board of Directors approved the proposed distribution of employees' and directors' remuneration for 2024. The proposed distribution of employee compensation of NT\$34,489 thousand and director compensation of NT\$32,979 thousand (all in cash) is consistent with the accounts.

- (2) The amount of employee compensation distributed in stock and its proportion to the aggregate of net income after tax and total employee compensation in the individual or individual financial statements for the period:

The Company does not distribute employee compensation in shares.

4. Actual distribution of compensation to employees and directors in the previous year:

- (1) The actual allotment of employees' and directors' remuneration for the previous year was as follows:

2023 Annual Surplus of the Republic of China	Distribution	Actual distribution
Employee Compensation	NT\$32,090 thousand	NT\$32,090 thousand
Remuneration of Directors	NT\$28,180 thousand	NT\$28,180 thousand
Date of Board Resolution	March 12, 2024	
Date of report to shareholders' meeting	May 31, 2024	

- (2) If there is any difference between the above amount and the amount recognized as compensation to employees and directors, the difference should be stated, the reason for the difference and the treatment of the difference:

No difference.

(6) Buyback of Treasury shares:

April 2, 2025

Buyback Period	Seventh time
Purpose	Transferred to employees
Buyback Period	Scheduled : 2023.11.08~2024.01.07 Actual : 2023.11.13~2024.01.05
Price Range	NT\$ 21.70~ NT\$ 46.00
Type and Volume of Repurchased Shares	Ordinary Shares 2,000,000 shares
Amount of Repurchased Shares	NT\$ 68,708,175
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	100%
Canceled and Transferred Shares	269,000 shares
Cumulated holding Volume	1,731,000 shares
The ratio of Cumulated holding Volume to the total issued shares (%)	0.24%

Note: As of April 2, 2025, the Company had issued 725,648,455 shares.

2、Corporate Bonds:

(1) Corporate Bonds:

April 2, 2025

Type of corporate bonds	Domestic unsecured convertible bonds of the 5 th issuance
Date of issue	March 13, 2023
Carrying amount	NT\$100,000 for each certificate
Location of issue and trading	Issued within the country, listed in the Taipei Exchange
Issue price	NT\$101
Total amount	NT\$1,200,000,000
Interest rate	Coupon rate: 0%
Expiration	3 years; Expiration date: March 13, 2026
Guarantee institution	None
Trustee	Taishin International Bank
Underwriter	Taishin Securities Co., Ltd.
Certified attorney	Attorney, Qiu, Li-fei
Certified public accountant	Deloitte & Touche Cooperating CPA in the most recent fiscal year: Lee-Yuan Kuo and Hung-Ju Liao Cooperating CPA in the most recent term: Lee-Yuan Kuo and Hung-Ju Liao
Method of redemption	Except being converted in advance, being redeemed by the Company in advance, or being written off due to repurchase by the Company, the corporate bonds will be redeemed by cash payment in one time according to the carrying amount.
Unpaid principal	NT\$ 0
Provisions for redemption or payoff in advance	Please read the regulations on the issuance and conversion of the corporate bonds.

Type of corporate bonds		Domestic unsecured convertible bonds of the 5 th issuance
Provisions of limitation		None
Name of credit rating agency, date of rating, and the rating of corporate bond		None
Other rights attached	Amount of the corporate bonds that were converted (by exchange or share subscription) to common shares, global depository receipts or other marketable securities by the print date of the Company's financial statements	Converted to 36,229,029 ordinary shares and termination of OTC Trading on August 29, 2024
	Regulations of issuance and conversion (exchange or share subscription)	Please refer to the information about issuance of bonds provided in the Zone of Bonds and Trust at the MOPS.
Potential dilution and current rights of shareholders may be caused by the regulations on the issuance and conversion, exchange or share subscription, and the conditions of issuance		All creditors of the convertible corporate bonds have fully converted their bonds, resulting in a dilution ratio of 5%. The effect of dilution should be limited.
Name of the custodian agency for the exchange target		None

(2) Convertible Bonds Information:

Type of Corporate Bond		Domestic Unsecured Convertible Bond of the 5 th Issuance		
Item	Year	2023	2024	As of April 2, 2025
Market price of the convertible bond	Highest	115.50	163.00	Not applicable
	Lowest	105.00	112.05	Not applicable
	Average	111.14	137.33	Not applicable
Convertible Price		NT\$33.90	NT\$32.60	Not applicable
Issue date and conversion price at issuance		Issue Date: March 13, 2023 Conversion price at issuance: NT\$36.20/share		
Conversion methods		Issuing of new stocks		

3、Special Shareholdings: None.

4、Global Depository Receipts: None.

5、Employee Stock Options: None.

6、Issuance of New Restricted Employee Shares:

(1) Status of Employee Restricted Stocks:

April 2, 2025

Type of Employee Restricted Stocks	First Issuance of Employee Restricted Stocks in 2024
Date of Effective Registration and Total No. of Shares	2024.10.01 5,000,000 shares
Issue Date	Not yet issued
No. of Employee Restricted Stocks issued	Not yet issued
No. of Employee Restricted Stocks to be Issued	5,000,000 shares
Issue Price	NT\$0 per share
No. of Employee Restricted Stocks as a % to Total No. of Issued Shares	0%
Vesting Conditions of Employee Restricted Stocks	<p>(1)The RSAs granted to employees are vested if the employees have remained employed by the Company on the vesting dates; have not violated the employment contract, work rules, confidentiality agreement, and non-compete restrictions during the period; and have achieved personal performance targets set by the Company and the Company's business targets. The vesting schedule and the ratio of shares to be vested are set out below:</p> <p>Have remained employed three years from the grant date and the individual as well the Company have met the performance and business targets: 20%.</p> <p>Have remained employed four years from the grant date and the individual as well the Company have met the performance and business targets: 30%.</p> <p>Have remained employed five years from the grant date and the individual as well the Company have met the performance and business targets: 50%.</p> <p>(2)Performance targets for individuals are set by the chairman for individual employees in each department. As for the Company's business targets, the return on equity (ROE), earnings per share (EPS) and the corporate governance evaluation rankings are adopted as performance indicators. The weightings and target conditions of each indicator are listed below. Targets are set for each indicator. The number of shares vested for the year is calculated based on the corresponding weighting ratios of indicators with targets achieved; otherwise, the corresponding weighting ratio is 0%. ROE and EPS are calculated based on the audited consolidated financial statements for the year prior to the vesting date. The corporate governance evaluation rankings are based on the results produced by the Corporate Governance Evaluation System for the year prior to the vesting date.</p>

	Performance Indicator	Weighting	Target
	ROE (%)	40%	Above 60% of the Company's average of the previous three years (Note 1)
	EPS	40%	Above 80% of the Company's average of the previous three years (Note 2)
	Corporate governance evaluation ranking	20%	Ranked in the top 50% of listed companies in the corporate governance evaluation
	<p>Note 1: Compare the results of performance indicators in the year of calculation to 60% of the average of the three preceding years (excluding the year of calculation).</p> <p>Note 2: Compare the results of performance indicators in the year of calculation to 80% of the average of the three preceding years (excluding the year of calculation).</p>		
Restricted Rights of Employee Restricted Stocks	<p>(1) Except for inheritance, employees shall not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, unvested RSAs. After fulfilling the vesting conditions, RSAs will be transferred from the trust account to the employee's personal securities depository account pursuant to trust/custody agreement.</p> <p>(2) The rights to attend, propose, speak, vote and elect in the shareholders' meetings shall comply with the trust/custody agreement.</p> <p>(3) In addition to terms set out in the trust agreement, prior to the fulfillment of vesting conditions, the rights of RSAs granted pursuant to the Rules include but not limited to: appropriation of dividends, bonuses, and capital surplus and the subscription rights of new shares issued for capital increases, which are the same as ordinary shares issued by the Company.</p>		
Custody of Employee Restricted Stocks	Deposited into a trust account		
Action Plans where Employees Fail to Meet the Vesting Conditions	<p>(1) Upon voluntary separation, dismissal, separation with severance packages, and retirement within five years from the grant date, the unvested shares will be reclaimed by the Company without costs.</p> <p>(2) For employees who are approved to take leave without pay within five years from the grant date:</p> <p>(i) If the employee is on leave without pay on the vesting date, it shall be deemed that he/she fails to meet the vesting conditions, and the Company is entitled to reclaim and cancel unvested RSAs from the employee without cost.</p> <p>(ii) For employees on leave without pay, the number of RSAs that may be vested is not only calculated according to the vesting conditions set forth in Paragraph 3 of this article, but also be prorated based on the number</p>		

	<p>of months the employees work during the year prior to the vesting date (rounded to the nearest share). The remaining unvested shares are reclaimed and cancelled by the Company without cost.</p> <p>(3)For employees whose performance evaluations fail to satisfy the vesting conditions during the third to fifth years from the grant date, the unvested shares will be reclaimed by the Company without cost.</p> <p>(4)For employees who are transferred by the Company to other entities due to operational needs, the rights and obligations of the unvested RSAs will remain unaffected and subject to the Rules.</p> <p>(5)The Remuneration Committee is authorized to approve exceptions to the circumstances set out above where appropriate.</p>
No. of Employee Restricted Stocks Reclaimed or Bought Back	Not yet issued
Number of Vested Employee Restricted Stocks	Not yet issued
Number of Unvested Employee Restricted Stocks	Not yet issued
No. of Unvested Employee Restricted Stocks as a % to Total No. of Issued Shares	Not yet issued
Effect on Shareholders' Equity	The dilutive effect on earnings per share is limited. Thus, the effect on shareholders' equity is immaterial.

(2) Names of managerial officers and top 10 employees receiving the employee stock options as well as the cumulative number of options received and exercised: Not yet issued, not applicable.

7 、 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

8 、 Financing Plans and Implementation: None.

IV 、Operational Highlights

1 、Business Activities:

(1)Business scope:

1.Major business and their shares of sales

The Company is a professional distributor of semiconductor packaging materials, equipment and panel materials, and its main business is to distribute materials from well-known domestic and foreign manufacturers. The products of the Company and its subsidiaries span the IC packaging and LED/Mini LED industries.

2. Revenue distribution

Unit: NT\$ thousands ; %

Products	Sales Revenue in 2024	Weighting (%)
Sales revenue		
IC Lead Frame	8,725,352	50.64
EME	4,857,287	28.19
Substrate	973,797	5.65
Others	2,435,023	14.13
Service revenue	104,005	0.60
Lease revenue	31,506	0.18
Other operating revenue	104,434	0.61
Total	17,231,404	100.00

3.Current products (services):

Industry	Main Product
IC packaging	Lead Frame
	EME
	Laminated Substrate
	FCBGA Substrate/FCCSP Substrate
	CRM
	Auto Molding Equipment
	Trim & Form Equipment
	Release Film
	Dummy & Monitor Wafer
Optoelectronics	EMC Lead Frame and FPC

4. New products (service) development:

Planning to develop new products (services)	
IC packaging	<p>(1) Develop new materials, technologies and equipment: 3D-IC, SIP, FCBGA /FCCSP, WLP, MUF (Molding Under Fill) material and equipment, etc.</p> <p>(2) Extend from 12inch wafer level packaging technology to larger size Panel Size Molding (12"→310*310mm/600*600mm...etc.).</p> <p>(3) IC Lead Frame: large size and high density, long pin type, high pin number (multi-row) type, Flip-Chip flat Lead Frame, third-generation lead frames for semiconductors with high reliability.</p> <p>(4) IC PKG inspection and sorting machine.</p>

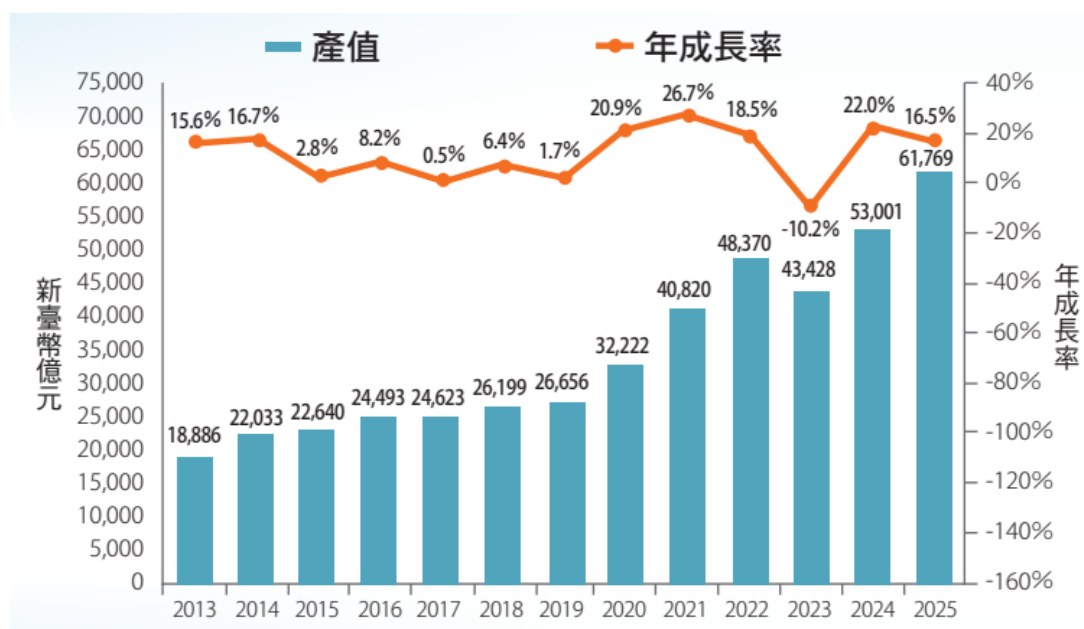
Planning to develop new products (services)	
Optoelectronics	(1) LED leadframes: Metal Lead Frame for medium and high power applications, exclusive metal Lead Frame for automotive use (special coating), integrated packaging Lead Frame, Flip-Chip Flat Panel Lead Frame.
	(2) Mini LED Metal Substrate, Mini LED Tester and Micro LED Laminated Substrate.

(2) Industry Overview:

1. Current Status and Development of Semiconductor Industry:

According to estimates by the ISTI of ITRI, Taiwan's IC industry—including IC design, manufacturing, packaging, and testing—is projected to exceed NT\$5 trillion in output for the first time in 2024, reaching NT\$5.3 trillion with a year-over-year growth rate of 22.0%. Fueled by demand in artificial intelligence (AI) and high-performance computing (HPC) applications, the output value of Taiwan's semiconductor industry is expected to surpass NT\$6 trillion in 2025, representing an estimated annual growth rate of 16.5%.

Taiwan's IC Industry Output



Source: ISTI (2024/10)

ISTI further reports that in 2024, Taiwan's IC design sector generated an output of NT\$1.2721 trillion, reflecting an annual growth of 16%. The IC packaging sector recorded NT\$423.3 billion in output, up 7.7% year-over-year, while the IC testing sector achieved NT\$200.2 billion, representing a 5% increase.

Looking ahead to 2025, the ISTI projects that Taiwan's semiconductor industry output will further expand to NT\$6,178.5 billion, reflecting an annual growth rate of 16.2%. Among the various segments, IC manufacturing is expected to remain the primary growth engine, with output projected to surpass NT\$4 trillion, reaching NT\$4,082.7 billion—a strong 19.4% year-over-year increase.

In the IC design, packaging, and testing segments, ITRI forecasts that Taiwan's IC design sector will generate NT\$1,415.5 billion in output in 2025, marking a growth of 11.3%. The IC packaging sector is expected to reach NT\$460.8 billion, growing by 8.9%, while the IC testing sector is projected to achieve NT\$219.5 billion, representing a 9.6% increase.

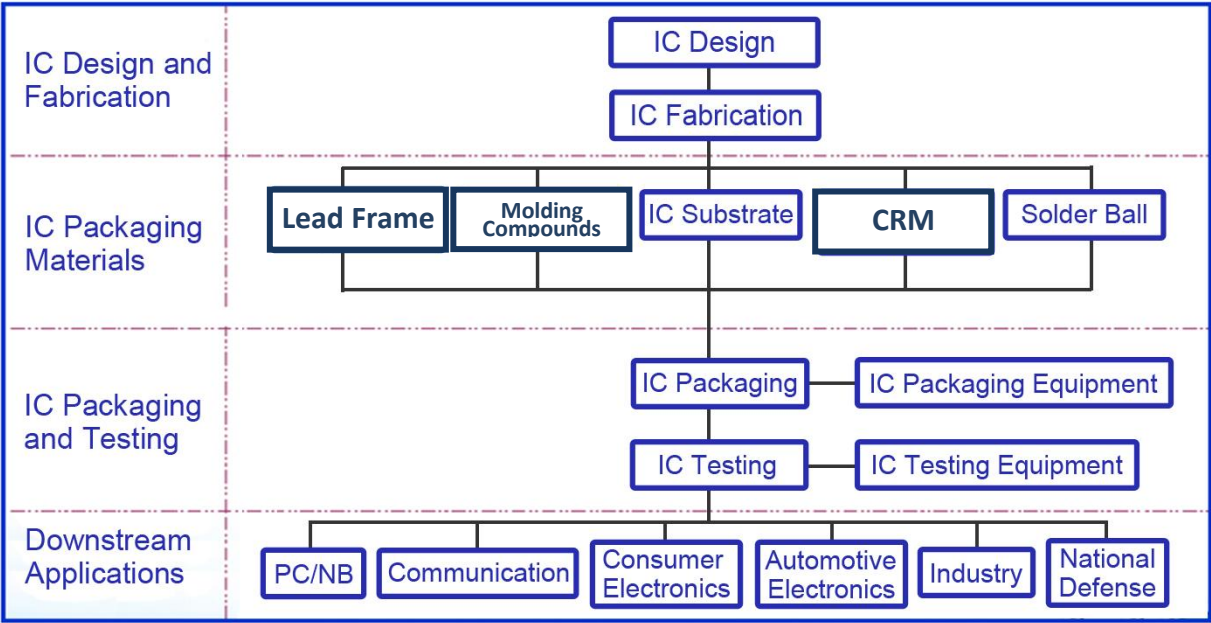
According to ISTI, Taiwan’s semiconductor industry is set to outperform the global market in terms of growth. In 2024, the sector posted a robust annual growth rate of 22.4%, significantly outpacing the global semiconductor industry’s 19.1% growth. For 2025, Taiwan's semiconductor industry is expected to maintain a solid growth trajectory of 16.2%, well above the global industry’s projected growth rate of 11.2%.

Easing inflationary pressures, a gradual rebound in end-market demand, and a surge in the adoption of emerging AI applications continue to propel the semiconductor industry’s rapid expansion. According to the WSTS, the global semiconductor market is expected to reach US\$611.2 billion in 2024, up 16.0% year-over-year increase, and rise further to US\$687.4 billion in 2025, representing an annual increase of 12.5%—a testament to the industry's continued strength and resilience.

The Industry, Science and Technology International Strategy Center (ISTI) of the Industrial Technology Research Institute (ITRI) has pointed out that the global semiconductor industry is undergoing profound transformation driven by national policy initiatives. The U.S. CHIPS Act, the EU Chips Act, and industrial development strategies in Taiwan and Japan are reshaping the global semiconductor supply chain ecosystem. As a central hub of semiconductor manufacturing, Taiwan is poised to maintain its critical role in the industry, supported by government policies and continuous technological innovation.

2. Upstream, midstream and downstream industry linkages:

(1) IC Industry



(2) LeadFrame Industry

Industry	Upstream	Mid-stream	Downstream	Product-related Applications
IC	Copper alloys, nickel-iron alloys	Lead Frame manufacturing plants	IC packaging plant	LCD panels, automobiles, computers and peripheral products, lighting fixtures, handheld consumer electronic
LED			LED packaging plant	precision instruments, aerospace industry.

The Company and subsidiaries are suppliers of leadframes. Leadframes, also known as lead wire, frames and brackets, are one of the three major materials for packaging (leadframes, plastic substrate and EME for packaging). Leadframes can be divided into monolithic leadframes and IC leadframes according to their functions. Monolithic leadframes include products that support transistors, diodes and light-emitting diodes; IC leadframes are used in semiconductor packaging as a medium for connecting wafers or transistors to printed circuit boards.

3. Various development trends and competition of products:

(1) Development trend of semiconductor products:

Asia remains the largest semiconductor market in the world. The growing adoption of 5G, the Internet of Things (IoT), and other emerging technologies is expected to support steady growth across the industry. However, the recovery of the consumer electronics segment remains slow-paced, requiring more time to regain its pre-downturn momentum. In North America, the semiconductor market continues to be fueled by the surge in AI server demand. HPC and data center expansion are driving increased needs for advanced process and packaging technologies. Against the backdrop of rapid AI development, the demand for high-performance chips is on the rise. According to a report by Morgan Stanley, the AI semiconductor market is expected to grow at a compound annual rate of over 40%, accounting for approximately 35% of global semiconductor demand by 2027. Ongoing growth in sectors such as AI servers and networking is anticipated to create substantial business opportunities for industry participants.

The European market remains focused on automotive semiconductors and industrial applications. Over the past two years, inventory adjustments in the automotive semiconductor sector, along with a lukewarm recovery in consumer electronics—with AI being the sole outperformer—have exerted downward pressure on the power semiconductor supply chain. Nevertheless, with the rapid progress of electric vehicles and autonomous driving technologies, demand for automotive semiconductors continues to build. The market generally anticipates a rebound in demand in 2025.

According to IDC, three core areas are driving growth in the semiconductor industry: AI infrastructure, the upgrade cycles of personal computers and smartphones, and rising memory demand. The data center segment, led by NVIDIA, continues to provide strong momentum, while edge AI presents significant potential. Meanwhile, semiconductor demand in the automotive and industrial sectors is expected to bottom out in the latter half of 2024. According to IDC, AI infrastructure will become the primary growth driver of the semiconductor market. As large language models continue to scale, substantial computing power is required to generate tokens—the output units of generative AI. Enterprises are projected to invest approximately US\$1.5 trillion in IT from 2025 to 2028, with over US\$325 billion allocated to AI platforms and infrastructure.

In addition, IDC underscores the substantial potential of edge AI. It forecasts a pivotal turning point for edge AI between 2027 and 2028, with the market projected to grow to a scale of US\$150 to 170 billion by 2028. This growth is primarily driven by the increasing cost of cloud-based inference, which is making on-device AI computing more appealing. Processors and AI chips are expected to become the key enablers for such devices. For example, in the premium smartphone segment, flagship models priced above US\$800 now account for approximately 25% of the global annual shipment volume of 1.2 billion units, with penetration continuing to rise.

Despite the favorable outlook, the semiconductor industry still faces certain headwinds. The recovery in semiconductor demand across the automotive and industrial control markets remains slow. IDC anticipates that these segments may reach the bottom of the cycle by the second half or end of 2025. Growth in the PC market also remains moderate,

having expanded by approximately 1.5% in the previous year, and is projected to grow by about 4% in 2025.

(2) Competition:

Industry	Main Product	Competition
IC packaging	Lead Frame	MHT, Shinko, HDS, AAMI, etc.
	EME	Resonac, Panasonic, Kyocera, etc.
	IC Substrate	NPC, Kinsus, Unimicron, Simmtech, etc.
	CRM	Henkel, Resonac, etc.
LED packaging	Lead Frame	I-Chiun, Jentech

(3) Research and Development:

1. Research and Development Expenses:

Unit: NT\$ thousands

Year	2024	As of April 2, 2025
R&D expense	431,297	94,516

2. Research and Development Achievements:

Company	Successful Developed technologies or products
Subsidiaries	(1) Development of EMC metal substrate for LED plant grow lights. (2) Development of EMC metal substrate for LED grille lights in new energy vehicles. (3) Development of electroplating coating technique for better bonding with EMC. (4) Development of EMC metal lead frames for smart ambient lighting in vehicles.

3. Future research and development plans and estimated investment in research and development for the most recent year and as of the date of this annual report :

Company	Future plan
Subsidiaries	(1) Continuing to develop new processes and production technologies to improve product performance (reliability, yield) and reduce costs to help increase our customers' competitiveness and expand overall market demand. (2) Develop composite lead frames with high reliability. (3) Develop EMC metal substrate for packaging of passive components. (4) Optimize the design of substrates for Mini LED packaging. (5) Optimize the mold designs for large-sized substrates. (6) Optimize the design of EMC metal substrate, with additional three-dimensional structure to strengthen the bonding between substrate and package.

Company	Future plan
	(7) Optimize product designs for lighting of cars, automotive displays and outdoor lighting.
	(8) Optimize proprietary automotive (special coating) products to pass the stringent environmental cycle testing conditions for automotive applications.
	Investment
	The research and development expenses are gradually allocated according to the progress of new product and technology development, and will be gradually increased according to the future growth of the company's business scale in order to support future research and development plans and increase market competitiveness. The estimated research and development expenses for 2025 were NT\$432,000 thousand.

(4) Long-term and Short-term Development:

1. Short-term Development:

Industry	Short-term plan
IC packaging	<p>(1) Maintain good relationship with existing customers and suppliers and secure market share.</p> <p>(2) Expand global sales of QFN (Quad Flat No leads) / QFP (Quad Flat Package).</p> <p>(3) Maintain the existing DRAM market and actively develop the NAND Flash market at the same time.</p> <p>(4) We will focus on the market development of Lead Frame, and make a rush to the market for our superior products to achieve stable growth in business volume; we will also assist our customers in developing products in other fields so that we can consolidate our existing markets and make full use of our superior resources and economies of scale to continuously reduce production costs and provide our customers with the most advantageous products and services at the best cost, quality and speed.</p>
Optoelectronics	<p>(1) We will focus on the market development of Mini LED Lead Frame, with the expansion of production capacity to strengthen the competitiveness of advantageous products in the market, in order to achieve stable growth in business volume; and assist customers to develop other areas of product application, so that the company can consolidate the existing market and make full use of advantageous resources and economies of scale to continue to reduce production costs, in order to provide customers with the most advantageous cost, the best quality and the most rapid service to provide customers with the most advantageous products and services at the best cost, quality and speed.</p> <p>(2) We use the rolled plastic substrate materials under agency to develop new ultra-thin packaging substrates with Group entities for new applications such as Mini LED/Micro LED.</p>

2. Long-term Development:

Industry	Long-term plan
IC packaging	(1) Increase market share and promote new packaging materials and equipment. (2) Continue to develop new materials, technologies and equipment: 3D-IC, SIP, FCBGA/FCCSP, WLP, AiP, and MUF (Molding Under Fill) materials and equipment, etc. (3) Extend from 12inch wafer level packaging technology to larger size Panel Size Molding (12"→310*310mm/600*600mm...etc.).
Optoelectronics	(1) EMC Lead Frame is mainly used in medium power applications at this stage, and the company has introduced LED EMC Lead Frame products into medium to high power and high power applications through process technology and innovation capability. In the low and medium power segment, we can replace the penetration of traditional PPA/PCT market by reducing the cost. (2) Collaborating with LED packaging and optical lens manufacturers to develop an integrated LED package (PKG) that includes primary optical lenses. This solution can be applied to all LCD backlight modules, enhancing performance and reducing costs.

2 、Market and Sales Overview:

(1) Market Analysis:

1. Sales (Service) Region:

Unit: NT\$ thousands

Year Region	2023		2024	
	Sales	%	Sales	%
Taiwan	6,068,488	37	6,509,473	38
Asia	9,385,212	57	9,945,145	58
Other Area	1,036,302	6	776,786	4
Total	16,490,002	100	17,231,404	100

2. Market Share (%):

Industry	Product	Market share
IC PKG	EME	67%
	Lead Frame	33%

3. Future Supply and Demand and Growth of Semiconductor Market:

IDC stated: “Driven by sustained demand for advanced logic process chips fueled by AI, along with the increasing penetration of high-value HBM, the global semiconductor market is projected to grow by over 15% in 2025. Across the semiconductor supply chain—including design, manufacturing, packaging, testing, and advanced packaging—new growth opportunities are expected to emerge through both vertical and horizontal collaboration across the industry.”



Worldwide Foundry Market Forecast



Source: IDC, 2024

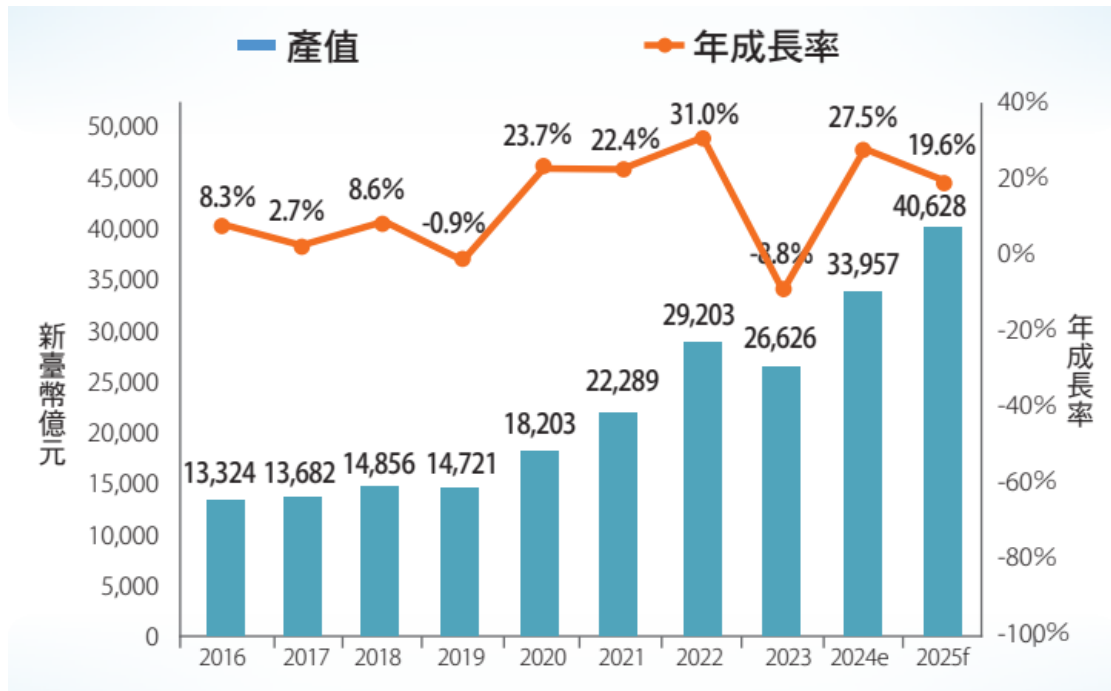
IDC forecasts that the global semiconductor market is poised to reach the US\$1 trillion milestone by 2028. The economic impact of AI will also continue to expand, with projections indicating that AI will account for 3.5% of global GDP by 2030.

IDC also notes that while the global semiconductor industry is expected to sustain double-digit growth in 2025, it must contend with multiple challenges. These include geopolitical risks, global economic policies—such as industry subsidies, trade tariffs, and monetary interest rates—fluctuating end-market demand, and supply-demand dynamics brought on by new production capacity. These variables will be critical areas of focus for the semiconductor sector in 2025.

In the IC manufacturing segment, 2024 marks a pivotal turning point for both the global and Taiwanese IC manufacturing industries amid ongoing advancements in semiconductor fabrication technologies. The global IC manufacturing sector is undergoing major technological shifts, with leading players accelerating their development of advanced process nodes. These initiatives are not only reshaping the global wafer fabrication landscape but also driving innovation in high-performance end-use applications such as smartphones, PCs, and servers, which remain key growth engines for the IC manufacturing industry.

Taiwan's IC manufacturing industry continues to assert its technological leadership within the global semiconductor landscape, driven primarily by robust demand for AI and HPC. The increased production capacity of advanced 3nm and 5nm process technologies has been a key growth catalyst. In 2024, Taiwan's IC manufacturing output is projected to reach a new high of NT\$3.39 trillion, representing a strong year-over-year growth of 27.5%. Looking ahead, the industry is expected to exceed the NT\$4 trillion mark in 2025, with an estimated annual growth rate of 19.6%.

Taiwan IC Manufacturing Industry Output Value



Source: ISTI (2024/10)

4. Competitive Advantage:

Competitive Advantage	
CWE	<ul style="list-style-type: none"> ● The research and development personnel and equipment of overseas suppliers are on-site to provide timely consultation and production, and shorten the delivery time. ● We have the know-how of advanced and related materials, equipment and process. ● We represent products with market competitiveness including comprehensive range, high quality and speedy delivery. ● We provide all-around services, deliver timely market information to upstream suppliers; and offer diverse and suitable products, and sophisticated and broad technical consultation services per downstream customers' requirement. ● We understand market dynamics, and the development trend and progress of products and technology associated with customers accurately. ● We have a long history in the packaging material market and superior marketing channels to peers. ● We pursue growth through investees under strict risk control. ● We have close ties with customers and suppliers, and can respond quickly to the swift changes in the industry.
Subsidiaries	<ul style="list-style-type: none"> ● Professional and stable process technology and R&D team. ● Ability to develop and design major equipment on your own. ● Technology and equipment applications span a wide range of fields.

5. Favorable and unfavorable factors for long-term development and countermeasures:

(i)Favorable factors:

Pro	
CWE	<ul style="list-style-type: none"> ●CWE represents various packaging materials (direct and indirect materials and machinery and equipment) and is capable of providing customers total solutions. We can also supply information to suppliers for new product or market development using this platform. This advantage can also be extended to the front-end of semiconductor industry and Mini LED/Micro LED company. ●CWE invest in major suppliers and relatively stable principal-agent relation. ●Professional and experienced management team. ●Sound and steady financial structure.
Subsidiaries	<ul style="list-style-type: none"> ●CSP lead frames and lead frames with high reliability for automotive applications, industrial control and III-V semiconductor will be the mainstream. ●Growing demand in Lead Frame application markets.

(ii)Unfavorable factors and countermeasures:

Unfavorable Factors and Countermeasures	
CWE	<ul style="list-style-type: none"> ●Changes in global climate: <ul style="list-style-type: none"> ➢ Suppliers of CWE have established disaster risk management system to lessen the adverse impacts of natural disasters. ●Global economy slowdown: <p>As suppliers of CWE have worldwide production bases, they can quickly reallocate the source of supplies if there is any capacity volatility due to economic slowdown to mitigate the effects of unanticipated economic factors.</p> ●Rapid changes in technology and high barrier of entry for high-end products: <ul style="list-style-type: none"> ➢ CWE has close ties with customers. Thus, we can participate in the development stage of high-end products and introduce appropriate high-end packaging materials for use to gain a head start. ➢ All suppliers are well-known international corporations with undisputable development technology and skills. ➢ Constantly keep track of the development in high-end products and technology and introduce timely and appropriate materials to every packaging firms.
Subsidiaries	<ul style="list-style-type: none"> ●Upstream raw material price fluctuations may lead to higher production costs: <ul style="list-style-type: none"> ➢ The Company actively maintains close interaction with a number of upstream suppliers and keeps an eye on changes in raw material prices to ensure a stable supply of materials and to diversify the risk of concentration of supply. In addition, the Company has agreed with its sales customers to adjust the prices of copper and precious metals on a quarterly basis to appropriately reflect the increase in costs due to the increase in raw material prices. ➢ The company continues to invest in research and development, using various materials or composite materials as Lead Frame Substrates, utilizing the characteristics of different materials to enhance the added value of products, actively establishing a vertically integrated process for products, and promoting the

Unfavorable Factors and Countermeasures	
	<p>change of product material certification, which can not only enhance the added value of products, but also deepen its own process capabilities and reduce its dependence on upstream raw materials.</p> <ul style="list-style-type: none"> ● Most imports and sales are denominated in foreign currencies, making profits vulnerable to changes in exchange rates: <ul style="list-style-type: none"> ➢ The Company tries to cover all purchase expenses with sales revenue in the same currency to achieve a natural hedging effect. ➢ The Company will adjust the selling price in response to the changes in the exchange rate and maintain good interaction with financial institutions in order to study the movements of the exchange rate for reference of hedging operations. ● R&D talent technical capability and risk of change: <ul style="list-style-type: none"> ➢ The Company promotes the participation of the staff and R&D personnel in the Company's management decisions and the sharing of management results by encouraging employees to subscribe to stock options, distributing employee compensation, employee stock ownership trusts, and distributing year-end bonuses, thereby creating a sense of identity. ➢ Since human resources are the basis of the company's operation, in addition to providing a good working environment and excellent employee benefits, we also promote the technical level of our R&D staff through technical exchanges and R&D experience transfer, so that employees can grow with the company and reduce the turnover rate. ➢ We actively establish and implement a mechanism for the preservation and control of R&D results, intellectual property and patent rights to reduce the impact of staff turnover on the company. ● Global climate and environmental changes: <ul style="list-style-type: none"> ➢ The Company's major suppliers have established disaster risk management systems to deal with natural disasters.

(2) Main applications and production procedures for key products:

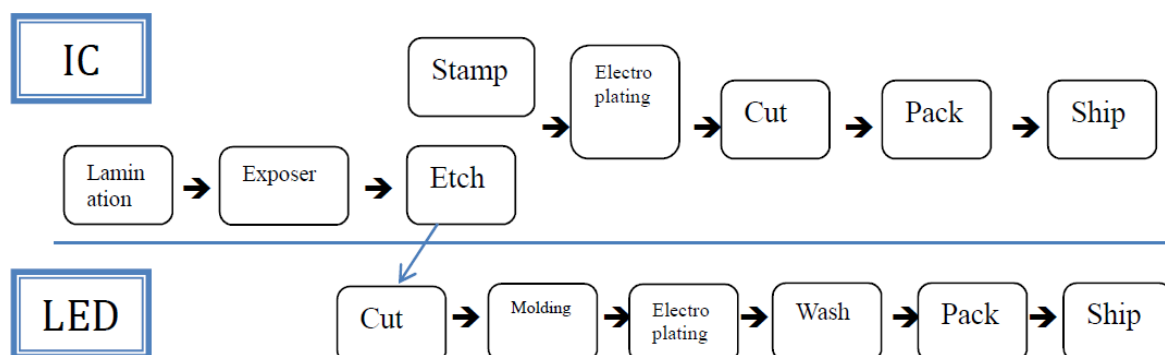
1. Main applications for key products:

Industry	Product	Description	Main Application
IC packaging	Lead Frame	<ul style="list-style-type: none"> ● All sorts of metal Lead Frames, including different pin counts and array designs. 	<ul style="list-style-type: none"> ● For different packaging technologies
	EME	<ul style="list-style-type: none"> ● 2.5D/3D PKGs uses sealant resin instead of liquid material to achieve better reliability and PKG product characteristics. ● Excellent performance, usability, low stress and low moisture absorption. ● Combined “green” materials. Formula is halogen and led free, meeting the directive of RoHS 	<ul style="list-style-type: none"> ● Encapsulation

Industry	Product	Description	Main Application
		and Sony GP. ● Material solutions for Lead Frame base, laminated BGA base, and MUF(Molding Under Fill) of high-end FCCSP under reflows soldering. ● Starting 2024, the Company has begun shipping EME for Panel Level Packaging (PLP).	
	Laminated Substrate	● ASE Electronics(CWE as agent), has the most advanced laminated substrate manufacturing capacity in the industry. It can provide single-sided/ double-sided/ 4-layer and 6-layer IC substrates for products including electronic/ computer peripherals, consumer electronics, wireless data communication and network equipment. ● Product types include: BOC substrate, Memory card substrate, SiP/POP substrate and PBGA substrate.	● DRAM/SRAM/ Mobile DRAM/ NAND FLASH
	FCCSP Substrate	● Flip chip substrates for various hand-held devices, such as mobile phones and tablets.	● Smartphone, tablet and PC
	FCBGA Substrate	● Kyocera(CWE as agent), has the most advanced flip chip substrate manufacturing capability for FCBGA (up to 16 layers) IC substrate to meet the demand of IC products with over 3,000 I/O.	● ASICs for servers/routers ● MPUs for high performance game consoles ● Graphics processors, etc.

2. Production process of major products:

Our company is a professional IC packaging material and equipment distributor, there is no production process, the subsidiary's main products IC and LED Lead Frame production process is as follows:



(3) Supply Status of Main Products:

1. Major Materials

Major Materials	Major Suppliers	Supply Situation
Copper Alloy Coil	China, Singapore, Malaysia	Good
Gold, Palladium, Silver	China, Singapore, Japan, Taiwan	Good
EME	China, Taiwan	Good

2. Major Products

Major Products	Major Suppliers	Supply Situation
Lead Frame	Taiwan, China	Good
EME	Taiwan, Japan, Singapore, China	Good
CRM		
Laminated Substrate	Taiwan	Good
FCBGA Substrate/ FCCSP Substrate	Japan	Good

(4) The names of the suppliers/customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

1. Suppliers accounting for 10% or more of the total purchases of the Company and its subsidiaries in the last two years:

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	Percentage	Relation with Issuer	Company Name	Amount	Percentage	Relation with Issuer
1	Company A	1,773,300	17	None	Company B	2,097,431	18	None
2	Company B	1,718,559	17	None	Company A	1,694,768	15	None
	Others	6,799,967	66		Others	7,577,704	67	
	Net Total Purchases	10,291,826	100		Net Total Purchases	11,369,903	100	

2. Customers accounting for 10% or more of the total sales of the Company and its subsidiaries in the last two years:

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	Percentage	Relation with Issuer	Company Name	Amount	Percentage	Relation with Issuer
1	Customer A	1,788,532	11	None	Customer A	1,753,347	10	None
	Others	14,701,470	89		Others	15,478,057	90	
	Net Sales	16,490,002	100		Net Sales	17,231,404	100	

3、The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and as of the Date of this Annual Report:

Year		2023	2024	As of April 2, 2025
Number of Employees	Sales and Marketing Personnel	113	115	117
	Administrative Staff	195	192	198
	Production Line Staff	1,899	2,032	2,024
	Total	2,207	2,339	2,339
Average Age		38	38	38
Average Years of Service		9	9	10
Education	Ph.D.	0%	0%	0%
	Masters	3%	4%	4%
	Bachelor's Degree	38%	38%	38%
	Senior High School and below	59%	58%	58%

4、Expenditure Related to Environmental Protection:

In the most recent year and as of the date of this annual report, the losses suffered due to pollution of the environment (including compensation and environmental protection audit results of violations of environmental laws and regulations, the date of the penalty, the amount of the penalty, the provisions of the violation, the description of the violation, and the details of the penalty should be listed), and the Company shall disclose the estimated amount of current and potential future losses and response measures: None.

5、Labor Relations:

(1) To present the company's various employee welfare plans, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees:

1. Employee welfare:

Employee benefits are in line with labor-related laws and regulations. CWE and subsidiaries, both conform to employee welfare regulations, have established welfare

committees to handle employee welfare affairs. Companies offer annual salary adjustment, bonus to senior employees and comprehensive employee bonus and performance reward system in addition to labor, health and group (including occupational accident) insurances and pension reserve. We have also established an employee stock ownership association and an employee welfare savings association. Contributions from the Company match employee contributions by 100% ~150% for the purchase of shares of the Company and its subsidiaries. Employees are entitled to receive dividends every year as well as the shares in full after five years. The scheme helps employees accumulate wealth and ensure their stability after retirement the Company. The welfare committees provide marriage bonus, condolence allowance, birth allowance, subsidies for hospitalization, emergency rescue, club activities, lottery draws at year-end party and annual travelling to both domestic and overseas destinations.

2. Employee education and training:

Human resource is one of company's essential assets and also the determining factor of its competitiveness. Thus, we spare no efforts in employee development. In addition to continuously improve employees' expertise in their field of work, we also provide transfer opportunities for employees to develop diverse skills. Going forward, in line with our philosophy of lifelong education, CWE will continue to provide comprehensive education and training to enhance the competitiveness of employees and the Company.

3. The retirement system and its implementation:

Employees who are subject to the old pension system (Labor Standards Law) are required to make monthly contributions to the Labor Pension Fund Supervisory Committee's special account based on their total salaries and wages. In December 2019, the Company settled with employees for their old scheme pension seniority in accordance with the Labor Pension Act. For employees who are subject to the new pension system (Labor Pension Act), the Company contributes monthly 6% of their salaries to the Labor Insurance Bureau's individual pension accounts.

4. Agreements between labor and management and various measures to protect employees' rights and interests:

CWE has established work rules for the company and employees to follow. The work rules had been submitted to the Bureau of Industrial Parks (BIP) of the Ministry of Economic Affairs for approval and record. CWE also has employee complaint channels to maintain a sound industrial relation.

- (2) In the most recent year and as of the date of this annual report, the losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of the sanction, the sanction number, the provisions of the law violated, the content of the law violated, and the content of the sanction) should be listed. The Company shall also disclose the estimated amount and response measures that may occur at present and in the future, and if it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated:

CWE and subsidiaries have well-planned the human resource management procedures. The personnel system is reviewed based on changes in the society or economy. We place great importance on employee welfares, provide an excellent work place, ensure an open communication channel and maintain a sound industrial relation. There was no industrial disputes in the most recent year and as of the date of this annual report.

6、Cyber Security Management:

(1) Describe the risk management structure, policy, management plans and resources allocated concerning information security:

1. Information security risk structure:

- (1) A dedicated unit for cyber security is established with the IT Division assigned to be the unit in charge of information security control and execution under the supervision of the Audit Office.
- (2) The information security control and execution unit is responsible for the structure and strategy planning, system establishment and promotion, as well as governance and oversight concerning information security.
- (3) Information security policies are regularly reviewed and revised based on current situations to ensure an effective operation of information security management.
- (4) The reporting and responses of information security incidents shall be conducted in accordance with the "Procedures for Information Security Incident Reporting and Response".
- (5) Besides documenting the response, damage control, and recovery of information security incidents, root cause analysis and subsequent corrective and preventive measures shall be implemented.

2. Information security policy:

- (1) Strengthen external threat protection and track monitoring, and enhance information security transparency to lower operational risk.
- (2) Establish information service platform of high availability to ensure the continual operation of the Company.
- (3) Establish management mechanisms in compliance with applicable rules and carry out regular reviews and amendments to satisfy the ever-changing information security standards.

3. Information security control measures:

(1) Protection against information security threat

- a. Install information security protection software (anti-virus/endpoint detection and response, etc.) on servers and personal computers and have the central management platform updating the threat definition files regularly.
- b. Initial automatic updating service to apply patches to vulnerabilities in user end and server systems. Major threats or areas where automatic updating mechanism does not apply, manual updating shall be adopted.
- c. Introduce Security Operation Center (SoC) platform to gather and analyze information security tracks and establish early warning mechanism.

(2) Core system of high availability (HA)

- a. Initiate HA mechanism at virtual systems to avoid having the malfunction of a single node (server, network device, storage device, etc.) affecting the operation of core system.
- b. Set schedule for core systems to run backups automatically and have an off-site backup.
- c. Carry out disaster recovery drills regularly to verify the continual operation of high availability service.

(3) Account and personnel management

- a. All employees shall sign non-disclosure agreements (employment contracts) to ensure their understanding on responsibilities and obligations associated with the use of

corporate information or execution of tasks and thereby protect the confidentiality and integrity of corporation information assets and prevent unauthorized access, modification, sabotage or improper disclosure.

- b.Password expiration and strengthened password principle (password length and complexity) shall be applied to system accounts. Where necessary, multi-factor authentication mechanism shall be adopted to enhance identity authentication.
- c.Promote information security and carry out social engineering drills regularly to increase employees' awareness of information security.

(4) System access control

- a.Initiate access controls on the Company's information assets and relevant resources and adopt the principle of least privilege for management.
- b.The application for and amendments to system access will leave modification records for auditing purpose.

4. Resources allocated to information security management:

Category	Execution Outcome
Continual operation and enhancement of information security system	Information security expense amounted to NT\$ 2,886 thousand (58.1%) and non-information security expense amounted to NT\$2,079 thousand (41.9%) for a total of NT\$ 4,965 thousand in 2024.
Information security enhancement project	Adopt two-factor authentication (2FA), improve the strength of password principle and track login history (logon alerts for high-risk area)
Audits by key customers	Cooperate with the information security audits of key customers and propose improvement plans
Employee education and training	Promote information security regularly and conduct social engineering drills regularly
Regular checks on core system	Risk event alert and threat analysis of core system

- (2) In the most recent year and as of the date of this annual report, losses incurred due to major information security incidents, possible impacts and response measures shall be disclosed, unless a reasonable estimate cannot be made, in which case, the facts on why it cannot be made shall be disclosed: None.

7、Material Contracts:

As of April 2, 2025

Company	Nature	Counterparty	Duration	Details	Restrictions
CWE	Sales Agency Agreement	Sumitomo Bakelite Co., Ltd.	2002.8.01~2003.07.31 3 months prior to the end of contract, if both parties voice no objections, the contract is automatically extended by one year	EME	Region: Taiwan, China, Philippine
		Sumitomo Bakelite (Taiwan) Co., Ltd.	2003.01.01~2003.12.31 30 days prior to the end of contract, if both parties voice no objections, the contract is automatically extended by one year	EME	Region: Taiwan
		Tsu-Kong Co., Ltd.	2002.01.01~2005.12.31 3 months prior to the end of contract, if both parties voice no objections, the contract is automatically extended by one year	EME and relevant products	None
		SH Electronics Taiwan Co., Ltd. (Merged into Chang Wah Technology Co., Ltd. on January 1, 2022)	Effective from 2013.04.01	Lead Frame	None
		Apic Yamada Corporation	2001.10.01~2004.09.30 90 days prior to the end of contract, if both parties voice no objections, the contract is automatically extended by one year	Auto-molding equipment Trim and form equipment	Region: Taiwan, China, Philippine
		Kyocera Asia Pacific Pte. Ltd.	Effective from 2014.04.01	FCBGA Substrate	Region: Taiwan
		ASE Electronics Inc.	Effective from 2020.10.01~2025.09.30	Substrate	None
	Long-term Loan Agreement	12 financial institutions including Taishin Bank	2024.03.25~2029.03.25	Repayment of liabilities of financial institutions and replenishment of medium-term operating revolver	Financial ratio restrictions, etc.
Chang Wah Technology Co.,Ltd.	Sales Agency Agreement	Gold Sun Technology Co., Ltd.	Effective from 2016.01.01	Sales of products agency in mainland China	None
		Gold Sun Optoelectronics Co., Ltd.	Effective from 2017.01.01	Sales of products agency in mainland China	None
		Chang Wah Electromaterials Inc.	Effective from 2013.04.01	Sales LED bracket agency	None
		Epita Pte. Ltd.	Effective from 2015.07.01	Pre-mold foundry and EMC bracket agency	None
		CMT Corporation	Effective from 2018.09.01	IC Lead Frame agency	None

Company	Nature	Counterparty	Duration	Details	Restrictions
	Sales Contracts	AOI Electronics Company	Effective from 2018.03.02	IC Lead Frame sales	None
		Texas Instruments Incorporated	Effective from 2020.01.01	IC Lead Frame sales	None
	Long-term Loan Agreement	7 financial institutions including First Bank	2020.12.23~2025.12.22	Repayment of liabilities of financial institutions and replenishment of medium-term operating revolver	Financial ratio restrictions, etc.
	Consignment Agreement	OSRAM Opto Semiconductors (China) Co., Ltd.	Effective from 2015.10	Product Consignment	None
		OSRAM Opto Semiconductors (Malaysia) Sdn.	Effective from 2015.11	Product Consignment	None
		On Semiconductor Trading Sarl.	Effective from 2019.04.01	Supplier Managed Inventory Program Agreement	None
		Texas Instruments Incorporated.	Effective from 2020.01.01	Supplier Inventory Consignment Agreement	None
		Stmicroelectronics Inc.	2025.01.01~2026.12.31	Material Consignment Agreement	None
SH Electronics Taiwan Co., Ltd. (Merged into Chang Wah Technology Co., Ltd. on January 1, 2022)	Consignment Agreement	Shenzhen STS Microelectronics Co., Ltd.	Effective from 2019.01.23	Supplier Managed Inventory(SMI) Local Agreement	None
SH Electronics Chengdu Co., Ltd.	Sales Contracts	Leshan Phoenix Semiconductor Co., Ltd.	Effective from 2009.09.15	IC Lead Frame sales	None
		ChengDu Advanced Power Semiconductor Co.,Ltd.	Effective from 2015.04.03	IC Lead Frame sales	None
SH Asia Pacific Pte. Ltd.	Sales Agency Agreement	JGSemi	Effective from 2014.01.01	IC Lead Frame agency	None
		Elexind S.p.A	Effective from 2011.03.08	IC Lead Frame agency	None
		Jihlin Co., Ltd.	Effective from 2018.08.08	IC Lead Frame agency	None
	Loan Agreement	Malaysian SH Electronics Sdn. Bhd.	2022.11.04~2027.11.03	Principal: USD 60,000,000 Interest rate: 4.18%	None

V、Review of Financial Status, Operating Results, and Risk Management

1、Analysis of Financial Status:

Unit: NT\$ thousands

Item \ Year	2024	2023	Variation	
			Amount	%
Current Assets	17,507,879	15,661,938	1,845,941	12
Property, Plant and Equipment	3,875,395	4,108,319	(232,924)	(6)
Intangible Assets	797,766	786,503	11,263	1
Other Assets	15,714,580	15,709,416	5,164	0
Total Assets	37,895,620	36,266,176	1,629,444	4
Current Liabilities	7,617,304	9,936,473	(2,319,169)	(23)
Non-Current Liabilities	7,930,349	6,790,647	1,139,702	17
Total Liabilities	15,547,653	16,727,120	(1,179,467)	(7)
Capital	725,648	689,422	36,226	5
Capital Surplus	6,393,450	5,532,092	861,358	16
Retained Earnings	5,307,729	4,836,005	471,724	10
Other Equity	5,735,892	4,617,041	1,118,851	24
Treasury shares	(705,024)	(663,579)	(41,445)	6
Non-Controlling Interests	4,890,272	4,528,075	362,197	8
Total Equity	22,347,967	19,539,056	2,808,911	14
Analysis on year-over-year variances exceeding 20%				
1. The decrease in current liabilities was primarily due to a reduction in short-term borrowings.				
2. Other Equity increased mainly due to increase in unrealized gain or loss on financial assets at fair value through other comprehensive income.				

2、Analysis of Operating Results:

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase/Decrease	(%)
Net Revenue	17,231,404	16,490,002	741,402	4
Operating Costs	13,726,478	13,418,254	308,224	2
Gross Profit	3,504,926	3,071,748	433,178	14
Operating Expenses	1,580,190	1,391,338	188,852	14
Operating Income	1,924,736	1,680,410	244,326	15
Non-Operating Income and Expenses	1,101,986	1,007,642	94,344	9
Profit before Tax	3,026,722	2,688,052	338,670	13
Income Tax	506,754	439,297	67,457	15
Net Income	2,519,968	2,248,755	271,213	12
<p>1. Analysis on year-over-year variances exceeding 20% The change did not meet the disclosure threshold.</p> <p>2. Expected sales volume and its basis, possible impact on the Company's future financial operations and plans for response Please refer to the description of the operations and the report to shareholders in this annual report.</p>				

3、Analysis of Cash Flow:

(1) Analysis of Consolidated Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents at beginning of period ①	Net cash flow from operating activities ②	Cash outflow ③	Cash surplus (shortage) ① + ② - ③	Remedy for cash shortage	
				Investment Plan	Finance Plan
\$7,435,171	\$2,388,922	\$2,725,276	\$7,098,817	None	None

1. Analysis of changes in cash flows for 2023

- (1) Operating activities: Net cash inflow from operating activities decrease compared to the previous year mainly due to the increase in inventory.
- (2) Investing activities: Net cash outflows from investing activities were mainly due to the increase in other financial assets.
- (3) Financing activities: Net cash inflows from fundraising activities were mainly due to expected cash dividends.

2. Cash Shortage Remediation and Liquidity Analysis:

- (1) There was no cash shortage during the year.
- (2) Liquidity analysis for the last two years:

Item \ Year	2024	2023	+ - %
Cash Flow Ratio (%)	31	35	(11)
Cash Flow Adequacy Ratio (%)	123	134	(8)
Cash Flow Reinvestment Ratio (%)	3	8	(63)

Analysis of the changes in the percentage of increase or decrease:
The decrease in cash flow reinvestment ratio was mainly due to the decrease in net cash flow from operating activities.

(2) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and cash equivalents at beginning of period ①	Estimated net cash flow from operating activities ②	Estimated cash outflow ③	Estimated cash surplus (shortage) ① + ② - ③	Remedy for estimated cash shortage	
				Investment Plan	Finance Plan
\$7,098,817	\$2,846,950	\$2,951,585	\$6,994,182	None	None

1. Analysis of changes in cash flows for 2025:

- (1) Net cash inflow from operating activities: Net cash inflow is expected to be generated from net income after tax and net changes in assets and liabilities such as receivables, inventories and payables for the year ended December 31, 2025.
 - (2) Net cash outflow from investing activities: Mainly due to the expected acquisition of property, plant and equipment and the acquisition of other financial assets.
 - (3) Net cash outflow from financing activities: mainly due to expected cash dividends.
2. Estimated cash shortage remedy: No cash shortage is expected.

4 、Recent Year Major Capital Expenditures and Impact on Financial and Business:

The Company and its subsidiaries acquired property, plant and equipment of NT\$332,301 thousand in 2024 with funds mostly from cash generated by operations and partially from bank borrowings, which had no significant impact on the Company's financial and business.

5 、Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year:

Name	2024 Reinvestment Policy	Main reasons for gain or loss	Improvement plan	Investment plan for the next year
Chang Wah Energy Technology Co., Ltd.	None	Gain; stable profit from solar power business.	None	Subject to the company's operating conditions
Chang Wah Technology Co., Ltd.	The Company purchases from the open market to increase profitability by contributing to the Company's investment income.	Gain; stable growth in manufacturing and sales of Lead Frames.	None	Subject to the company's operating conditions
JMC Electronics Co., Ltd.	None	Gain; increase in non-operating income such as dividend income.	None	None
Wellstech Optical Co., Ltd.	None	Gain; recognized investment income from its subsidiaries.	None	None
CWE Holding Co., Ltd.	None	Gain; a holding company, interest income due to U.S. dollar fixed deposits.	None	None

Name	2024 Reinvestment Policy	Main reasons for gain or loss	Improvement plan	Investment plan for the next year
Guangdong How Weih Electronics Co., Ltd.	None	Gain; stable profits from manufacturing and sale of new electronic components and precision hardware.	None	None
Silver Connection Co., Ltd.	None	Gain; investment income recognized for the holding company.	None	None
Shing Zheng Investment Co., Ltd.	None	Gain: Mainly from dividend income.	None	None
SH Asia Pacific Pte. Ltd.	None	Gain: Mainly recognized investment income of its subsidiaries.	None	None
WSP Electromaterials Ltd.	None	Gain: Investment income recognized for the holding company.	None	None
Malaysian SH Electronics Sdn. Bhd.	None	Gain: Stable development of the semiconductor industry.	None	None
SH Electronics Suzhou Co., Ltd.	None	Gain: Stable development of the semiconductor industry.	None	None
SH Electronics Chengdu Co., Ltd.	None	Gain: Stable development of the semiconductor industry.	None	None
SH Precision Chengdu Co., Ltd.	None	Gain: Stable development of the semiconductor industry.	None	None
CWTC (Shanghai) Inc.	None	Gain: Stable profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None	None
Shanghai Chang Wah Electromaterials Inc.	None	Gain: Stable profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None	None

6 、 Analysis of Risk Management:

- (1) Impacts of fluctuations in interest rate and foreign exchange rate and inflation on the Company's profitability for the most recent year and as of the date of this annual report and associated action plans:

1.Impacts of interest rate fluctuations on the Company's profitability and associated action plans

The net interest revenue of CWE and its subsidiaries accounted for 1.10% and 6.25% of net revenue and income before income tax, respectively, in 2024. CWE and its subsidiaries regularly review the interest rate and financial information of monetary market in order to take timely, proper actions. Moreover, CWE utilizes its capital in the most favorable way by taking into account the cost of capital and potential returns and

risks in order to lower the risk of interest rate fluctuation. Thus, changes in interest rates do not have a significant adverse impact on CWE's profitability.

2.Impacts of foreign exchange rate fluctuations on the Company's profitability and associated action plans

The net foreign exchange gain of CWE and its subsidiaries accounted for 1.63% and 9.27% of net revenue and income before income tax, respectively, in 2024. This was primarily due to the impact of foreign exchange rate fluctuations in the market on net assets (liabilities) denominated in foreign currencies. Action plans are as follows:

- (1)CWE aims to offset the collection of foreign-currency sales receivables with payment of foreign-currency trade payables as they both have a recurring nature and hold the same amount of foreign-currency assets and liabilities to achieve natural hedge.
- (2)CWE would use professional financial information system to monitor exchange rate fluctuations on a timely basis and communicate with its main banks closely to gather relevant information on exchange rate changes to actively take actions in eliminating the negative impacts of exchange rate volatility.
- (3)CWE periodically assesses its foreign-currency net asset (liability) positions and utilizes foreign exchange swaps depending on the Company's capital needs and volatility of exchange rates to mitigate currency risk.

3.Impacts of inflation on the Company's profitability and associated action plans

Inflation does not have a significant adverse impact on CWE and the subsidiaries. However, we still pay close attention and maintain good interactions with suppliers and customers to mitigate the impact of inflation on the CWE's profitability.

- (2) The policies and main causes of gain or loss with respect to high-risk, highly-leveraged investment, lending funds to other parties, endorsement and guarantee and derivative trading for the most recent year and as of the date of this annual report and associated action plans:

1.High-risk, highly-leveraged investment:

Pursuant to the conservatism principle and business philosophy of pragmatism, CWE and the subsidiaries focus on respective field of expertise and do no engage in high-risk, highly-leveraged investments.

2.Lending funds to other parties and endorsement and guarantee:

CWE and the subsidiaries engage only in lending, endorsement and guarantee provided between CWE and its subsidiaries or between subsidiaries. "Procedures for Endorsement and Guarantee" and "Procedures for Lending Funds to Other Parties" are established in accordance with relevant rules and transactions and transactions are carried out pursuant to those Procedures. Those transactions do not have a significant adverse impact on CWE's profitability.

3.Derivative trading:

The derivative transactions engaged in by the Company and its subsidiaries are for hedging purposes, and the "Procedures for Acquisition or Disposal of Assets" have been established in accordance with the relevant regulations and are actually implemented in accordance with the relevant operating procedures, which will not have a material adverse effect on the Company's profit or loss.

- (3) Future research and development plans and estimated research and development expenses for the most recent year and as of the date of this annual report:

Refer to page 92 of section 3- R&D overview.

- (4) The impact of significant domestic and international policy and legal changes on the Company's financial operations for the most recent year and as of the date of this annual report and the measures taken in response:

The Company has always paid close attention to any significant domestic or foreign policy and legal changes that may affect the Company's financial operations. For the most recent year and as of the date of this annual report, the relevant policies and legal changes have not had a material impact on the Company's financial operations.

- (5) The impact of technological changes (including Cyber security risk) and industry changes on the Company's financial operations for the most recent year and as of the date of this annual report and the measures taken in response:

The Company's management team keeps abreast of industry trends and related technological changes, keeps abreast of industry dynamics and market information, and evaluates the impact on the Company's operations. For the most recent year and as of the date of this annual report, technological changes (including Cyber security risk) and industry changes have not had a significant impact on the Company's financial operations.

- (6) Impact of corporate image change on corporate crisis management and response measures for the most recent year and as of the date of this annual report:

Since its establishment, the Company has focused on its business operation, complied with relevant laws and regulations, and actively strengthened its internal management and improved its management quality and performance in order to continuously maintain its excellent corporate image and increase customers' trust in the Company. Therefore, in the most recent year and by the print date of the annual report, the Company has not experienced any operational crisis caused by the change of corporate image. However, the occurrence of corporate crisis may cause considerable damage to the company, so the Company will continue to implement various corporate governance requirements to reduce the occurrence of corporate risks and the impact on the Company.

- (7) Expected benefits, possible risks and contingencies of mergers and acquisitions for the most recent year and as of the date of this annual report: None.

- (8) Expected benefits, possible risks and responses to plant expansion for the most recent year and as of the date of this annual report: None.

- (9) Risks of concentrations of imports or sales for the most recent year and as of the date of this annual report and the measures taken in response:

1. Purchase: The proportion of imports from the top two suppliers of the Company and its subsidiaries was less than 18% in 2024, so there was no risk of over-concentration of the Company and its subsidiaries' imports.
2. Sales: There is only one customer whose sales accounted for 10% or more of the consolidated operating revenues in 2024, so there is no risk of concentration of sales.

- (10) The impact, risk and response to the substantial transfer or change of ownership of directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company in the most recent year and as of the date of this annual report: None.

- (11) Impact, risk and response to the change in operating right of the Company for the most recent year and as of the date of this annual report: None.

- (12) For litigation or non-litigation events, the Company and its directors, supervisors, general manager, persons in charge, substantial shareholders holding more than 10% of the shares, and affiliated companies should disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, and the main parties involved in the litigation, if the outcome of the litigation or non-litigation event is likely to have a significant impact on shareholders' equity or securities prices. The Company shall disclose the facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the principal parties involved in the litigation, and the status of the

litigation as of the date of this annual report:

1. In September 2016, Chipbond Technology Corp. filed a civil lawsuit against the Corporation for infringement of trade secrets. The main contents of the lawsuit included the prohibition on the use or disclosure of business secrets of Chipbond Technology Corp., the destruction of relevant files and the destruction of products that infringed upon business secrets. Chipbond Technology Corp. sought an indemnification of NT\$1,765,137 thousand and subsequently filed additional claims for damages. The court dismissed Chipbond Technology Corp.'s claims on December 29, 2023, but Chipbond Technology Corp. had filed the case. Based on the legal opinion issued by the Corporation's lawyers for the aforementioned litigation case, no significant adverse impact on the Corporation was concluded after the assessment of the lawyers. Therefore, the management of the Corporation believes that there will be no significant impact on the Corporation's business and financial position. As of the publication date of the annual report, the case had yet to be ruled by the court. The final outcome of the lawsuit was yet to be determined by the judicial authorities.
2. Other than the above, no significant litigation, non-litigation or administrative disputes involving other directors, supervisors, general managers, beneficial owners, shareholders holding 10% or more of the shares and subsidiaries of the Company as of the date of this annual report are known to have materially affected the interests of shareholders or the price of securities of the Company.

(13) Other important risks and countermeasures: None.

7、Other Important Matters: None.

VI 、 Special Disclosure

1 、 Information of the Affiliates:

- (1) Report on Consolidated Operations of Affiliated Companies: Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Three Affiliate Reports. (Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- (2) Consolidated Financial Statements of Affiliated Companies: Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Three Affiliate Reports. (Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- (3) Relationship Report: None.

2 、 Private Placement Securities in the Most Recent Year and as of the Date of this Annual Report: None.

3 、 Other Necessary Supplementary Notes: None.

VII 、 Any Events in the Most Recent Year and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Equity or Security Prices as Stated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:

Changes of the Company's President in 2024:

Due to the retirement of President Canon Huang upon reaching the statutory retirement age, and in line with the Company's operational development, Mr. Thomas Huang, formerly the Sales President and Head of the Leadframe Division, was promoted to President effective August 7, 2024. Upon assessment the change of President did not have significant impacts the Company's finance and business operation; thus, there was no significant impact on shareholders' equity or security prices.

Chang Wah Electromaterials Inc.

Chairman: Hung, Chuen-Sing