

Stock Code: 6265



Kuen Chaang Uppertech Corp.

2024 Annual Report

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Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Website: <http://www.kc-uppertech.com>

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Website: <http://www.kc-uppertech.com>

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I. Letter to Shareholders

Dear Shareholders,

The following is a brief report on the 2024 business report and operational outlook for this year:

1. 2024 Business Report

- (1) Business Results: Due to the weakening of the memory market, the Corporation's consolidated revenue in 2024 was NT\$558 million, a decrease of 20.64% compared to revenue NT\$704 million in 2023. The net profit after tax for was NT\$24.619 million in 2024, with earnings per share of NT\$0.21, which were both higher than net loss after tax of NT\$68.682 million and loss per share of NT\$0.58 in 2023.

- (2) Analysis of Financial Income and Expenditure and Profitability:

Year Item			2024	2023
			Consolidated	Consolidated
Financial Income and Expenditure	Net Operating Revenue		558,730	704,031
	Gross operating profit (loss)		-35,206	-51,886
	Gross Profit Margin		6.30%	-7.37%
	Net income (Net loss) before tax		24,619	-68,682
Profitability (%)	Return on Assets (%)		1.68%	-4.39%
	Return on Equity (%)		1.85%	-5.09%
	Ratio to Paid-in Capital (%)	Operating Profit (Loss)	-2.80%	-9.26%
		Profit (Loss)		
		Before Tax	3.44%	-6.75%
	Net Profit Margin (%)		4.41%	-9.76%
	Basic earnings per share(NT\$)		0.21	-0.58

- (3) Status of Research and Development: The Corporation is a distributor of electronic components and is normally dedicated to customer service with no R&D expenditures.

2. Business Prospects and Future Development Strategies for the Current Year

(1) Business Policy:

The Corporation's business philosophy is "Simple, Clear, Focused, Segregated." While facing the ever-changing business environment, all of us will continue to make self-improvement and growth, and strive to develop new product lines and customers.

(2) Expected Production and Sales Overview:

Although the macroeconomic environment this year is still unfavorable and full of uncertainties, the Corporation will still strive to deepen the operation of its existing product lines and expand the development of new product lines to pursue better results than last year.

(3) Future Development Strategy:

- A. Introduce new product lines and enter new application markets – introduce new product lines with high gross margins that meet market demand and strengthen our product and market planning capabilities.
- B. Develop new customers – actively explore new customers, provide high quality professional technical support services and complete solutions for new customers and customers with specific needs.
- C. Improve value-added services – help OEMs create demand through customer relationships and rapid market response; increase overall company profitability.
- D. Commit to brand management of "Sen Tao," resume the production of "Sen Tao" medicines, and continue to research and develop herbal functional health drinks based on the concept of "food and medicine share the same origin."

3. Impact of External Competitive Environment, Regulatory Environment and Overall Business Environment

This year, the downstream demand for electronic terminal applications is expected to be cautiously optimistic, as it continues to be affected by major environmental factors such as geopolitics, the Russia-Ukraine war, inflation and tariff war. Currently, only major memory chip manufacturers are taking measures to reduce capital expenditures and production cuts to maintain a balance between supply and demand. However, with the development and upgrade of the Internet, artificial intelligence, and the automotive market, there are still opportunities and room for growth in the medium and long term.

In terms of regulatory environment, we continue to pay attention to important issues such as ESG (Environmental, Social, and Governance) sustainability reporting, and actively implement measures in line with the sustainable development path and the schedule for greenhouse gas inventory and verification promulgated by the Financial Supervisory Commission. We continue to focus on environmental protection policies in the industry, energy conservation, reduction of carbon emissions, creation of an eco-friendly environment and labor conditions, and fulfilling social responsibilities.

In the future, Kuen Chaang will continue to strive with a spirit of constant innovation and change, timely providing products that customers need, fully developing the Corporation's core competencies, continuously enhancing the Corporation's various competitive strengths, and living up to the expectations of shareholders and the general public. In response to international trends, the Corporation will extend ESG performance management to value chain partners to pursue shared growth and create sustainable competitiveness. We thank all customers, suppliers, shareholders, and employees for their long-standing support.

We wish to express our most sincere gratitude.

Chairman: Chang, Cheng-Wen



President: Chang, Cheng-Wen



Accounting Manager: Lin, Fang-Yen



II. Corporate Governance Report

1. Information on the Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units:

(1) Information on Directors and Supervisors

1. Information on Directors and Supervisors

April 21, 2025

Nationality/Place of Registration Title	Name	Gender	Age	Date Elected	Term	Initial Date Elected	Shareholding When Elected		Number of Shares Held Currently		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Corporation and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Taiwan Chairman	Jerry Corporation, Ltd. Representative: Chang, Cheng-Wen	Male	60-65	2022.06.16	3 years	1998.01.16	22,321,446	18.89	22,321,446	18.89	0	0	0	0	M.B.A., University of California, USA President, Kuen Chaang Uppertech Corp.	Person in charge of Renlife International CO., LTD. Person in charge of Renshou Pharmaceutical CO., LTD. Person in charge of Jerry Corporation, Ltd. Representative, Smartcon Holdings Limited GUIDE STRAIGHT HOLDING INC. (SAMOA) Representative:	None	None	None	The chairman and president of the company are the same person. (Note 1)
Taiwan Director	Wu, Tai-Ju	Male	55-60	2022.06.16	3 years	2019.06.14	0	0	0	0	0	0	0	0	Ph.D. in Management, National Sun Yat Sen University Associate Professor, Institute of Business Administration, Cheng Shiu University	Associate Professor, Institute of Business Administration, Cheng Shiu University Director of Sanho Plastic Industry Co., Ltd. Member, SME Inspection Committee, Ministry of Economic Affairs	None	None	None	None
Taiwan Director	Ho, Chieh-Hsiung	Male	65-70	2023.06.30	2 years	2023.06.30	0	0	0	0	0	0	0	0	Vice President, CELXPRT ENERGY (Kunshan) CORPORATION	Kuen Chaang Uppertech Corp. Director	None	None	None	None

Independent Director	Taiwan	Chen, Jun-Ho	Male 60-65	2022.06.16	3 years	2016.06.16	0	0	0	0	0	0	0	0	0	M.S., National Tsing Hua University Asia Pacific Microsystems, Inc. Vice President/President/COO, TaiCrystal International Technology Co., Ltd.	Senior Special Assistant to the Chairman's Office, Unimicon Technology Corp.	None	None	None	None
Independent Director	Taiwan	Chen, Chao-Liang	Male 60-65	2022.06.16	3 years	2017.06.16	0	0	0	0	0	0	0	0	0	National Taiwan University Institute of Business Studies	Macrowell Management Consulting Director of Corporation Chairman, Association for the Development of Dynamic Competition Strategy	None	None	None	None
Independent Director	Taiwan	Lee, Chin-Ting	Male 70-75	2022.06.16	3 years	2022.06.16	0	0	0	0	0	0	0	0	0	Ph.D of Juridical Science, Fu Jen Catholic University Chief Prosecutor Yilan District Attorney	Taiwan Society of Comparative Criminal Law President Standing Supervisor, Chinese Life Technological Law Society	None	None	None	None
Independent Director	Taiwan	Lien, Hai-Shan	Female 60-65	2023.06.30	2 years	2023.06.30	8,011	0	8,011	0	0	0	0	0	0	Master of Business Administration, National Taipei University Associate Vice President of General Management Department, ASEC International Corporation	Director/Associate Vice President of General Management Division, Qiaofu Construction Management Co., Ltd.	None	None	None	None

Note 1 :The Chairman and the President of the Corporation are the same person because the Chairman founded Kuen Chaang, whose expertise is in the semiconductor business, and it is necessary and reasonable for him to serve as the President of the Corporation to enhance the operation of the Corporation in order to streamline the management efficiency, in response to the approval of the annual shareholders' meeting in 2023, to add one new independent director. The remaining directors don't serve as employees and managerial officers of the Corporation.

2. Major Shareholders of the Corporation whose Directors and Supervisors are Institutional Shareholders

April 21, 2025

Name of Institutional Shareholder	Major Shareholder	Percentage (%)
Jerry Corporation, Ltd.	Chang, Cheng-Wen	85.71%
	Chang, Che-Jui	14.29%

3. Professional Qualifications and Independence Status of Directors and Supervisors

April 21, 2025

Qualifications Name	Professional Qualification and Work Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Jerry Corporation, Ltd. Representative: Chairman Chang, Cheng-Wen	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	N/A	0
Director Wu, Tai-Ju	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	N/A	0
Ho, Chieh-Hsiung Director	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	N/A	0
Independent Director Chen, Jun-Ho	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	All independent directors are qualified as follows: 1. Meet the relevant requirements of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0
Independent Director Chen, Chao-Liang	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Corporation common shares.	0
Independent Director Lee, Chin-Ting	1. Work experience in business, industry, marketing, operations management and corporate business.	3. The remuneration amount obtained in the past 2 years without providing business, legal,	0

	2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	financial, accounting, etc. services to the company or its related enterprises.	
Independent Director Lien, Hai-Shan	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.		0

Note 1 : Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Corporation Act exists with respect to a director or supervisor.

Note 2 : Independent directors should explain their compliance with independence requirements, including but not limited to whether they, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its affiliated enterprises; the number and percentage of shares held by them, their spouses, or relatives within the second degree of kinship (or under others' names); whether they serve as directors, supervisors, or employees of companies with specific relationships with this company (refer to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past 2 years.

4. Diversity and Independence of the Board of Directors

(1) Diversity of the board of directors

The Board of Directors is the executive body of the Corporation's business operations and operates on a collective decision making basis. Therefore, its composition is diversified, and the operation of the Corporation is facilitated by the complementary industry experience, expertise and skills among the Board members. Therefore, Article 20 of the Corporation's "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors should consider diversity. In addition to the principle that directors who concurrently serve as company managerial officers should not exceed one-third of the board seats, the company should formulate appropriate diversity guidelines based on its own operations, business model, and development needs. These guidelines should include, but not be limited to, standards in the following two major dimensions: 1. Basic conditions and values: gender, age, nationality, and culture, etc.; 2. Professional knowledge and skills: professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goals of corporate governance, the Board of Directors as a whole should possess the following capabilities: 1. Operational judgment ability; 2. Accounting and financial analysis ability; 3. Business management ability; 4. Crisis management ability; 5. Industry knowledge; 6. International market perspective; 7. Leadership ability; 8. Decision-making ability.

At present, among the members of the Board of Directors of the Corporation, except for the Chairman, Chang, Cheng-Wen, who is also the President of the Corporation, the other directors are not managerial officers or employees of the Corporation, therefore, the ratio of directors who are also managerial officers does not exceed one-third of the number of directors. With respect to the implementation of the board of directors' diversity policy, the basic qualifications, expertise and skills of the current members of the Corporation's board of directors are shown in the table below (please refer to p.7 for the academic background of each director). As for the basic composition of the Board of Directors, all members are male and Taiwan nationals, aged between 55 and 75. In terms of professional knowledge and skills, all of them have the necessary professional skills and industrial experience for the operation of the Corporation, with the exception of a small number of directors with legal professional background.

Diversified Items Name	Gender	Age	Nationality	Professional Background	Operational Judgment	Finance and Accounting	Business Administration	Crisis Management	Industrial Knowledge	International Market	Ability to Lead	Ability to Make Policy Decisions
Chang, Cheng- Wen	Male	60~65	R.O.C.	Corporate Management	✓		✓	✓	✓	✓	✓	✓
Wu, Tai-Ju	Male	55~60	R.O.C.	Business Administration	✓		✓	✓	✓	✓	✓	✓
Ho, Chieh- Hsiung	Male	65~70	R.O.C.	Business Administration	✓		✓	✓	✓	✓	✓	✓
Chen, Jun- Ho (Note)	Male	60~65	R.O.C.	Materials Science	✓		✓	✓	✓	✓	✓	✓
Chen, Chao- Liang	Male	60~65	R.O.C.	Strategic Management	✓		✓	✓	✓	✓	✓	✓
Lee, Chin- Ting (Note)	Male	70~75	R.O.C.	Business Administration	✓		✓	✓	✓	✓	✓	✓
Lien, Hai- Shan (Note)	Female	60~65	R.O.C.	Business Administration	✓	✓	✓	✓	✓	✓	✓	✓

Note: Independent Director

(2) Independence of the Board of Directors

Currently, the Corporation's Board of Directors consists of 7 directors, including 4 independent directors (accounting for 57%), with no family relationships among the directors; among the supervisors, or between supervisors and directors, at least one seat or more has no spousal or second-degree kinship relationship. Therefore, it complies with the Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, none of the elected independent directors. his/her spouse, relatives within the second degree of kinship, etc. are directors, supervisors or employees of the Corporation, the Corporation's affiliates or companies with specific relationships with the Corporation, and no shares of the Corporation are held. Therefore, the Board of Directors is independent.

(4) Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units:

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Corporation and Other Companies	Managers who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Chairman (Note 1)	Taiwan	Chang, Cheng-Wen	Male	1998.01.22	6,795,538	5.75	0	0	0	0	M.B.A., University of California, USA Chairman of Kuen Chaang Uppertech Corp. Director	Person in charge of Renlife International CO., LTD. Person in charge of Renshou Pharmaceutical CO., LTD. Person in charge of Jerry Corporation, Ltd. Representative, Smartcon Holdings Limited Representative of GUIDE STRAIGHT HOLDING INC.(SAMOA)	None	None	None	The chairman and president of the company are the same person. (Note 1)
Assistant Vice President, Department of Finance and Accounting	Taiwan	Lin, Fang-Yan	Female	2023.05.05	727	0	0	0	0	0	Graduate, Department of Applied Business, National Taipei University of Business Chief Financial Officer of Asia Pacific International Property Assistant Vice President, Department of Finance and Accounting of Kuen Chaang Uppertech Corp.	None	None	None	None	None

Note 1 :The Chairman and the President of the Corporation are the same person because the Chairman founded Kuen Chaang, and his expertise is in the semiconductor business. For the purpose of efficient and streamlined management, he also serves as the president, which is necessary and reasonable for enhancing the Corporation's operations.As a countermeasure, we will elect an additional independent director at the 2023 annual shareholders' meeting, and the remaining directors will not concurrently serve as employees or managerial officers of the company.

2. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents:

(1) Remuneration to Directors (Including Independent Director)

Unit: NT\$ thousand

Title	Name (Note 1)	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income % (Note 10)		Remuneration received from investee enterprises other than subsidiaries(Note 11)
		Base compensation (A)(Note 2)		Retirement pay and pension (B) B.		Director profit- sharing compensation C.(Note 3)		Expenses and perquisites D.(Note 4)				Salary, rewards, and special disbursements (E)(Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)(Note 6)						
		The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation		All consolidated entities (Note 7)		The Corporation	All consolidated entities (Note 7)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Representative of Jerry Corporation, Ltd.:Chang, Cheng-Wen	0	0	0	0	0	0	25	25	0.10%	0.10%	10,808	10,808	0	0	0	0	0	0	44.00%	44.00%	None
Director	Wu, Tai-Ju	120	120	0	0	0	0	20	20	0.57%	0.57%	0	0	0	0	0	0	0	0	0.57%	0.57%	
Director	Ho, Chieh-Hsiung	120	120	0	0	0	0	551	551	2.73%	2.73%	0	0	0	0	0	0	0	0	2.73%	2.73%	
Independent Director	Chen, Chao-Liang	120	120	0	0	0	0	45	45	0.67%	0.67%	0	0	0	0	0	0	0	0	0.67%	0.67%	
Independent Director	Chen, Jun-Ho	120	120	0	0	0	0	45	45	0.67%	0.67%	0	0	0	0	0	0	0	0	0.67%	0.67%	
Independent Director	Lee, Chin-Ting	120	120	0	0	0	0	50	50	0.69%	0.69%	0	0	0	0	0	0	0	0	0.69%	0.69%	
Director	Lien, Hai-Shan	120	120	0	0	0	0	40	40	0.65%	0.65%	0	0	0	0	0	0	0	0	0.65%	0.65%	
<div>1. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): 0</div> <div>2. The remuneration to the Independent Directors is based on the "Remuneration for Directors, Members of Functional Committees and Managerial Officers", which provides for a fixed monthly compensation and a fixed carriage fee for each attendance, and the Corporation does not pay bonuses, severance pay, retirement pensions or allocate remuneration to the Independent Directors.</div>																						

Remuneration Range Table

Ranges of remuneration paid to each of the Corporation's directors	Name of Director			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Corporation (Note 8)	All consolidated entities (Note 9) H	The Corporation (Note 8)	All companies in the financial reports (Note 9) I
Less than NT\$1,000,000	Representative of Jerry Corporation Ltd.: Chang, Cheng-Wen, Wu, Tai-Ju, Ho, Chieh-Hsiung, Chen, Chao-Liang, Chen, Jun-Ho, Lee, Chin-Ting, Lien, Hai-Shan	Representative of Jerry Corporation Ltd.: Chang, Cheng-Wen, Wu, Tai-Ju, Ho, Chieh-Hsiung, Chen, Chao-Liang, Chen, Jun-Ho, Lee, Chin-Ting, Lien, Hai-Shan	Wu, Tai-Ju, Ho, Chieh-Hsiung, Chen, Chao-Liang, Chen, Jun-Ho, Lee, Chin-Ting, Lien, Hai-Shan	Wu, Tai-Ju, Ho, Chieh-Hsiung, Chen, Chao-Liang, Chen, Jun-Ho, Lee, Chin-Ting, Lien, Hai-Shan
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	None	None	None	None
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	None	None	None	None
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	None	None	None	None
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	None	None	None	None
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	None	None	Representative of Jerry Corporation Ltd.: Chang, Cheng-Wen	Representative of Jerry Corporation Ltd.: Chang, Cheng-Wen
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	None	None	None	None
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	None	None	None	None
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	None	None	None	None
Over NT\$100,000,000	None	None	None	None
Total	7 persons	7 persons	7 persons	7 persons

Note 1 :The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a President or an Vice President, please complete this Table and Table 3-1, or Tables 3-2-1 and 3-2-2.

Note 2 :This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3 :Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4 :This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Corporation to the driver, but do not include it in the calculation of the director remuneration.

Note 5 :This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as President, Vice President, other managerial officer, or non-managerial officer employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Corporation to

the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

- Note 6 :This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as President, Vice President, other managerial officer, or non-managerial officer employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.
- Note 7 :Disclose the total amount of remuneration in each category paid to the directors of the Corporation by all companies in the consolidated financial report (including the Corporation).
- Note 8 :Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Corporation.
- Note 9 :Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Corporation by all companies in the consolidated financial report (including the Corporation).
- Note 10 :Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.
- Note 11 :a. In this column, specifically disclose the amount of remuneration received by the directors of the Corporation from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).
- b. If directors of the Corporation have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”
- c. Remuneration means remuneration received by directors of the Corporation for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2. Supervisor's remuneration: Supervisors served until June 15, 2022, however, the Corporation established an Audit Committee on June 16, 2022, to replace the supervisors in exercising relevant authorities, therefore it is not applicable.

3. Remuneration to President(s) and Vice President(s) (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT\$ thousand

Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)															
Title		Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursemen ts (C) C. (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		None
			All consolidated entities (Note 7)		The Corporation		All consolidated entities (Note 7)		The Corporation		The Corporation		All consolidated entities (Note 5)		
										Amount in cash	Amount in Stock	Amount in Stock	Amount in Stock		
		Chang, Cheng-Wen	8,833	8,833	0	0	1,975	1,975	0	0	0	0	43.90%	43.90%	

Remuneration Range Table

Range of Remuneration Paid to each of the Corporation's President and Vice Presidents	Names of President and Vice President	
	The Corporation (Note 6)	All consolidated entities (Note 7) E
Less than NT\$1,000,000	None	None
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	None	None
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	None	None
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	None	None
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	None	None
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	Chang, Cheng-Wen	Chang, Cheng-Wen
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	None	None
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	None	None
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	None	None
Over NT\$100,000,000	None	None
Total	1 persons	1 persons

Note 1 :The name of each President and Vice President shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a President or an Vice President, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2 :This includes salary, duty allowances, and severance pay to the President(s) and Vice President(s) in the most recent fiscal year.

Note 3 :This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the President(s) and Vice Presidents(s) in the most recent fiscal year. If housing, car or other form of

transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Corporation to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

- Note 4 :This refers to employee profit-sharing compensation (including stocks and cash) received by the President(s) and Vice President(s) as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.
- Note 5 :Disclose the total amount of remuneration in each category paid to the President(s) and Vice President(s) by all companies in the consolidated financial report (including the Corporation).
- Note 6 :Disclose the names of the President(s) and Vice President(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each President and Vice President by the Corporation.
- Note 7 :Disclose the names of the President(s) and Vice President(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each President and Vice President of the Corporation by all companies in the consolidated financial report (including the Corporation).
- Note 8 :Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.
- Note 9 :a. In this column, specifically disclose the amount of remuneration received by the President(s) and Vice President(s) of the Corporation from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).
- b. If President(s) or Vice President(s) of the Corporation have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”
- c. Remuneration means remuneration received by the President(s) and Vice President(s) of the Corporation for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

4. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company (Individual Disclosure of Names and Remuneration Items) (Note 1)

Title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)
		The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation	All consolidated entities (Note 7)	The Corporation		All consolidated entities (Note 5)		The Corporation	All consolidated entities (Note 7)	
								Amount in cash	Amount in Stock	Amount in Stock	Amount in Stock			
President	Chang, Cheng-Wen	8,833	8,833	0	0	1,975	1,975	0	0	0	0	43.90%	43.90%	None
Assistant Vice President, Department of Finance and Accounting	Lin, Fang-Yen	1,424	1,424	0	0	133	133	0	0	0	0	6.32%	6.32%	None

Note 1 :“Management personnel” in the “Five Highest Remunerated Management Personnel” means Managerial Officers of the Corporation. “Managerial Officers” means those falling within the applicable scope defined in March 27, 2003 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance. The “five highest remunerated” is calculated as those ranked in the top five in remuneration based on the sum total of the amounts of salary, retirement pay and pension, rewards and special disbursements, and employee profit-sharing compensation (i.e., the sum of items A+B+C+D) received by each of the Corporation’s managerial officers from all companies in the consolidated financial reports. If any concurrently serving director(s) is among those top, fill out this table and also Table (1-1) above.

Note 2 :This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in the most recent fiscal year.

Note 3 :This refers to the amount of all rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, and other remuneration of the five highest remunerated management personnel in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Corporation to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.-should be included in the calculation of remuneration.

Note 4 :This refers to employee profit-sharing compensation (including stocks and cash) received by the five highest remunerated management personnel in the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5 :Disclose the total amount of remuneration in each category paid to the five highest remunerated management personnel by all companies in the consolidated financial report (including the Corporation)

Note 6 :Net income means the net income after tax on the parent company only or individual financial report for

the most recent fiscal year.

Note 7 :a.In this column, specifically disclose the amount of remuneration received by the five highest remunerated management personnel of the Corporation from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. Remuneration means remuneration received by the five highest remunerated management personnel of the Corporation for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

5. Names and Distributions of Employee Bonuses to Managers:

Unit: NT\$ thousand/thousand Share

	Title	Name	Dividend amount in stock	Dividend amount in cash	Total	As a % of net profit
Manager	President	Chang, Cheng-Wen	0	0	0	0%
	Assistant Vice President, Department of Finance and Accounting	Lin, Fang-Yan				

6. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Unit: NT\$ thousand

Title	2023				2024				Increase (Decrease)			
	Total remuneration		As a % of net profit		Total remuneration		As a % of net profit		Total remuneration		The Corporation	Consolidated
	The Corporation	Consolidated	The Corporation	Consolidated	The Corporation	Consolidated	The Corporation	Consolidated	The Corporation	Consolidated		
Director	1,217	1,217	16.83%	16.83%	1,496	1,496	49.98%	49.98%	279	279	744	744
Supervisor	0	0			0	0			0	0		
President	10,343	10,343			10,808	10,808			465	465		

Description: The remuneration of directors and supervisors of the Corporation includes travel expenses and earnings distribution. As for travel expenses, the amount is based on the general standard and is paid according to the attendance of directors and supervisors at board meetings; The remuneration of directors and supervisors for the distribution of earnings is determined in accordance with the Corporation's Articles of Incorporation and is paid after it is submitted to the Board of Directors and approved at the shareholders' meeting.

The managerial officers' remuneration and salary are set with reference to the industry standard, and the bonus is based on the performance of each department in the current year. The Corporation has purchased liability insurance for all directors and managerial officers in the amount of US\$5,000,000 to mitigate the unknown risks borne by the Corporation and to pass on possible damages to directors, managerial officers and the Corporation in the performance of their duties through directors' and managerial officers' liability insurance.

3. Implementation of Corporate Governance

(1) Operation of the Board of Directors

Information on the Operation of the Board of Directors

In 2023 (4 times) and 2024 (2 times), as of the printing date of the annual report, the Board of Directors has met 5 times (A), the attendance of directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B./ A. 】	Remark
Chairman	Jerry Corporation, Ltd. Representative: Chang, Cheng-Wen	5	0	100%	
Director	Wu, Tai-Ju	5	0	100%	
Director	Ho, Chieh-Hsiung	5	0	100%	
Independent Director	Chen, Chao-Liang	5	0	100%	
Independent Director	Chen, Jun-Ho	5	0	100%	
Independent Director	Lee, Chin-Ting	5	0	100%	
Independent Director	Lien, Hai-Shan	5	0	100%	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Corporation based on the opinions of the independent directors:

- (1) Provisions of Article 14-3 of the Securities and Exchange Act: The Corporation has established the Audit Committee on June 16, 2022, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. Please refer to the operation of the Audit Committee for the description of the matters listed in Article 14-5 of the Securities and Exchange Act.
- (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution

Meeting date (term)	Content of Motion	Independent Director's objections or reservations
May 2, 2024 (9th meeting of 9th term)	Resolution: Review of shareholder proposals for the Corporation's 2024 Annual Shareholders' Meeting. Description: To dismiss Jerry Corporation, Ltd. and its designated representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their director positions.	Two independent directors, Chen, Chao-Liang and Lee, Chin-Ting, objected

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest:

Meeting Date (Term)	Evaluation period Scope of evaluation	Conflict of Interest Recusal Director	Reasons for recusal due to conflicts of interest and participation in voting
May 2, 2024 (9th meeting of 9th term)	<p>Resolution: Review of shareholder proposals for the Corporation's 2024 Annual Shareholders' Meeting.</p> <p>Description: To dismiss Jerry Corporation, Ltd. and its designated representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their director positions.</p>	Chang, Cheng- Wen	This resolution was voted on by six directors in attendance (Chairman Chang, Cheng-Wen recused himself from voting due to conflicts of interest), with four directors (including two independent directors) in favor, and two independent directors, Chen, Chao-Liang and Lee, Chin-Ting, objected. The proposal was approved as proposed and will be submitted to the Annual Shareholders' Meeting for discussion.

3. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. (Please refer to "Operation of the Remuneration Committee" in this annual report for information on the self-evaluation of the Remuneration Committee.)

Implementation of Evaluations of the Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once a year	January 1, 2024 to December 31, 2024	Board of Directors	Internal self-evaluation of the Board of Directors	1. Degree of the board's participation in the operation of the Corporation 2. The quality of the board's decision making 3. Composition and structure of the board 4. Election and continuing education of the directors 5. Internal control
Once a year	January 1, 2024 to December 31, 2024	Individual board members	Self-evaluation of the board members	1. Familiarity with the goals and missions of the Corporation 2. Awareness of the duties of a director 3. Degree of the board's participation in the operation of the Corporation 4. Management of internal relationships and communication 5. Election and continuing education of the directors 6. Internal control
Once a year	January 1, 2024 to December 31, 2024	Functional Committees	Self-evaluation of Functional Committees	1. Degree of the board's participation in the operation of the Corporation 2. Awareness of the duties of the functional committee 3. Quality of decisions made by the functional committee 4. Composition of the functional committee and election of its members 5. Internal control

4. Evaluation of the objectives and performance of the current and most recent year in strengthening the functions of the Board of Directors:

- (1) The Corporation has established the Remuneration Committee on December 21, 2011 and the Audit Committee on June 16, 2022 to assist the Board of Directors in performing its supervisory duties, respectively.
- (2) There are currently four independent directors among the seven directors of the Corporation, which is more than one-half of the total number of directors.
- (3) The Corporation is committed to enhancing information transparency: Information disclosure channels include the Market Observation Post System, the company website, and spokesperson email and telephone contacts, to achieve the goal of enhancing information transparency and strictly complying with regulatory requirements.

(2) Operation of the Audit Committee or participation of supervisors in the Board of Directors:

The Corporation established the Audit Committee on June 16, 2022, consisting of three independent directors, with Independent Director Chen, Chao-Liang serving as the convener. Supervisors were no longer appointed after the expiration of their term on June 15, 2022.

Information on the Audit Committee's participation in the operations of the Board of Directors
A total of 5 (A) meetings of the Audit Committee were held in 2024. The attendance of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B./ A.)	Remark
Independent Director	Chen, Chao-Liang	5	0	100%	
Independent Director	Chen, Jun-Ho	4	1	80%	
Independent Director	Lee, Chin-Ting	5	0	100%	
Independent Director	Lien, Hai-Shan	3	0	60%	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Corporation based on the opinions of the audit committee.

- (1) Any matter under Article 14-5 of the Securities and Exchange Act.
- (2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors:

Audit Committee Date and Term	Content of Proposals and Subsequent Handling	Any matter under Article 14-5 of the Securities and Exchange Act.	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
March 13, 2024 (7th meeting of 1st term)	'Proposal for approval of 2023 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report. 'Proposal for approval of 2023 Deficit Compensation. 'Proposal for approval of the "Statement on Internal Control" for 2023. 'Discussion on extension of bank credit line application.	✓ — ✓ —	— — — —
	Independent directors' objections, reservations, or major recommendations: None. Resolution result of the Audit Committee: All attending committee members unanimously approved. The Corporation's handling of the Audit Committee's opinions: The matters discussed in this Audit Committee meeting were approved unanimously by all attending directors at the Board of Directors meeting on March 13, 2024		
May 2, 2024 (8th meeting of 1st term)	'Proposal for approval of the Corporation's consolidated financial statements for the first quarter of 2024. 'Discussion on extension of bank credit line application. 'Proposal for approval of the Change of the Corporation's Chief Audit Officer. 'Proposal for cash capital reduction and return of funds from the 100%-owned China subsidiary "KC-Uppertech (Shanghai) International Corp. 'Proposal for cash capital reduction and return of funds from the 100%-owned China subsidiary "Well Peak Technology Shenzhen Limited	— — ✓ — —	— — — — —
	Independent directors' objections, reservations, or major recommendations: None. Resolution result of the Audit Committee: All attending committee members unanimously approved.		

	<p>The Corporation's handling of the Audit Committee's opinions:</p> <p>The matters discussed in this Audit Committee meeting were approved unanimously by all attending directors at the Board of Directors meeting on May 2, 2024</p>		
August 9, 2024 (9th meeting of 1st term)	<p>Proposed approval of the Corporation's consolidated financial statements for the second quarter of 2024</p> <p>Ratification of the application for bank credit facilities</p> <p>Discussion on extension of bank credit line application.</p> <p>Proposal of renewal of directors' and managerial officers' liability insurance.</p>	<p>✓</p> <p>—</p> <p>—</p> <p>—</p>	<p>—</p> <p>—</p> <p>—</p> <p>—</p>
	<p>Independent directors' objections, reservations, or major recommendations: None.</p> <p>Resolution result of the Audit Committee:</p> <p>All attending committee members unanimously approved.</p> <p>The Corporation's handling of the Audit Committee's opinions:</p> <p>The matters discussed in this Audit Committee meeting were approved unanimously by all attending directors at the Board of Directors meeting on August 9, 2024</p>		
November 8, 2024 (10th meeting of 1st term)	<p>Proposed approval of the Corporation's consolidated financial statements for the third quarter of 2024</p> <p>Report on the Corporation's audit plan for 2025</p> <p>Proposal of the evaluation of the independence and appropriateness of the Corporation's CPAs.</p> <p>The Corporation intends to appoint Morgan Stanley Singapore to conduct investments in stocks and securities in major markets</p> <p>Proposal for cash capital reduction and return of funds from the 100%-owned subsidiary "SMARTCON HOLDINGS LIMITED"</p>	<p>—</p> <p>✓</p> <p>✓</p> <p>—</p> <p>—</p>	<p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>
	<p>Independent directors' objections, reservations, or major recommendations: None.</p> <p>Resolution result of the Audit Committee: All attending committee members unanimously approved.</p> <p>The Corporation's handling of the Audit Committee's opinions:</p> <p>The matters discussed in this Audit Committee meeting were approved unanimously by all attending directors at the Board of Directors meeting on November 8, 2024</p>		
March 7, 2025 (11th meeting of 1st term)	<p>Proposal for approval of 2024 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report.</p> <p>Proposal for approval of 2024 Deficit Compensation.</p> <p>Proposal for approval of the "Statement on Internal Control" for 2024.</p> <p>Proposal to amend the Corporation's internal control system</p> <p>Amendment to the Corporation's "Articles of Incorporation".</p> <p>The scope of "Basic-level Employees" of the Corporation</p>	<p>✓</p> <p>—</p> <p>✓</p> <p>✓</p> <p>—</p> <p>—</p>	<p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>
	<p>Independent directors' objections, reservations, or major recommendations: None.</p> <p>Resolution result of the Audit Committee: All attending committee members unanimously approved.</p> <p>The Corporation's handling of the Audit Committee's opinions:</p> <p>The matters discussed in this Audit Committee meeting were approved unanimously by all attending directors at the Board of Directors meeting on March 7, 2025</p>		

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: No such circumstances.

3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the Corporation's finances and business and the method(s) and outcomes of the communication.)

1. Communication policy between the Independent Director and Chief Internal Audit Officer:

(1) The Chief Internal Audit Officer submits audit reports and deficiency tracking reports on a regular basis, and

submits the implementation status of the annual audit plan and the improvement status of internal control deficiency tracking for review by the Independent Directors.

- (2) The internal audit unit reports the progress of audit operations to the independent directors at least once a quarter. If there is any significant abnormalities, the unit will immediately report and notify the independent directors. There were no abnormalities in 2024.

2. Communication between the Independent Directors and the Chief Internal Audit Officer is as follows:

Date/ Method	Content of Motion	Result
March 13, 2024/ Meeting	· Audit Operations Report for the Second Quarter of 2023 · Proposal for approval of the "Statement on Internal Control" for 2023.	All of them were discussed and approved by the independent directors and there were no objections
May 2, 2024/ Meeting	· Audit Operations Report for the First Quarter of 2024	
August 9, 2024/ Meeting	· Audit Operations Report for the Second Quarter of 2024	
November 8, 2024/ Meeting	· Audit Operations Report for the Third Quarter of 2024 Report on the audit plan for 2025	
March 7, 2025/ Meeting	· Audit Operations Report for the Second Quarter of 2024 · Proposal for approval of the "Statement on Internal Control" for 2024.	

3. Communication Policy between Independent Directors and CPAs:

- (1) The independent directors of the Audit Committee communicate with the CPAs at least once a year without the presence of the directors and management, and, if necessary, in writing. The scope of this communication includes the impact of statutory amendments, the accountants' review of the independence of the Group's financial statements and related responsibilities, the review of planning matters, the review of significant findings (including adjustments to the record and significant deficiencies in internal control), the review of the contents of reports and the review of interim consolidated financial statements.

4. Communication between Independent Directors and CPAs is as follows:

Date/ Method	Content of Motion	Result
March 13, 2024/ Meeting	Completion of Consolidated and Parent Company Only Financial Statements for 2023	The independent directors have been acknowledged and have no objections.
March 7, 2025/ Meeting	Completion of Consolidated and Parent Company Only Financial Statements for 2024	The independent directors have been acknowledged and have no objections.

Note 1: The Corporation held a re-election on June 16, 2022, and the Audit Committee was naturally established on June 16, 2022. The independent directors took office on June 16, 2022, and elected Director Chen, Chao-Liang as the convener of the Audit Committee.

(3) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Corporation established and disclosed its Corporate Governance Practices in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Corporation has established a "Code of Corporate Governance Practices", which is disclosed on the Corporation's website.	No deviation.
2. Shareholding Structure and Shareholders' Rights				No deviation.
(1) Does the Corporation have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1) The Corporation has established the stock affairs unit and the spokesperson and deputy spokesperson system as the window for handling shareholders' suggestions or disputes.	
(2) Does the Corporation know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The Corporation has access to a list of substantial shareholders and ultimate controllers of substantial shareholders of the Corporation.	
(3) Has the Corporation built and implemented a risk management system and a firewall between the Corporation and its affiliates?	V		(3) The Corporation's internal control covers risk management at the corporate level and operational activities at the operational level, and has established operational procedures such as the "Regulations Governing the Dealings of Group Companies and Specified Companies and Related Parties," "Regulations Governing the Operation of Long- and Short-term Equity Investments," "Regulations Governing the Monitoring of Subsidiaries," and "Regulations Governing the Supervision of Transferred Invested Businesses with Control Capabilities," and has actually implemented risk control mechanisms.	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(4) Has the Corporation established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(4) The Corporation has established the "Internal Control System for Prevention of Insider Trading Management" to prevent insiders from trading marketable securities using undisclosed information in the market.	
3. Composition and responsibilities of the Board of Directors				No deviation.
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) The Corporation's Board of Directors is diverse in age, culture and professional background and has implemented a diversity approach.	
(2) Has the Corporation voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	(2) The Remuneration Committee was established on December 21, 2011, and the Audit Committee was established on June 16, 2022, and other functional committees will be established in the future as needed.	
(3) Has the Corporation established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(3) The Corporation has established the "Rules for Performance Evaluation of Board of Directors" method with various evaluation indicators. The Board of Directors of the Corporation shall annually perform the performance evaluation of the Board of Directors in accordance with these Regulations. The self-evaluation of the Board of Directors and the self-evaluation of the members of the Board of Directors for 2024 have been completed and the results have been submitted to the Board of Directors on March 7, 2025.	
(4) Does the Corporation regularly evaluate its external auditors' independence?	V		(4) PwC Taiwan, the Corporation's certified public accountant, is a member of an international accounting firm and is highly regarded for its independence and professionalism. The Corporation's Board of Directors regularly evaluates the independence, suitability and professionalism of the certified public accountant on an annual basis and requires the certified public accountant to provide an annual "independence" statement. Currently appointed	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			accountants all possess independence. The accountant independence evaluation form, see Note 1 for details.	
4. Has the TWSE/TPEX listed company appointed competent personnel in appropriate numbers for corporate governance and designated a corporate governance officer responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders meetings in accordance with the law, and preparing minutes of board of directors and shareholders' meetings, etc.)?	V		The Corporation officially established the position of Chief Corporate Governance Officer in May 2023, responsible for corporate governance related affairs. To implement corporate governance and strengthen the functions of the Board of Directors, the Board of Directors agreed to appoint Lin, Fang-Yan, Assistant Vice President of the Finance & Accounting Department, to concurrently serve as the Corporation's Chief Corporate Governance Officer, responsible for the Corporation's corporate governance affairs, including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders meetings in accordance with the law, and preparing minutes of board meetings and shareholders meetings, etc. The continuing education of the Chief Corporate Governance Officer: Please refer to Note 2	No deviation.
5. Has the Corporation established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Corporation appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Corporation has set up internal windows for business management and operation projects, and will appropriately handle the responses from stakeholders, and set up a contact window on the Corporation's website to properly respond to all concerns of stakeholders. The Corporation has set up a contact window on the Corporation's website to respond appropriately to all concerns of stakeholders and will report the results of stakeholder communication to the Board of Directors on March 7, 2025.	No deviation.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
6. Has the Corporation appointed a professional shareholder services agent to handle matters related to its shareholders' meetings?	V		The Corporation appointed a professional shareholding agent, CTBC Bank Co., Ltd., to conduct the affairs of the shareholders' meeting.	No deviation.
7. Information disclosure (1) Has the Corporation established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1) 1. The disclosure of financial and business information: The Corporation's website (http://www.kc-uppertech.com) regularly updates and discloses financial and business-related information for investors' reference. 2. The Corporation has disclosed on its website information on the Corporation's internal procedures for handling material information, procedures for endorsement and guarantee, procedures for lending funds to others, procedures for acquiring and disposing of assets, rules and regulations for board meetings, Rules of Procedure for Shareholders' Meetings, and Articles of Incorporation.	No deviation.
(2) Does the Corporation use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2)The Corporation has designated staff to collect information from time to time and disclose the information on the Market Observation Post System (http://mops.twse.com.tw) in accordance with the regulations. The Corporation has set up a spokesperson: Lin, Fang-Yan/Assistant Vice President, Department of Finance and Accounting Deputy Spokesperson: Hsieh, Pei-Chun/Junior Manager, Department of Finance and Accounting	
(3) Does the Corporation publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and		V	(3)The Corporation announces and reports its annual financial statements within three months after the end of the fiscal year, and completes the announcement and reporting of the first, second and third quarter financial statements and	

third quarters as well as its operating statements for each month before the specified deadlines?			operations for each month by the set deadline.	
8. Does the Company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee rights, employee welfare, investor relations, supplier relations, rights of stakeholders, training of Directors and Supervisors, risk management and risk measurement standards and its implementation, the implementation of customer policies, the Company's purchase of liability insurance for Directors and Supervisors, etc.)?	V		<ol style="list-style-type: none"> 1. The management of our employees is regulated in accordance with the Labor Standards Act and other relevant laws and regulations, and we have an open channel for complaints. 2. When the Corporation convenes a meeting of the Board of Directors, each Director attends the meeting in person, except when he/she is abroad by video conference and when he/she has a valid excuse for absence. 3. The Corporation does not engage in high-risk investments and has a system of approval authority that clearly defines the responsibilities of each level. 4. The Corporation has obtained liability insurance for the directors and supervisors. 	No deviation.
<p>9. Please explain the improvements made based on the corporate governance evaluation results released by the Taiwan Stock Exchange Corporation's Corporate Governance Center in the most recent year, and provide priority areas and measures for matters not yet improved:</p> <p>In 2022, the Corporation has completed the amendment of the Articles of Incorporation to elect three independent directors and set up an audit committee. In 2023, the Corporation plans to set up a Chief Corporate Governance Officer who will be responsible for corporate governance-related matters and will disclose and explain its terms of reference on the Corporation's website. The Chairman and the President are the same person, an additional independent director is created and an additional general director is added in 2023.</p> <p>The Corporation conducts self-evaluation for corporate governance assessment according to the regulations of the competent authority, and continues to strengthen corporate governance practices.</p>				

Note 1: Accountant Independence Evaluation Form

1. Independence Requirements Review					
Item No.	Evaluation content	Please check			Description
		Yes	No	N/A	
1	Does the accountant or their spouse, minor children have an investment relationship or shared financial interest with the Corporation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2	Does the accountant or their spouse, minor children have any loans with the Corporation? However, this restriction does not apply to normal transactions with the client if the client is a financial institution.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3	Has the accountant or any member of the audit service team currently or within the past two years served as a director, officer, or in a position that has significant influence over the audit case of the Corporation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4	Has the accountant or any member of the audit service team promoted or acted as an intermediary for stocks or other securities issued by the Corporation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5	Has the accountant or any member of the audit service team, except for business permitted by law, defended the Corporation in legal cases or other disputes with third parties?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6	Has the accountant or any member of the audit service team had a relationship as spouse, direct blood relative, direct relative by marriage, or collateral blood relative within the second degree of kinship with the directors, officers, or personnel with significant influence over the audit case of the Corporation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7	Has a former partner who left within the past year taken a position as a director, officer, or a position with significant influence over the audit case of the Corporation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8	Has the accountant or any member of the audit service team received gifts or special favors of significant value from the Corporation or its directors, officers, or major shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9	Has the accountant currently been employed by the client or auditee for regular work, receiving fixed salary, or serving as a director or supervisor?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Independence Operational Review					
Item No.	Evaluation content	Please check			Description
		Yes	No	N/A	
1	When the accountant has a direct or significant indirect interest in the commissioned matters that would affect their fairness and independence, have they recused themselves from undertaking the assignment?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	When providing audit, review, re-examination, or special project review of financial statements and issuing opinion reports, has the accountant maintained not only substantive independence but also formal independence?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

3	Have the audit service team members, other partners, shareholders of incorporated accounting firms, the accounting firm, its affiliated enterprises, and alliance firms also maintained independence from the Corporation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	Has the accountant executed professional services with an attitude of integrity and rigor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5	Has the accountant maintained an impartial and objective stance when performing professional services, and also avoided having professional judgment affected by bias, conflicts of interest, or relationships?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Competency Review					
Item No.	Evaluation content	Please check			Please check
		Yes	No	N/A	
1	Has the accountant received any disciplinary records from the Accountant Disciplinary Committee in the past two years? Has this accounting firm been involved in any major litigation cases in the past two years or currently?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	Does the accounting firm have sufficient scale, resources, and regional coverage in handling the company's audit services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3	Does the accounting firm have a clear quality control process? Do the aspects covered include the levels and key points of the audit procedures, the methods for handling audit issues and judgments, quality control reviews of independence, and risk management?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	Does the accounting firm promptly notify the Board of Directors of any significant issues and developments in risk management, corporate governance, financial accounting, and related risk controls?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Note 2: Professional Development of Corporate Governance Officer

Title	Name	Date	Training Institution	Course Name	Training Hours
Chief Corporate Governance Officer	Lin, Fang-Yen	October 24, 2023 October 25, 2023	Securities and Futures Institute	Practical Research Class for Directors and Supervisors (including Independent) and Corporate Governance Officers	12
		April 23, 2024 April 24, 2024	Securities and Futures Institute	Series of Courses for Directors, Supervisors and Corporate Governance Officers	12
		December 4, 2024 December 4, 2024	Accounting Research and Development Foundation	Practical Audit Control of "Information Security" for Internal Auditors	6

(4) Composition, Duties and Operation of the Remuneration Committee:

1. Professional qualifications and independence analysis of the Remuneration Committee members

Capacity (Note 1)	Qualifications Name	Professional Qualification and Work Experience	Independence Criteria	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director	Chen, Chao-Liang	1. Work experience in business, industry, marketing, operations management and corporate business. 2. None of the circumstances in the subparagraphs of Article 30 of the Corporation Act apply.	1. Comply with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any Corporation common shares 3. specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Corporation or any affiliate thereof within the past 2 years.	0
Independent Director	Chen, Jun-Ho			0
Independent Director	Lee, Chin-Ting			0

Note 1 :Please specifically describe in the table the relevant work experience, professional qualifications, experience, and independence status of each member of the Remuneration Committee. For independent directors, you may note to refer to the relevant content in Appendix Table 1: Information on Directors and Supervisors (1) on page 8. For "Capacity," please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2 :Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3 :Independence status: Describe the independence status of Remuneration Committee members, including but not limited to whether the member, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Corporation or its affiliated enterprises; the number and percentage of shares held by the member, their spouse, or relatives within the second degree of kinship (or under the name of others); whether they serve as directors, supervisors, or employees of companies with specific relationships with the Corporation (refer to Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); and the amount of remuneration received in the past 2 years for providing commercial, legal, financial, accounting, or other services to the Corporation or its affiliated enterprises.

Note 4 :For disclosure methods, please refer to the best practice reference examples on the website of the Taiwan Stock Exchange Corporate Governance Center.

2. Operational status of the Remuneration Committee

- (1) The Corporation's remuneration committee has a total of 3 members.
- (2) Term of the current committee members: June 16, 2023 to June 15, 2025. The Remuneration Committee held 3 meetings (A) in 2024, committee members' qualifications and attendance are as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B./ A.)	Remark
Convener	Chen, Chao-Liang	2	0	100%	Reappointment of Independent Director and New Appointment of Convener of Remuneration Committee on June 16, 2022
Committee Member	Chen, Jun-Ho	2	0	100%	Reappointment of Independent Director and Member of Remuneration Committee on June 16, 2022
Committee Member	Lee, Chin-Ting	2	0	100%	New Appointment of Independent Director and Member of Remuneration Committee on June 16, 2022

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Corporation with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): No such circumstances.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Corporation with respect to the members' opinion: No such circumstances.

(5) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Corporation established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The management department of the Corporation is responsible for promoting the operation of the Corporation's sustainable development.	No deviation.
2. Does the Corporation conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Corporation's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		(1) The Corporate Social Responsibility Best Practice Principles was approved by the Board of Directors on March 22, 2013, and was revised in part by the Board of Directors on March 25, 2022 and renamed as the Sustainable Development Best Practice Principles. (2) The Corporation simultaneously adopts both operational and stakeholder perspectives to determine material topics. In activities related to operations and business nature, interfaces with sustainability, and actual or potential impacts on sustainability interfaces, analyses are conducted on the severity of impacts to determine whether they are material topics for Kuen Chaang. Through regular risk assessments of various business activities, corresponding measures are developed to address potential risks, in order to protect the interests of stakeholders, increase company value, and achieve optimal allocation of corporate resources.	No deviation.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			(3) The Corporation educates all employees on the Code of Ethical Conduct and related regulations on corporate ethics upon their arrival at work, and discloses the relevant provisions on the Corporation's intranet site for employees to review and self-examine at any time. If an employee's behavior violates the regulations, he or she will be punished according to the severity of the case and linked to the performance evaluation system.	
3. Environmental issues (1) Has the Corporation set an environmental management system designed to industry characteristics? (2) Does the Corporation endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (3) Has the Corporation evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? (4) Did the Corporation collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(1) The Corporation's main business is to act as an agent for sales and purchases and has no factories, so the impact on the environment in the course of operation is limited. However, the Corporation's environmental management system is still being established by the Administration Department. (2) The Corporation's efforts to improve the efficiency of resource utilization and the use of recycled materials are described as follows: 1. Recycling and reuse of energy-consuming products, including promotion and facilitation of paper recycling, recycled paper use and resource recycling. 2. Proper disposal of waste, including the promotion and facilitation of waste separation and reduction. (3)~(4) Given the increasing prominence of climate issues, governments around the world are paying attention to related topics and gradually incorporating them into their regulatory mechanisms. Although the Corporation is not in an industry sector that is on the front line of climate impact, we still refer to the TCFD recommended	No deviation.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>framework to assess potential climate risks and opportunities facing the company, and appropriately disclose their financial impacts.</p> <p>Regarding the establishment of environmental management system by the management department (including water conservation, energy saving and carbon reduction, greenhouse gas reduction and other related environmental protection management measures):</p> <ol style="list-style-type: none"> 1.Coordinate with government policies on air-conditioning temperature regulations for office buildings. 2.To implement environmental protection activities such as water conservation, carbon reduction and greenhouse gas reduction, we will regularly report the results of energy-consuming projects such as water and electricity conservation. Track the carbon emissions of monthly bills to see if there is a decreasing trend compared to the same or previous period. 3.Smoking is completely prohibited in the office, and smokers must go to designated outdoor areas to comply with regulations. In addition, regular disinfection, rodent control and pest control are carried out. 4.The management committee of the building is the specialized unit for environmental management to maintain the environmental situation. 	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>4. Social issues</p> <p>(1) Has the Corporation formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(2) Has the Corporation established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p> <p>(3) Does the Corporation provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p> <p>(4) Has the Corporation established effective career development training programs for employees?</p> <p>(5) Does the Corporation comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and</p>	V		<p>(1)The Corporation is governed by labor laws and regulations Work rules and related personnel management regulations are established to protect the rights and interests of employees, and labor-management meetings are held in accordance with the law to promote labor-management harmony and to create a mutually beneficial win-win vision.</p> <p>(2) To provide a more comprehensive welfare system, an Employee Welfare Committee has been established to organize various activities periodically: birthday celebrations, holiday gifts, year-end banquets, health seminars, etc., with employees taking the lead in coordinating employee welfare matters.</p> <p>(3) The Corporation periodically conducts relevant occupational safety and health education training. The scope of this training includes: emergency incident response handling, fire safety and first aid knowledge with drills, and other safety and health knowledge related to workers' operations.</p> <p>(4) The Corporation's goal is to improve the professional skills and efficiency of our employees, and we have established an employee training program.</p> <p>(5)~(6) The internal control system of the Corporation has established the "Customer Complaint Handling</p>	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
marketing and labeling of products and services, and implement consumer protection and complaint policies? (6) Has the Corporation formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			Procedures" to provide customer complaint channels and standardized handling procedures. To protect the global environment and reduce the damage to the ecosystem, we evaluate our suppliers based on the principles of environmental protection, occupational safety and health, and labor human rights, so as to encourage them to pay attention to environmental protection, safety, labor rights, and environmental health, and to fulfill their corporate social responsibility.	
5. Does the Corporation refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Corporation obtain third party assurance or certification for the reports above? Has the aforementioned report obtained assurance or guarantee opinions from a third-party verification organization?		V	The Corporation's report is primarily compiled in accordance with the GRI Standards, and follows the eight principles mentioned by GRI: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability principles. Since GRI Standards has not yet issued industry-specific guidelines applicable to the Corporation, we use the standards issued by the Sustainability Accounting Standards Board (SASB) as a substitute to comply with the GRI principles. In SASB, the Corporation belongs to the category of "Electronic Manufacturing Services & Original Design Manufacturing". Climate-related information refers to the Task Force on Climate-related Financial Disclosures (TCFD). The Corporation's report has not yet obtained assurance or guarantee opinions from a third-party verification organization.	N/A
6. If the Corporation has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Corporation's operations: No deviation.				

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
7. Other important information to facilitate better understanding of the Corporation’s promotion of sustainable development: In addition to operating in our own business, we are also committed to social care, public welfare and environmental protection. The Corporation understands the responsibility and mission that corporations have to society, and by actively participating in activities such as environmental protection, social welfare, or humanities and arts, we will be able to give full play to our corporate power and bring change and impact to society. To play the best role as a member of the community by giving back to the society, the community and the disadvantaged groups.				

(6) The Corporation's compliance with integrity management and the measures taken:

The Corporation has established relevant regulations such as employee reward and punishment measures and the "Rules of Procedure for Board of Directors Meetings" for integrity management-related matters, so that both labor and management are committed to business ethics and professional ethics establishment, and requires directors and managers to take the lead by setting an example, adhering to the principles of honesty and credibility, and establishing a corporate culture of integrity and reliability. The Corporation will also continue to promote integrity-based policies and establish good corporate governance to create an operating environment of sustainable development.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Corporation have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the Corporation has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the</p>	Y		<p>(1) The Company's Ethical Corporate Management Best Practice Principles has been approved by the Board of Directors on March 22, 2013, and was revised and approved by the Board of Directors on March 25, 2022, to reflect the replacement of supervisors with an Audit Committee, and further approved by the shareholders' meeting on June 16, 2022.</p> <p>(2)~(3)</p> <p>1. The Administration Department is the dedicated unit of our Ethical Corporate Management Best Practice Principles.</p>	No deviation.

<p>business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the Corporation clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>			<p>2. The Corporation communicates the Code of Ethical Conduct and related regulations to all employees upon their arrival. For operational activities within the business scope that have a higher risk of dishonest behavior, the Corporation adopts control measures for approval and authorization to prevent bribery and accepting bribes, making illegal political contributions, and other such behaviors. The relevant provisions are also disclosed on the company's internal website for employees to consult and self-examine at any time. If an employee's behavior violates the regulations, he or she will be punished according to the severity of the case and linked to the performance evaluation system.</p>	
<p>2. Ethical Management Practice</p> <p>(1) Does the Corporation assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p>	V		<p>(1) The Corporation's business activities avoid transactions with persons who have a record of dishonest conduct and have specified the circumstances in which the terms and conditions of the business contracts are to be used for honest conduct.</p>	No deviation.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>(2)Has the Corporation set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3)Has the Corporation established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(4)Does the Corporation have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5)Does the Corporation provide internal and external ethical corporate management training programs on a</p>			<p>(2)The Corporation's dedicated unit shall report to the Board of Directors on the dishonest acts, their handling and subsequent review of improvement measures.</p> <p>(3)The Corporation discloses its policy on integrity management in its internal regulations and website, as well as a report box and window, and announces it at external events such as product launches and corporate meetings in a timely manner so that its suppliers, customers, and other business-related organizations and personnel can clearly understand its philosophy and standards of integrity management.</p> <p>(4)The Corporation follows the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and related procedures to implement the effective accounting system and the operation of the internal control system established by the Corporation, as well as the</p>	

regular basis?			audits conducted by internal auditors. (5)The Corporation regularly or irregularly promotes education and training courses and awareness-raising programs.	
<p>3. Implementation of Complaint Procedures</p> <p>(1)Has the Corporation established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(2)Has the Corporation established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3)Has the Corporation adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V		<p>(1)The Corporation shall provide proper reporting channels and shall keep the identity and content of the report confidential.</p> <p>(2)The Corporation has not yet formulated and is under evaluation.</p> <p>(3)The Corporation shall take measures to protect the whistleblower from improper disposal as a result of the whistleblowing.</p>	No deviation.
<p>4. Strengthening Information Disclosure</p> <p>Does the Corporation disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	V		The Corporation will disclose the information related to integrity management in the annual report of the shareholders' meeting, and presented the implementation status to the board of directors on March 13, 2024.	No deviation.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
5. If the Corporation has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company's Ethical Corporate Management Best Practice Principles has been approved by the Board of Directors on March 22, 2013, and was revised and approved by the Board of Directors on March 25, 2022, to reflect the replacement of supervisors with an Audit Committee, and further approved by the shareholders' meeting on June 16, 2022. Currently, we are actively progressing in the direction stipulated by the principles, apart from irregular internal promotion and holding relevant courses, and we will report the implementation status once a year to the board of directors.				
6. Other important information to facilitate a better understanding of the status of operation of the Corporation’s ethical corporate management policies: None. (e.g., the Corporation’s reviewing and amending of its ethical corporate management best practice principles) (1)For a long time, the Corporation has not only been operating in its own industry, but has also been committed to promoting the Corporation's determination and policy of operating with integrity. (2)The Corporation understands the responsibility and mission of the enterprise to the society, and through the internal promotion of our colleagues, we have been able to forge a consensus and deepen our concepts, and promote and practice honest management behavior, so that our customers and vendors who have business dealings with the Corporation will clearly understand our determination to operate with integrity.				

(7) Other important information that may be disclosed to enhance understanding of the operation of corporate governance is as follows:

1. The "Procedures for Handling Material Inside Information" and the "Management Guidelines for Prevention of Insider Trading", which were established to manage the Corporation's internal material information, have been communicated to all directors, supervisors, managerial officers and employees, and the procedures and precautions have been posted on the Corporation's intranet site for all employees to follow in order to avoid violations or insider trading.
2. When new insiders of the Corporation such as directors, supervisors, and managerial officers take office, they are all distributed the latest version of the "Relevant Laws and Regulations Regarding Insider Equity and Matters Requiring Attention for OTC and Emerging Stock Companies" compiled by the Taipei Exchange, and orientation is provided to facilitate compliance by insiders.
3. The Corporation has established a "Code of Corporate Governance Practices", which is disclosed on the Corporation's website.

The continuing education of the Corporation's Managerial Officer in relation to corporate governance:

Title	Name	Date	Training Institution	Course Name	Training Hours
Head of Finance and Accounting	Lin, Fang-Yen	November 28, 2024 November 29, 2024	Accounting Research and Development Foundation	Continuing Education Course for Accounting Officers of Issuers, Securities Firms and Stock Exchanges	12

Title	Name	Date	Training Institution	Course Name	Training Hours
Chief Auditor	Liang, Shun-Chiang	August 28, 2024 August 30, 2024	The Institute of Internal Auditors Chinese Taiwan	Pre-employment Training Course for Corporate Internal Auditors	18
Deputy auditors	Hsieh, Pei-Chun	October 21, 2024 October 21, 2024	The Institute of Internal Auditors Chinese Taiwan	How to Adjust Internal Control Systems to Comply with New ESG Regulations	6
		December 31, 2024 December 31, 2024	Accounting Research and Development Foundation	The Latest Analysis of Laws and Regulations Related to "Annual Reports/Sustainability Information/Financial Statement Preparation" and Internal Control Management Practices	6

(8) The status of implementation of the internal control system shall disclose the following matters:

1. Statement on Internal Control

Please refer to the public information on the Market Observation Post System:

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: N/A

(9) Major Resolutions of Shareholders' Meeting and Board Meetings During the Most Recent Fiscal Year Up to the Date of Publication of the Annual Report:

1. Implementation of Resolutions of Board Meetings for 2024 and up to the Date of Publication of Annual Report:

Meeting Date	Session	Report	Resolution
March 13, 2024	8th meeting of 9th term	(1) Proposal for approval of 2023 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report. (2) Proposal for approval of 2023 Deficit Compensation. (3) Proposal for approval of the "Statement on Internal Control" for 2023. (4) Discussion on extension of bank credit line application. (5) Proposal to set the date, time, address, content of the motion and period of the 2024 annual shareholders' meeting, and the possibility of exercising the voting rights by electronic voting.	(1) All directors present approved the motion without objection. (2) All directors present approved the motion without objection. (3) All directors present approved the motion without objection. (4) All directors present approved the motion without objection. (5) All directors present approved the motion without objection.
May 2, 2024	9th meeting of 9th term	(1) Proposal for approval of the Corporation's consolidated financial statements for the first quarter of 2024. (2) Discussion on extension of bank credit line application. (3) Proposal for approval of the Change of the Corporation's Chief Audit Officer. (4) Review of shareholder proposals for the Corporation's 2024 Annual Shareholders' Meeting. (5) Proposal to add reasons for convening the 2024 Annual Shareholders' Meeting. (6) Proposal for capital reduction and refund of share payment by "KC-Uppertech (Shanghai) International Corp.", a 100% invested Chinese subsidiary.	(1) All directors present approved the motion without objection. (2) All directors present approved the motion without objection. (3) All directors present approved the motion without objection. (4) This proposal was voted on by six directors present (Chairman Chang, Cheng-Wen recused himself from voting due to conflict of interest). Four directors (including two independent directors) agreed, while two independent directors, Chen, Chao-Liang and Lee, Chin-Ting, opposed. The proposal was approved as presented and will be submitted for

Meeting Date	Session	Report	Resolution
		(7) Proposal for capital reduction and refund of share payment by "Well Peak Technology Shenzhen Limited", a 100% invested Chinese subsidiary.	discussion at the Annual Shareholders' Meeting. (5) All directors present approved the motion without objection. (6) All directors present approved the motion without objection. (7) All directors present approved the motion without objection.
August 9, 2024	10th meeting of 9th term	(1) Proposed approval of the Corporation's consolidated financial statements for the second quarter of 2024. (2) Ratification of application for bank credit facility. (3) Discussion on extension of bank credit line application. (4) Proposal of renewal of directors' and managerial officers' liability insurance.	(1) All directors present approved the motion without objection. (2) All directors present approved the motion without objection. (3) All directors present approved the motion without objection. (4) All directors present approved the motion without objection.
November 8, 2024	11th meeting of 9th term	(1) Proposed approval of the Corporation's consolidated financial statements for the third quarter of 2024. (2) Proposal for approval of the Corporation's 2025 Audit Plan. (3) Proposal of the evaluation of the independence and appropriateness of the Corporation's CPAs. (4) The Corporation intends to appoint Morgan Stanley Singapore to conduct investment in stocks and securities in major markets. (5) Proposal for cash capital reduction and return of funds from the 100%-owned subsidiary "SMARTCON HOLDINGS LIMITED.	(1) All directors present approved the motion without objection. (2) All directors present approved the motion without objection. (3) All directors present approved the motion without objection. (4) All directors present approved the motion without objection. (5) All directors present approved the motion without objection.
March 7, 2024	12th meeting of 9th term	(1) Proposal for approval of 2024 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report. (2) Proposal for approval of 2024 Deficit Compensation. (3) Proposal to approve the "Sustainable Development Task Force Regulations. (4) Proposal to approve the "Climate Change Management Regulations. (5) Proposal for approval of the "Statement on Internal Control" for 2024.	(1) All directors present approved the motion without objection. (2) All directors present approved the motion without objection. (3) All directors present approved the motion without objection. (4) All directors present approved the motion without objection. (5) All directors present approved the motion without objection.

Meeting Date	Session	Report	Resolution
		(6) Proposal to amend the Corporation's internal control system. (7) Amendment to the Corporation's "Articles of Incorporation". (8) Proposal regarding "The Scope of Basic-level Employees" of the Corporation. (9) Proposal for complete re-election of directors. (10) Proposal to approve the list of candidates nominated for directors (including independent directors). (11) Proposal to release the newly elected directors from non-competition restrictions. (12) Proposal to set the date, time, address, content of the motion and period of the 2025 annual shareholders' meeting, and the possibility of exercising the voting rights by electronic voting.	(6) All directors present approved the motion without objection. (7) All directors present approved the motion without objection. (8) All directors present approved the motion without objection. (9) All directors present approved the motion without objection. (10) All directors present approved the motion without objection. (11) All directors present approved the motion without objection. (12) All directors present approved the motion without objection.

2. Major Resolutions of Shareholders' Meeting and Implementation for 2024:

Shareholders' Meetings Resolution Date	Major Resolutions of Shareholders' Meetings for 2024	Resolutions and implementation
June 14, 2024	Ratifications (1) 2023 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report. (2) 2023 Deficit Compensation.	(1) The resolution was approved at the 2023 shareholders' meeting. (2) The resolution was approved at the 2023 shareholders' meeting.
	Discussions (1) To dismiss Jerry Corporation, Ltd. and its designated representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their director positions.	(1) The resolution was not approved at the 2023 shareholders' meeting.

- (10) Any dissenting opinion expressed by a director or supervisor with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the Annual Report, where said dissenting opinion has been recorded or prepared as a written declaration: None.

4. Information on CPA Professional Fees:

Amount Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Tu, Chan-Yuan	January 1, 2024	1,705	290	1,995	
	Huang, Shih-Chun	December 31, 2024				

Note: Non-audit fee service content: tax certification, review of salary information checklist for full-time employees not serving in managerial positions.

- (1) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed: Not applicable
- (2) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable
- (3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: Not applicable

5. Information on change of accountants: Not applicable.

6. Company Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Corporation's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: Not applicable.

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent:

Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent, Share changes by directors, supervisors, managers, and major shareholders

Unit: Share

Title	Name	2024		The current fiscal year up to April 21, 2025	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman	Jerry Corporation, Ltd.	0	0	0	0
Director	Wu, Tai-Ju	0	0	0	0
Director	Ho, Chieh-Hsiung (Note 1)	0	0	0	0
Independent Director	Chen, Jun-Ho	0	0	0	0
Independent Director	Chen, Chao-Liang	0	0	0	0
Independent Director	Lee, Chin-Ting	0	0	0	0
Director	Lien, Hai-Shan(Note 1)	0	0	0	0
President	Chang, Cheng-Wen	0	0	0	0
Assistant Vice President, Chief Financial Officer and Chief Corporate Governance Officer	Lin, Fang-Yan (Note 2, 3)	0	0	0	0
Shareholder with a Stake of More than 10 Percent	Jerry Corporation, Ltd.	0	0	0	0

- Note 1 : Director Ho, Chieh-Hsiung and Independent Director Lien, Hai-Shan were additionally elected and assumed office on June 30, 2023.
- Note 2 : Lin, Fang-Yan, the head of the Finance Department and the Accounting Department, assumed office on May 5, 2023.
- Note 3 : Lin, Fang-Yan, the Corporate Governance Officer, assumed office on May 5, 2023.

1. Information on share transfers: None

2. Information on share pledges: None

8.Top Ten Major Shareholders and the Shareholding Structure as per the Relationships Specified in the Financial Accounting Standard Board Statement No.6 of Taiwan:

Relationships among the Corporation's ten largest shareholders

April 21, 2025

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among ten largest shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship	
Jerry Corporation, Ltd. (Representative: Chang, Cheng-Wen)	22,321,446	18.89%	0	0	0	0	Chang, Cheng-Wen	Person in charge of Jerry Corporation, Ltd.	
	6,795,538	5.75%	0	0	0	0	Person in charge of Jerry Corporation, Ltd.	Director of Jerry Corporation, Ltd.	
Jia Lin Investment Co., Ltd. (Representative: Huang, Chien-Chao)	11,484,000	9.72%	0	0	0	0	None	None	
Chang, Cheng-Wen	6,795,538	5.75%	0	0	0	0	Jerry Corporation, Ltd.	Director of Jerry Corporation, Ltd.	
Yu Hong Investment Co., Ltd. (Representative: Hsieh, Yeh)	3,416,239	2.89%	0	0	0	0	Hsieh Yeh	Chairman of Yu Hong Investment Co., Ltd.	
	903,266	0.76%	2,604,200	2.20%	0	0	Li, Hung-Sheng	Director of Yu Hong Investment Co., Ltd.	
Shen, Chen-Chien	2,978,000	2.52%	0	0	0	0	None	None	
Li, Hung-Sheng	2,604,200	2.20%	903,266	0.76%	0	0	Yu Hong Investment Co., Ltd., Hsieh Yeh	Director of Yu Hong Investment Co., Ltd., spouse	
Cheng, Hui-Yuan	2,254,000	1.91%	0	0	0	0	None	None	
Standard Chartered Dunhua North Branch Custodian KGI Asia Limited Investment Account	2,020,000	1.71%	0	0	0	0	None	None	
Ji Ming Tang Investment Co., Ltd. (Representative: Huang, Yen-Feng)	1,704,012	1.44%	0	0	0	0	None	None	
	122,820	0.10%	0	0	0	0	None	None	
Wang, Wen-Ling	1,537,000	1.30%	0	0	0	0	None	None	

9. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Corporation, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Corporation:

Total equity stake held

Unit: Thousand shares/ NT\$ thousands; %

Invested company	Investment by the Corporation		Investment by directors/supervisors/managerial officers and by companies directly or indirectly controlled by the Corporation		Total investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
Smartcon Holdings Limited	5,642	100	0	0%	5,642	100
Renshou Pharmaceutical Co., Ltd. (Note)	40,000	100	0	0%	40,000	100
Renlife International Co., Ltd.	2,000	100	0	0%	2,000	100
Guide Straight Holding Inc.	380	100	0	0%	380	100

Note: Renshou Pharmaceutical Co., Ltd. is not a limited company, fill in the contribution amount and contribution ratio.

III. Capital Overview

1. Capital and Shares

(1) Sources of capital

1. Capital formation

Unit: share; NT\$

Month/year	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
1998-01	10	40,000,000	400,000,000	12,000,000	120,000,000	Incorporation capital	None	
2000-07	10 10	40,000,000	400,000,000	19,040,000	190,400,000	Cash capital increase NT\$50,000,000 Capital increase of NT\$ 20,400,000 from surplus	None	Note 1
2000-12	10	40,000,000	400,000,000	23,000,000	230,000,000	Cash capital increase NT\$39,600,000	None	Note 2
2001-07	10 10 10	70,000,000	700,000,000	35,500,000	355,000,000	Cash capital increase NT\$75,000,000 Capital increase of NT\$ 43,100,000 from surplus Capital increase of NT\$6,900,000 from capital surplus	None	Note 3
2002-07	10	70,000,000	700,000,000	37,500,000	375,000,000	Capital increase of NT\$ 20,000,000 from surplus	None	Note 4
2003-07	10	70,000,000	700,000,000	40,500,000	405,000,000	Capital increase of NT\$ 30,000,000 from surplus	None	Note 5
2004-07	10	100,000,000	1,000,000,000	44,745,000	447,450,000	Capital increase of NT\$ 42,450,000 from surplus	None	Note 6
2005-05	10	100,000,000	1,000,000,000	44,978,918	449,789,180	Conversion capital of the Corporation's bonds of NT\$ 2,339,180	None	Note 7
2005-07	10	100,000,000	1,000,000,000	48,021,810	480,218,100	Conversion capital of the Corporation's bonds of NT\$15,789,460 Capital increase of NT\$ 14,639,460 from surplus	None	Note 8
2006-07	10	100,000,000	1,000,000,000	50,000,000	500,000,000	Capital increase of NT\$ 19,781,900 from surplus	None	Note 9
2007-02	10	126,000,000	1,260,000,000	75,119,496	751,194,960	Cash capital increase by private placement of NT\$250,000,000 Conversion capital of the Corporation's bonds of NT\$ 1,194,960	None	Note 10
2007-05	10	126,000,000	1,260,000,000	84,509,473	845,094,730	Conversion capital of the Corporation's bonds of NT\$ 93,899,770	None	Note 11
2007-10	10	126,000,000	1,260,000,000	86,804,965	868,049,650	Conversion capital of the Corporation's bonds of NT\$ 20,779,920 Conversion of shares of stock options of	None	Note 12

						NT\$2,175,000		
2007-12	10	126,000,000	1,260,000,000	88,662,181	886,621,810	Conversion capital of the Corporation's bonds of NT\$ 17,872,160 Conversion of shares of stock options of NT\$700,000	None	Note 13
2008-05	10	126,000,000	1,260,000,000	89,158,632	891,586,320	Conversion capital of the Corporation's bonds of NT\$ 4,964,510	None	Note 14
2008-10	10	200,000,000	2,000,000,000	92,331,664	923,316,640	Capital increase of NT\$ 27,467,590 from surplus Conversion capital of the Corporation's bonds of NT\$3,912,730 Conversion of shares of stock options of NT\$350,000	None	Note 15
2008-12	10	200,000,000	2,000,000,000	92,830,371	928,303,710	Conversion capital of the Corporation's bonds of NT\$ 4,987,070	None	Note 16
2009-08	10	200,000,000	2,000,000,000	96,284,567	962,845,670	Conversion capital of the Corporation's bonds of NT\$ 34,541,960	None	Note 17
2009-09	10	200,000,000	2,000,000,000	109,961,061	1,099,610,610	Capital increase of NT\$ 136,764,940 from surplus	None	Note 18
2009-11	10	200,000,000	2,000,000,000	121,729,151	1,217,291,510	Cash capital increase by private placement of NT\$108,330,000 Conversion capital of the Corporation's bonds of NT\$ 9,350,900	None	Note 19
2014-10	10	200,000,000	2,000,000,000	118,172,151	1,181,721,510	Cancellation of treasury stock of NT\$35,570,000	None	Note 20

Note 1 :On August 14, 2000, an increase in capital of NT\$70,400 thousand was approved by the letter No. 089129381 from the Department of Commerce, Ministry of Economic Affairs.

Note 2 :On November 15, 2000, an increase in capital of NT\$39,600 thousand was approved by the letter No. 91099 from the Securities and Futures Commission of the Ministry of Finance and by the letter No. 089148485 from the Department of Commerce, Ministry of Economic Affairs dated January 4, 2001.

Note 3 :On May 28, 2001, an increase in capital of NT\$125,000 thousand was approved by the letter No. 132649 from the Securities and Futures Commission of the Ministry of Finance and by the letter No. 09001295340 from the Department of Commerce, Ministry of Economic Affairs dated August 3, 2001.

Note 4 :On July 31, 2002, an increase in capital of NT\$20,000 thousand was approved by the letter No. 0910142802 from the Securities and Futures Commission of the Ministry of Finance and by the letter No. 09101392640 from the Department of Commerce, Ministry of Economic Affairs dated September 26, 2002.

Note 5 :On July 8, 2003, an increase in capital of NT\$30,000 thousand was approved by the letter No. 0920130464 from the Securities and Futures Commission of the Ministry of Finance and by the letter No. 09232557610 from the Department of Commerce, Ministry of Economic Affairs dated August 26, 2003.

Note 6 :On July 20, 2004, an increase in capital of NT\$42,450 thousand was approved by the letter No. 0930132296 from the Financial Supervisory Commission of the Executive Yuan and by the letter No. 09332734840 from the Ministry of Economic Affairs dated September 20, 2004.

- Note 7 :On May 20, 2005, a conversion of corporate bonds into capital stock of NT\$2,339 thousand was approved by the letter No. 09432155380 from the Ministry of Economic Affairs.
- Note 8 :On July 28, 2005, an increase in capital of NT\$14,639 thousand and a conversion of corporate bonds into capital stock of NT\$15,789 thousand were approved by the letter No. 0940130758 from the Financial Supervisory Commission of the Ministry of Finance and by the letter No. 09432947300 from the Ministry of Economic Affairs dated October 5, 2005.
- Note 9 :On July 5, 2006, an increase in capital of NT\$19,782 thousand was approved by the letter No. 0950128609 from the Financial Supervisory Commission of the Ministry of Finance and by the letter No. 09501199980 from the Department of Commerce, Ministry of Economic Affairs dated September 7, 2006.
- Note 10 :On February 2, 2007, an increase in capital of NT\$250,000 thousand and a conversion of corporate bonds into capital stock of NT\$1,195 were approved by the letter No. 09601023310 from the Department of Commerce, Ministry of Economic Affairs.
- Note 11 :On May 17, 2007, a conversion of corporate bonds into capital stock of NT\$93,900 thousand was approved by the letter No. 09601107630 from the Department of Commerce, Ministry of Economic Affairs.
- Note 12 :On October 18, 2007, a conversion of corporate bonds into capital stock of NT\$20,780 thousand and a conversion of stock warrants into shares of NT\$2,175 thousand were approved by the letter No. 09601253720 from the Department of Commerce, Ministry of Economic Affairs.
- Note 13 :On January 2, 2008, a conversion of corporate bonds into capital stock of NT\$17,872 thousand and a conversion of stock warrants into shares of NT\$700 thousand were approved by the letter No. 09601321970 from the Department of Commerce, Ministry of Economic Affairs and by the letter No. 09701010930 from the Department of Commerce, Ministry of Economic Affairs dated January 17, 2008.
- Note 14 :On May 20, 2008, a conversion of corporate bonds into capital stock of NT\$4,965 thousand was approved by the letter No. 09701117620 from the Department of Commerce, Ministry of Economic Affairs.
- Note 15 :On July 24, 2008, an increase in capital of NT\$27,468 thousand, a conversion of corporate bonds into capital stock of NT\$3,913 thousand, and a conversion of stock warrants into shares of NT\$350 thousand were approved by the letter No. 0970037657 from the Financial Supervisory Commission of the Executive Yuan and by the letter No. 09701251240 from the Department of Commerce, Ministry of Economic Affairs dated October 9, 2008.
- Note 16 :On December 24, 2008, a conversion of corporate bonds into capital stock of NT\$4,987 thousand was approved by the letter No. 09701322030 from the Department of Commerce, Ministry of Economic Affairs.
- Note 17 :Approved by the letter No. 09801181430 from the Department of Commerce, Ministry of Economic Affairs on August 12, 2009. The corporate bond was converted into a share capital of NT\$34,541 thousand.
- Note 18 :Approved by the letter No. 09801223160 from the Department of Commerce, Ministry of Economic Affairs on September 29, 2009. The amount of capital increase is NT\$136,765 thousand.
- Note 19 :Approved by the letter No. 09801268390 from the Department of Commerce, Ministry of Economic Affairs on November 20, 2009. The capital increase amounted to NT\$108,330 thousand and the conversion of the Corporation's bonds into capital stock amounted to NT\$9,351 thousand.
- Note 20 :On September 30, 2014, 3,000,000 and 557,000 treasury shares were canceled with the approval by the letter No. 10301202120 from the Department of Commerce, Ministry of Economic Affairs. on October 23, 2014, respectively.

2. Share type

April 21, 2025 Unit: Share

Share type	Authorized capital			Remark
	Issued shares	Unissued shares	Total	
Common Shares	118,172,151	81,827,849	200,000,000	Listed Shares
Total	118,172,151	81,827,849	200,000,000	None

3. Information on the shelf registration system: None.

(2) List of major shareholders: :

Shareholders with a shareholding of at least 5% or the top 10 shareholders in terms of shareholding

April 21, 2025

Major shareholders	Shareholding (shares)	Shareholding Ratio
Jerry Corporation, Ltd.	22,321,446	18.89%
Jia Lin Investment Co., Ltd.	11,484,000	9.72%
Chang, Cheng-Wen	6,795,538	5.75%
Yu Hong Investment Co., Ltd.	3,416,239	2.89%
Shen, Chen-Chien	2,978,000	2.40%
Li, Hung-Sheng	2,604,200	2.20%
Cheng, Hui-Yuan	2,254,000	1.91%
Standard Chartered Dunhua North Branch Custodian KGI Asia Limited Investment Account	2,020,000	1.71%
Ji Ming Tang Investment Co., Ltd.	1,704,012	1.44%
Wang, Wen-Ling	1,537,000	1.30%

(3) Company's dividend policy and implementation thereof

1.Dividend policy

The Corporation shall distribute not less than 1% of the profits for employees' compensation and shall distribute at a maximum 10% of the profit as remuneration to directors, provided that the Corporation's accumulated losses shall have been covered in advance.

Profit in the preceding paragraph refers to income before tax for the year before the distribution of employees' compensation and directors' remuneration.

The employees' compensation and directors' remuneration shall be distributed by a resolution of the board of directors with at least two-thirds of the directors attending and more than half of the directors attended, and reported to the shareholders meeting.

Employees' compensation shall be paid in the form of stock or cash.

If there is any profit in the Corporation's annual final accounts, it shall be distributed in the order of tax payments; offset accumulated losses in previous years; and then reserve 10% of the remaining amount as legal reserve. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Corporation's total paid-in capital. In addition, according to the Corporation's operational needs and the provisions of laws and regulations, when the allocation or reverse of special reserve is utilized, the board of directors will prepare a distribution proposal discussing the distribution of cash dividends from the remaining net profits and retained earnings in previous year and shall be distributed after approved by a resolution from the shareholder's meeting.

The Corporation is in a period of business growth. The dividend distribution policy is based on the Corporation's current and future operating strategies, capital requirements and capital budget, taking into account the interests of shareholders, the balance of dividends and the Corporation's long-term financial planning. The Board of Directors shall prepare and submit the distribution plan to the shareholders meeting annually in accordance with the law. Cash dividends to shareholders shall be paid at a rate of at least 30% of the total dividends.

2. Distribution of dividends proposed in the shareholders' meeting:

The net profit of the Corporation for the year 2024 was NT\$24,619 thousand. After the Board of Directors passed the deficit compensation proposal on March 7, 2025, it was proposed not to distribute earnings. This proposal still needs to be approved by the Corporation's Annual Shareholders' Meeting on June 19, 2025.

(4) Impact upon business performance and earnings per share of any stock dividend distribution proposed at the most recent shareholders' meeting: N/A

(5) Remuneration of employees and directors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:
 - (1) Employee remuneration of not less than 1% of the current year's profitability
 - (2) Director remuneration of not less than 10% of the current year's profitability
2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy:
 - (1) The basis for estimating the amount of employee and director compensation for this period: It is estimated based on a certain percentage within the range stipulated in the Articles of Incorporation, calculated from the profit before tax for the current year, prior to the distribution of employee compensation and director and supervisor compensation. Since the Corporation still has deficit to be compensated and negative other equity, no employee and director remuneration will be provided for in 2024.

(2)The basis for calculating the number of shares for employee compensation distributed in stocks: It is based on the closing price of the day before the resolution date of the shareholders' meeting in the following year, taking into consideration the effect of ex-rights and ex-dividend.

(3)If the actual distribution amount differs from the estimated amount, it is regarded as a change in accounting estimate and recorded as profit or loss in the following year.

3. Distribution of remuneration approved by the Board of Directors:

(1)The amount of any employee compensation distributed in cash or stocks and compensation for employees and directors. If there is a difference between the estimated amount and the recognized expense for the year, the difference, reason, and handling situation should be disclosed: The Corporation did not distribute employee and director compensation this year, so this is not applicable.

(2)The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee remuneration: None.

(3)The calculated earnings per share after considering the proposed distribution of employee compensation and director compensation: Employee compensation and director and supervisor compensation have been expensed, so the calculation of earnings per share is not affected after the distribution of employee compensation and director compensation.

4. The actual distribution of employee, director, and supervisor compensation in the previous year (including the number of shares, amount, and share price), and if there is a difference from the recognized employee, director, and supervisor compensation, the difference, reason, and handling situation should be explained: The estimated amount of the above-mentioned employee, director, and supervisor compensation has no difference from the proposed distribution amount approved by the Board of Directors.

(6) Status of the Corporation's repurchase of its own shares: None.

2. Corporate bonds: None.

3. Implementation status of preferred shares: None.

4. Implementation status of overseas depositary receipts: None.

5. Implementation status of employee stock option certificates: None

6. Implementation status of restricted employee shares: None.

7. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

8. Implementation status of capital allocation plan: None.

IV. Operational Highlights

1. Business Activities:

(1) Scope of Business

The Kuen Chaang Group's main business is as a professional marketing channel for semiconductor components. The current service network primarily serves the Asia-Pacific market for mobile phones, tablet customers, and network communication products, as well as Renshou Pharmaceutical's century-old Xiantao brand of traditional Chinese medicine and health-regulating beverages based on the principle that medicine and food share the same origin.

1. Operating Weight (2024)

Product	Weight (%)
RAM Components	99.58%
Others (Traditional Chinese medicine health-regulating beverages)	0.42%
Total	100.00%

2. Current Products and Services:

a. Distributor of semiconductor components

We are the distributor of branded semiconductor manufacturers (e.g. Nanya) for 3C products such as cell phones, mobile device components, computers, and networking.

b. Depending on their characteristics, semiconductors can be classified into three categories: "core components", "memory components", and "analog and mixed signal components".

The products are used in a wide range of applications, such as mobile communication products, internet products, consumer electronic products and other electronic peripherals.

Product Name	Business Applications
Memory Components	DRAM、SRAM、EPROM、EEPROM、FLASH、MASKROM、EMCP

3. New products (services) planned to be developed:

Category	Project Development of New Parts Distributor
Communication	Smartphone, Tablet PC, Internet of Things, Wearable device, Mobile phone camera module
Consumer	Smart TV, digital set-top box, e-book, wireless charging
Car Electronics	Vehicle-to-everything, car infotainment system, car audio and video equipment, car recorder

(2) Industry Overview:

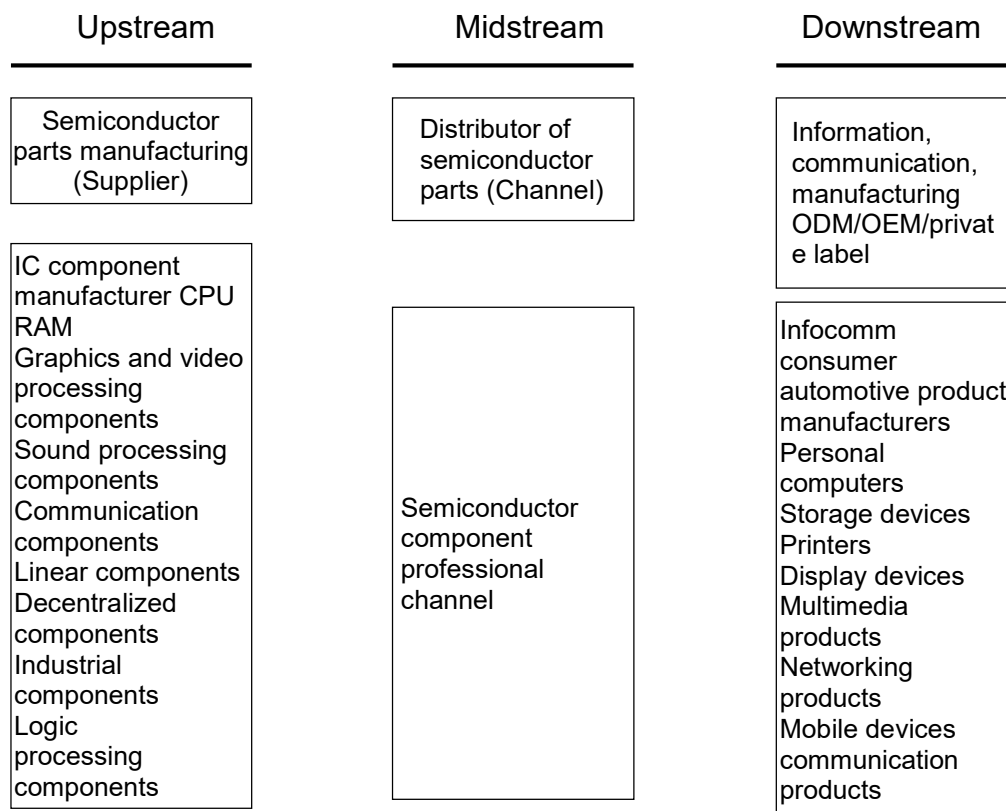
1. Current status and development of the industry

Semiconductor distributors play an important role in bridging the gap between upstream component suppliers and downstream production manufacturers in the production and distribution structure of the electronics industry, so the industry is dominated by domestic and foreign semiconductor component manufacturers in the upstream and information, communication and consumer electronics manufacturers in the downstream. To enable the semiconductor industry's supply chain to operate effectively, upstream suppliers transfer sales and back-up services to channel vendors, allowing them to devote their manpower to developing new products and establishing diversified business models, while channel vendors provide market information and product application technology support to sales customers to help them shorten the time to mass production. With the changes in the semiconductor industry structure and the extension of channel operators, the professional division of labor between upstream, midstream and downstream can continuously enhance the competitiveness of each semiconductor supplier chain, and semiconductor channel operators must consider the characteristics of the products they represent, market conditions and appropriate channels to create the best value for the products they represent.

According to the Nikkei report, with the news that the three major global DRAM manufacturers, including Samsung, SK Hynix, and Micron, will stop producing DDR4, Taiwanese suppliers Nanya Technology and Winbond Electronics have the opportunity to fill the market gap, benefiting them and driving up the stock prices of these two memory manufacturers. Market research and survey institution Omdia predicts that Samsung, SK Hynix, and Micron may stop production of DDR3 and DDR4 within 2025, with supply shortages possibly occurring as early as after summer, shifting orders toward Taiwanese memory manufacturers. At the current stage, the three major global DRAM manufacturers, including Samsung, SK Hynix, and Micron, are reducing production of standard DRAM and shifting capacity to HBM products, which remain in high demand. It is expected that both AI server and general server demand will continue to grow positively, while mobile phone manufacturers' inventory is gradually returning to normal levels, with an opportunity to improve supply-demand balance by

the first half of 2025. As for consumer electronic end products, regional economies have the opportunity to improve due to policy stimulus programs, and consumer demand is expected to recover from weakness and turn positive beginning in the second quarter of 2025.

2. Correlation between Upstream, Midstream, and Downstream of the Industry



As the above shows, the midstream channel distributors can compensate for the lack of services provided by the original manufacturers for the upstream IC design industry. This allows them to focus on IC design and development. In addition, the distributor can build the most cost-effective marketing channel through its comprehensive distribution network, saving its marketing expenses and helping it to enter the market quickly to increase its market share. For downstream customers, the components and technologies they need can be provided quickly to reduce the associated development costs and reduce operational risks.

Semiconductor component distributors play an important role in bridging the gap between upstream component suppliers and downstream production manufacturers in the industry's division of labor structure. Today's semiconductor component distributors have evolved beyond the early simple parts trading and logistics functions. In addition to providing sales, market development, and customer service functions for upstream component suppliers, they also play a role in sharing inventory costs and reducing collection pressure. At the same time, they provide procurement and warehousing functions for downstream manufacturers, integrating the needs of downstream manufacturers to make unified purchases from upstream component suppliers to obtain maximum price advantages, increase payment flexibility, reduce inventory pressure, and shorten component delivery schedules. This industrial division of labor can effectively

improve the operational efficiency of the entire industry.

3. Various development trends of products

The process of DRAM products continues to evolve, and the future development of memory will tend towards miniaturization to enable greater expansion and application. By 2024, as computing speeds increase, the average per-machine capacities of DRAM and NAND flash memory for various AI applications will grow, such as smartphones, servers and laptops, with server applications experiencing the highest growth. As the demand for AI servers continues to increase, advanced AI chips are being launched one after another. Since training is currently the mainstream in the AI market, the memory used is mainly DRAM, which helps with high-speed computing. Compared to NAND flash memory, the growth rate of average DRAM capacity per machine is higher. For laptops, AIPC requires DRAM capacity to be increased to 16GB.

AI servers drive the acceleration of DDR5 and HBM

As AI large models continue to iterate and upgrade, their parameters continue to grow. The larger the parameter scale of a large model, the heavier the computing load, and AI servers are the core of computing power. To meet the high-performance requirements of AI servers, the demand for more powerful memory—DDR5—is increasing. Compared to DDR4, DDR5 features higher speed, larger capacity, and lower power consumption. As DDR memory technology evolves towards DDR5, the usage of memory interface chips also increases, and the penetration rate of DDR5 in servers is expected to further increase.

4. Competition

Electronic component manufacturers (original manufacturers) and electronic component distributors (distributors) have a close substitution relationship in the electronic component sales market, and semiconductor components, as one of the electronic components, also have such a substitution relationship. When a semiconductor manufacturer (original manufacturer) believes it is more profitable to sell its products through its own marketing department, it may withdraw its distributorship or withdraw its customers for direct sales.

In contrast, if the original manufacturer believes that it is more advantageous for the distributor to sell the product, it will reverse the original sales of the region or customer to the distributor's agent. Therefore, in terms of the relationship between semiconductor sales in the market, these two sales channels (direct sales and resellers) are closely substituted and complementary, but the proportion of sales through resellers is smaller than that of direct sales by original manufacturers. As a result, semiconductor distributors face not only competition from their peers, but also another form of competition at any time when their distributorship is withdrawn by the original manufacturer.

In terms of the size of semiconductor channel companies, they are becoming larger through merger and acquisition strategies. For example, WPG Holdings, Arrow Electronics, Avnet, and WT Microelectronics are all channel companies with revenues

of US\$10 billion or more. Other domestic distributors, such as Supreme Electronics and Edom Technology, are also internationally renowned distributors. In contrast, the Corporation's revenue is relatively small and there is still room for growth.

(3) Overview of Technologies and R&D:

1. Overview of the Technology Level and R&D of the Operation:

The Corporation is a professional semiconductor component distributor, supporting customer product design and providing value-added services to customers. Due to the nature of the industry, investment in research and development is relatively limited, and no R&D programs are currently in progress.

2. R&D personnel and their educational and professional background: Not applicable.

3. R&D expenses invested annually for the past five years: Not applicable.

4. Successfully developed technologies or products: Not applicable.

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

1. Short-term Business Development Plans

(1) Focus on the Asia Pacific market

Affected by the U.S.-China trade dispute to the COVID-19 epidemic, various industrial chains are gradually dispersing from the China region to overseas production bases, such as the ASEAN and South Asia Bureau, in order to diversify risks and avoid over-reliance on a single market, which coincides with the current Asian political and economic structure and the Indo-Pacific strategy, so as to seize the first opportunity in the global layout.

(2) Grasp the pulse of the 4C's market, expand the product line of components, and enhance portfolio management.

With the results and experience of operating in the Asia Pacific region, we are actively pursuing the expansion of our product lines to serve our existing customers with a more complete product line.

(3) Expanded distribution and sales of product lines

Kuen Chaang Group is actively developing new product lines, and will continue to seek new product lines in the active component, passive component, and memory fields as the generations of applications turn toward energy-saving and high integration functions.

(4) Enhance FAE and Design-in services

At present, our application engineers provide services to assist customers in R&D project design, and from time to time, we give technical presentations and show design results to customers, and propose integrated solutions to help solve the needs of some industry players who lack R&D capabilities.

(5) To strengthen customer relationship management and supply chain management, and to strengthen the horizontal linkage of the organization with the enterprise resource management system. Based on the consideration of suppliers and the professionalism

of product knowledge, in addition to strengthening the knowledge management of sales and product marketing engineers, so that they are capable of promoting the whole product line and new products, and working closely with sales representatives and technical application professionals, we can also enhance the added value of product sales through strong technical support, establish a good professional image of the Corporation and increase the overall sales of the Corporation.

- (6) Renshou Pharmaceutical's "Sen-Tao Brand Pau Sheh Ping Wan" has been reintroduced to the market, hoping that the product, brand, and distribution channels will open up a new phase.

2.Long-term Business Development Plans:

- (1)Build a global transportation system in line with the development of regionalization and concentration of industries

In the future, we will maintain our expertise and dedication to the semiconductor component channel, expand our semiconductor component channel footprint in mainland China, and actively establish strategic alliances with large international semiconductor component channel players to become a part of the international marketing channel players.

- (2)Implementing knowledge management

To cultivate a shared organizational culture and values, to accumulate experience to avoid mistakes, and to build an organizational culture of shared values in order to develop a sustainable competitive team.

- (3)Electronic customer service network

The MIS system is a robust system that allows us to better grasp the confirmation of each customer's order and keep track of the supply and delivery information to make the distribution system more efficient. With the gradual establishment of overseas production bases by Taiwanese companies, our company will actively build up a channel service network in the Asia-Pacific region in order to respond to the advent of the generation E.

- (4)Upstream and downstream manufacturers maintain good interaction

With our rich experience in the market, we have developed a good understanding with many suppliers and customers and become a stable growth partner. Over the years, we have received many sales awards from the original manufacturers, and have established long-term and solid relationships with many of the top-performing listed manufacturers. We not only aim to control the supply of goods and increase gross margin, but also select potential customers and provide long-term consulting services and technical support, so as to grasp the needs of customers and further enhance the value of professional distributors.

- (5)Deepen the brand perception of "Sen-Tao" to consumers

"Sen-Tao" is a long-established brand with a history of achieving our business goal of having our own products, brands and channels. The future marketing concept will

focus on the brand marketing and value marketing of "Sen-Tao" to re-polish "Sen-Tao" and deepen its impression to the consumers.

2. Market and Sales Overview:

(1) Market Analysis

1. Sales (Provision) of Main Products (Services) by Region:

Unit: NT\$ thousand: %				
Sales Region \ Item	2024		2023	
	Amount	Weight (%)	Amount	Weight (%)
Taiwan	558,730	100.00	704,031	100.00
Total	558,730	100.00	704,031	100.00

2. Market Share

Taiwan is the world's leading semiconductor company, and Taiwan's semiconductor channel companies, such as WPG Holdings, WT Microelectronics, and EDOM, are highly significant in the world. Although the Corporation is small in size, it is primarily focused on the pursuit of small but refined.

3. Future supply and demand conditions and growth potential in the market:

At the current stage, the supply and demand in the memory industry has approached equilibrium. Industry professionals judge that there are two key indicators to observe for future market conditions: first, the speed at which major manufacturers restore production capacity, and second, the recovery of actual demand. With continued upstream production cuts and manufacturers maintaining a firm stance on price increases, distributors and strategic procurement engaged by OEMs, procurement behaviors are becoming more active, leading to a gradual improvement in the memory industry market situation month by month.

The market believes that demand for consumer electronics products will moderately recover in 2025, and the demand for DRAM is relatively positive. This is mainly due to memory specification upgrades in new AI PCs and handheld devices, with DDR5 shipments crossing over DDR4, and the rise of AI servers driving a significant increase in demand for high-bandwidth memory (HBM), which will be in short supply in 2025. Industry experts generally believe that the probability of rapid recovery in manufacturers' production capacity remains low, especially for niche DRAM and NAND products. If actual demand, such as for durable information equipment and consumer goods, rebounds significantly, it will drive an increase in demand for DRAM and NAND.

4. Favorable and unfavorable factors of development prospect and countermeasures

(1)Favorable and unfavorable factors of development prospect and countermeasures

① Favorable factors

A. IC design industry still has plenty of room for growth

The overall semiconductor market outlook is more promising due to the increased demand for DRAM and NAND Flash memory in response to the emergence of 6G, Internet of Things, and AI artificial intelligence applications.

B. Diversified product applications, less affected by the downturn

The Corporation's products are used in the cell phone, network and 3C consumer electronics industries, and each industry is subject to different economic cycles due to international and regional seasonal demand, and is relatively unaffected by the economic climate.

C. The role of distributors is becoming increasingly important

Under the consideration of global electronics manufacturers to reduce marketing costs and improve price competitiveness, the role of channel operators in the supply chain of the electronics industry will become increasingly important. For upstream suppliers, distributors provide marketing expansion, product integration, and customer service functions; for downstream customers, distributors have the functions of securing sufficient inventory and providing technical support. In the future, the trend of channeling products through distributors will be more pronounced.

② Unfavorable factors and countermeasures

A. Countermeasures for the rapid changes of 3C electronic products and the short cycle of the industry:

- (A) Timely introduction of new product lines and development of new market customers in order to grasp the business opportunities of product renewal.
- (B) We hold weekly review meetings for each business department to review the status of incoming and outgoing parts and components used in the production and development of new models for our customers, and use the computerized information management system to obtain a clear analysis of inventory ageing and to determine the measures to be taken to handle and prevent the situation.
- (C) For high-risk products, we try to reduce the stock level and require suppliers to provide safe stock levels and appropriate protection agreements.

B. Countermeasures for fierce competition, high price fluctuation and low gross profit:

- (A) Strict requirements for the accuracy of product demand estimates and centralized purchasing of goods can effectively reduce the cost of delivery operations, and can also reduce the price of goods to achieve reasonable profit margins.
- (B) Increase the proportion of sales of high-margin products in order to improve the overall sales margin.
- (C) Strengthen the credit quality of customer sales and enhance the control

of transaction terms and credit limits to reduce the risk of accounts receivable.

(D) Implement budget execution and re-engineering of marketing costs to effectively reduce marketing expenses and increase profitability.

C. Countermeasures for agency uncertainty:

With our professional marketing and technical capabilities, we can provide customers with complete product services and complete marketing channels. In addition, our main distribution lines are well-known domestic and foreign semiconductor component manufacturers, with whom we have close cooperation, so we can grow by distributing their products, and the suppliers can grasp the market pulse and opportunities through our company, so the uncertainty of sustainable distribution rights can be minimized.

D. Countermeasures against the risk of inventory impairment and obsolescence:

In order to reduce the operational risk of inventory impairment, our professional management team also holds regular management meetings to review the appropriateness of purchasing, sales and inventory on a weekly basis, and discusses specific solutions for products with high inventory age. We also ask our product line managers to keep the market information up to date. In addition to retaining a reasonable profit margin, this also reduces the risk of inventory obsolescence.

(2) Usage and Manufacturing Processes for Main Products:

1. Usage:

Product Name	Name of Major Products	Applications
Memory Components	DRAM、SRAM、EPROM、EEPROM、FLASH、MASKROM、EMCP、EMMC	Set-top box, navigation system, server, network equipment

2. Production process: Omitted (The Corporation is not a manufacturing industry)

(3) Supply status of main raw materials: Omitted (The Corporation is not a manufacturing industry)

(4)List of major purchase and sales customers:

1.Information on major sales customers for the past two years

Unit: NT\$ thousand; %

	2023				2024				Up to the preceding quarter of 2025 (Note 2)			
Item	Name (Note 1)	Amount	Percentage of annual net sales (%)	Relationship with the Issuer	Name (Note 1)	Amount	Percentage of annual net sales (%)	Relationship with the Issuer	Name (Note 1)	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the Issuer
1	A	229,535	32.60	None	A	148,359	26.55	None	A	47,413	32.53	None
2	C	61,377	8.72	None	C	72,824	13.04	None	C	20,496	14.06	None
3	D	11,595	1.65	None	D	25,521	4.57	None	D	27,521	18.88	None
4	E	34,772	4.94	None	E	43,599	7.80	None	E	18,849	12.93	None
5	Others	366,752	52.09	None	Others	268,427	48.04	None	Others	31,492	21.60	None
	Sales amount	704,031	100.00		Sales amount	558,730	100.00		Sales amount	145,771	100.00	

Note 1 :List all customers accounting for 10 percent or more of the Corporation's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the Corporation is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2 : If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Explanation for changes in customers accounting for more than ten percent of total sales for the past two years: The increase in sales to Customer C, D, E is mainly due to the increase in end-user demand from that customer.

2.Information on Major Suppliers for the Most Recent 2 Years

Unit: NT\$ thousand; %

	2023				2024				Up to the preceding quarter of 2025 (Note 2)			
Item	Name (Note 1)	Amount	Percentage of annual net purchases (%)	Relationship with the Issuer	Name (Note 1)	Amount	Percentage of annual net purchases (%)	Relationship p with the Issuer	Name (Note 1)	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the Issuer
1	(AS0330)	499,132	100.10	None	(AS0330)	420,608	99.42	None	AS0330	110,947	100.00	None
2	Others	-518	-0.10	None	Others	2,468	0.58	None	Others	0	0	None
	Purchase amount	498,614	100.00		Purchase amount	423,076	100.00		Purchase amount	110,947	100.00	

Note 1 : List all suppliers accounting for 10 percent or more of the Corporation's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the Corporation is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2 : If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

The reason of increase or decrease in the number of suppliers accounting for more than 10% of total purchases in the last two years: N/A

3. Employees

Year		2023	2024	As of March 31, 2025
Number of employees	Sales and Marketing	5	5	4
	Administration	10	8	8
	Total	15	13	12
Average Age		45	44	46.6
Average Service Year		4.5	4.9	5.45
Education Distribution Percentage (%)	Ph.D.	0%	0%	0%
	Master's Degree	6.7%	8%	8%
	College	86.7%	92%	92%
	High School	6.7%	0%	0%
	Below Senior High School	0%	0%	0%

4. Disbursements for Environmental Protection :

The Corporation's main business is the trading of semiconductor parts and components. Since the nature of our business does not involve environmental pollution, no disclosure of environmental expenses is applicable.

5. Labor Relations

(1) Labor-management agreements and implementation

1. Employee benefits measures:

- (1) All employees are insured by labor insurance, and the Corporation is additionally insured by group insurance.
- (2) The Corporation shall allocate employee benefits in accordance with the law and the Employee Welfare Committee shall coordinate the use of such benefits.
- (3) Education and training programs are arranged according to the needs of employees to meet their growth needs.
- (4) Annual year end dinner is held.
- (5) Established the Employee Welfare Committee to implement various welfare measures including: birthday parties, holiday gifts, birthday bonuses, health lectures, cultural and recreational activities, etc.
- (6) Bonuses are paid depending on the Corporation's operation.

2. Pension system:

The Corporation has implemented a retirement policy in accordance with the Labor Standards Act since July 1998. Starting from July 1, 2005, for employees who chose to adopt the pension system under the "Labor Pension Act," 6% of their monthly salary is contributed to their individual pension accounts at the Bureau of Labor Insurance.

3. Employee rights protection measures:

The Corporation shall comply with the Labor Standards Law and related regulations regarding labor rights and benefits.

4. Employee continuing education and training in 2024.

Unit: NT\$

Item	Number of classes	Total number of participants	Total hours	Total cost
1. Newcomer Training	2	2	16	0
2. Professional Function Training	6	3	62	35,700
3. Supervisory Training	0	0	0	0
4. General Studies Training	0	0	0	0
5. Self-Initiative Training	0	0	0	0

(2) Losses Resulting from Labour Disputes for the Latest Year and up to the Date of Publication of the Annual Report:

The Corporation has always emphasized various employee welfare systems and communication between labor and management; as a result, labor-management relations are harmonious with no labor disputes.

6. Information Security Management:

(1) Information Security Management Strategy and Framework

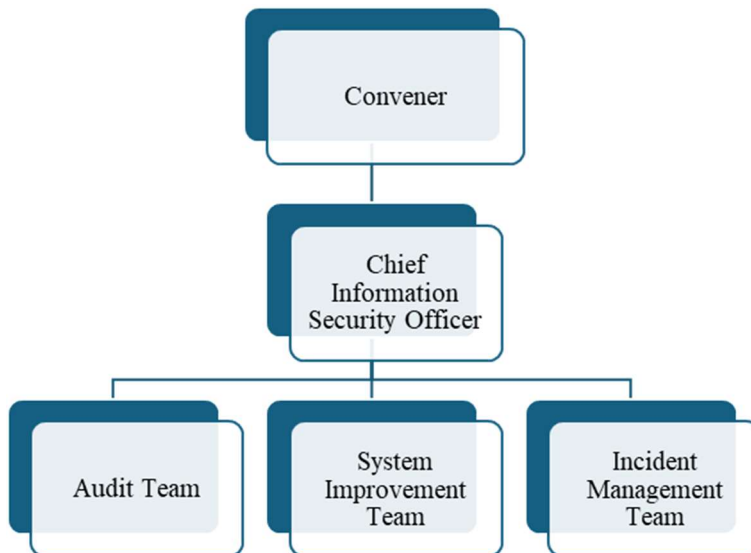
1. Information Security Risk Management Framework

(1) Corporate Information Security Governance Organization

The Corporation has established an Information Security Management

Committee, which is convened by the top operating officer of the Corporation and composed of members who actually implement the information security plan. The team is responsible for external information risk assessment and resource import assistance, information security system establishment, information security supervision and audit, and continuous strengthening of information security concepts.

- (2) The organizational structure of the information security framework is as follows:



Management Representative: The company's highest operational executive serves as the convener

Chief Information Security Officer: Concurrently held by the top operating officer of the company's information department

Audit Team: Responsible for auditing the implementation status of information security operations

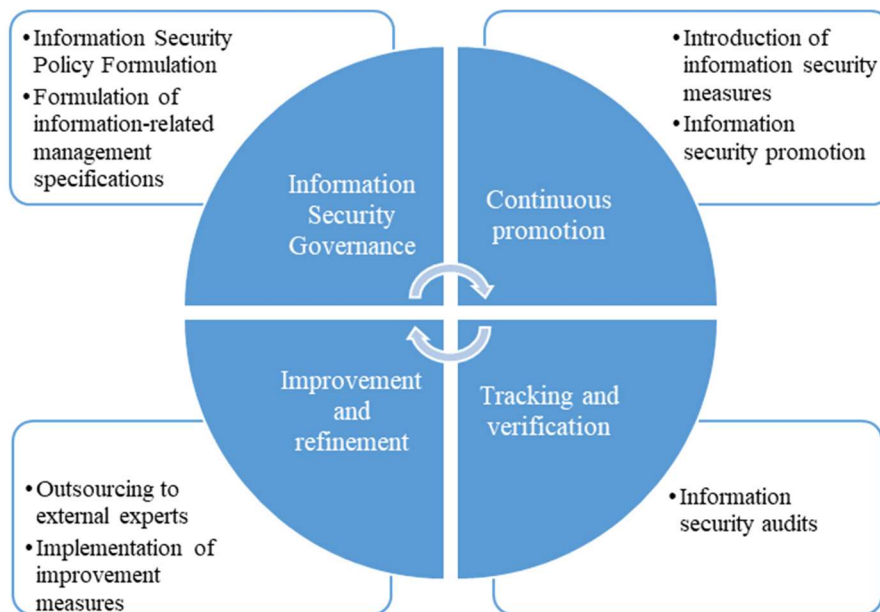
System Improvement Team: Responsible for reviewing and improving information security systems

Incident Response Team: Responsible for handling and reporting information security incidents

(2) Information Security Policy

1. Corporate Information Security Management Strategy and Framework

The information security management policy framework is as follows:



2. Corporate Information Security Risk Management and Continuous Improvement Framework

- (1) The information security management policy incorporates the PDCA method and strives for progressive refinement to protect the confidentiality, integrity, availability, and compliance of personnel, data, information systems, equipment, and network security.
- (2) Senior executives are actively involved in information security management activities, providing support and commitment.
- (3) Regular information security management meetings are held to respond to the latest developments in government regulations, external and internal risks, technology and business needs to meet stakeholder expectations.
- (4) Based on risk control, we evaluate and reduce risks to ensure the confidentiality, integrity, availability, and appropriateness of information assets.
- (5) To handle and protect personal information and the security of its related systems in a prudent manner in accordance with the Personal Information Protection Act, the Information Security Management Act and other relevant regulations.
- (6) Implement information security audits to ensure that the Corporation's operations comply with relevant policies and that the information security management system continues to operate properly.
- (7) We implement information security-related education and training courses for our internal staff every year.

3. Specific Management Solutions

Information security management covers the following areas to prevent improper use, leakage, tampering and destruction of data due to human negligence, intentional or natural disasters, etc., which may cause various risks and hazards to the Corporation, and is managed as follows:

- (1) Regularly conduct information security policy revisions and assessments.
 - (2) Information security organization establishment and operation.
 - (3) Classification and control of information assets.
 - (4) Information security risk management.
 - (5) Personnel safety management and education training.
 - (6) Communication and operational safety management.
 - (7) Access control security.
 - (8) Periodically obtain the latest information security information to understand and prevent new types of information security incidents.
4. Input resources for information security management
- (1) Engage external professional information security vendors to assist in information security recovery plan exercises and produce operation reports based on actual exercise results.
 - (2) Based on the deficiencies in the report, we will adjust the disaster recovery plan procedures to improve the content of the disaster recovery plan and reduce the risk of the Corporation's operations.
- (3) information security risks and countermeasures
1. Information Technology Security Risks and Management Measures
- In order to ensure and maintain overall information security and to establish a secure and trusted information environment, the Corporation will establish an information security policy that will serve as the foundation for the Corporation's operational development and information security.
2. The Corporation promotes information security in the following scope:
 - (1) Information security organization establishment and operation.
 - (2) Enhance information security education and training for internal staff and external personnel.
 - (3) Regularly perform information system backup and disaster recovery operational drills to ensure that critical business operations can be resumed in a timely manner.
 - (4) Control personnel and information access to prevent unauthorized access to systems, data, information devices and networks.
 - (5) Establish information security incident notification procedures to ensure effective management of information security incidents.
 - (6) Regular information security audits are conducted to avoid violations of laws, regulations, contractual obligations and security requirements.
- (4) Significant information security incidents: None.

7. Important Contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Distribution Contract	RAM Vendor	January 1, 2024~ December 31, 2024 (1 year extension is possible)	RAM Distributorship Trading	None
Directors, Supervisors and Key Employees Liability Insurance	Mingtai Fire & Marine Insurance Co., Ltd.	Insured period: September 12, 2024~ September 12, 2025	Directors and Supervisors' Liability Insurance	US\$5,000,000 per compensation request and cumulative total for the year

V. Review and Analysis of the Corporation's Financial Position and Financial Performance, and Listing of Risks

1. Comparative Analysis of Financial Position

Unit: NT\$ thousand

Item	2024	2023	Increase (Decrease)	Increase (Decrease) (%)
Current assets	1,297,006	1,276,029	20,977	1.64
Non-current assets	241,776	261,339	(19,563)	(7.49)
Current liabilities	174,951	215,957	(41,006)	(18.99)
Non-current liabilities	10,101	8,378	1,723	20.57
Capital surplus	313,679	313,679	0	0.00
Retained earnings	(69,760)	(94,391)	24,631	(26.09)
Other equity interest	(71,911)	(87,977)	16,066	(18.26)
Total equity	1,353,730	1,313,033	40,697	3.10

Explanation:

- (1) Reason for the change in the percentage of increase or decrease of more than 20%:
 1. Non-current liabilities: Mainly due to an increase in deferred tax liabilities.
 2. Retained earnings: Mainly due to an increase in non-operating income and expenses.
- (2) Future Corresponding Plans: To implement the professional management model, improve the overall operating efficiency, strengthen the market share and competitiveness, maintain the operation, and strengthen the financial structure of the enterprise as the direction of future plans.

2. Analysis of Financial Performance:

Unit : NT\$ thousand

Item \ Year	2024	2023	Increase (Decrease)	Increase (Decrease) (%)
Operating Revenue	558,730	704,031	(145,301)	(20.64)
Gross profit	35,206	(51,886)	87,092	(167.85)
Operating income	(33,100)	(109,451)	76,351	(69.76)
Non-operating income and expenses	73,716	29,670	44,046	148.45
Net income (Net loss) before tax	40,616	(79,781)	120,397	(150.91)
Continuing Operations Net profit for the period	24,619	(68,682)	93,301	(135.84)
Net income (loss) for the period	24,619	(68,682)	93,301	(135.84)
Total comprehensive income for the period	40,697	(72,586)	113,283	(156.07)

Explanation:

- (1) Reason for the change in the percentage of increase or decrease of more than 20%:
 1. Operating revenue: Mainly due to the decline in product market conditions.
 2. Gross profit: Mainly due to the reversal of inventory valuation losses.
 3. Operating profit or loss: Mainly due to an increase in gross profit.
 4. Non-operating income and expenses: Mainly due to an increase in foreign exchange gains.
 5. Net profit (loss) before tax: Mainly due to an increase in gross profit and foreign exchange gains.
 6. Net profit (loss) for the period: Mainly due to an increase in gross profit and foreign exchange gains.
 7. Total comprehensive income for the period: Mainly due to an increase in gross profit and foreign exchange gains.
- (2) The expected sales volume and its basis, the possible impact on the Corporation's future financial operations and the corresponding plans:

The Corporation mainly sells memory products and is actively developing new product agency opportunities. By providing rapid service, we aim to increase the company's added value. In terms of financial structure, we continue to plan appropriately. With our sound financial structure, we expect to be able to meet future business needs.

3. Analysis and Review of Cash Flow

(1) Cash flow for the year

Unit: NT\$ thousand

Cash at Beginning of Year	Net cash flows from operating activities for the year	Net cash flows from investing and financing activities for the year	Effect of exchange rate	Cash surplus (deficiency) amount	Remedies for cash deficiency	
					Investment Plan	Financial Plan
561,084	183,761	(30,193)	7,888	722,540	None	

(2) Analysis of changes in cash flow for the last two years

Unit: NT\$ thousand

Year	2024	2023	Difference
Operating activities	183,761	211,248	(27,487)
Investment activities	(43,295)	142,757	(186,052)
Financing activities	13,102	53,053	(39,951)
Effect of exchange rate	7,888	(63)	7,951
Net Cash flow	161,456	406,995	(245,539)

Analysis of changes in the percentage of increase or decrease:

- Operating activities: Mainly due to decreased inventory expenditures in the previous period, with the decrease in the current period not reaching the level of the previous period.
- Investment activities: Mainly because financial assets measured at amortized cost-current decreased in the previous period, while this situation did not occur in the current period.
- Financing activities: Mainly due to the decrease in borrowed funds.

Exchange rate impact: Mainly due to the impact of exchange rate fluctuations.

(3) Cash flow analysis for the coming year

Unit: NT\$ thousand

Cash at Beginning of Year	Net cash flows from operating activities for the year	Net cash flows from investing and financing activities for the year	Cash surplus (deficiency) amount	Remedies for cash deficiency	
				Investment Plan	Financial Plan
722,540	(100,000)	10,000	642,540	None	

Explanation:

- Analysis of changes in cash flows in the coming year
 - (1) Operating activities: Expecting an increase in revenue, requiring increased investment in inventory.
 - (2) Investment activities: Primarily maintaining the current investment scale.
 - (3) Mainly maintain good interactive relationships with correspondent banks through short-term borrowings.
- Remedies for prepaid cash deficiency and liquidity analysis: None.

4. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

- (1) Use of significant capital expenditures and source of funds: None.
- (2) Projected Potential Benefits : None

5. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

- (1) The following is a summary of the invested company for the year ended December 31, 2024:

Unit: NT\$ thousand

Name of investee	Capital	Policy	The amount of investment income or loss recognized during the year
SMARTCON HOLDINGS LIMITED	US\$5,642	Subsidiaries Holding Company	(\$16,431)
Renshou Pharmaceutical Co., Ltd.	NT\$40,000	Manufacturing and distribution of Chinese and Western pharmaceutical products	(\$8,006)
GUIDESTRAIGHT HOLDING INC.	US\$380	Subsidiaries Holding Company	\$13
Renlife International Co., Ltd.	NT\$20,000	Wholesale and retail of food and beverages	(\$216)

- (2) Improvement plans and investment plans for the coming year
 1. We will continue to promote our existing products and actively develop new products for our agents.
 2. Investment plan for the coming year: Timely planning and adjustment of reinvestment strategies based on actual operational conditions.

6. Risk Analysis and Assessment for the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report:

- (1) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Future Corresponding Measures:

1. Change in Interest Rate

The Group's bank borrowings are mainly due to funding needs arising from operational turnover. Interest expenses for the year 2024 were NT\$1,531 thousand, an increase compared to NT\$655 thousand in 2023, primarily due to increased funding requirements leading to higher average borrowing amounts, which resulted in higher interest expenses. The rise in market interest rates will have an adverse impact on the company's profit and loss. As the Group has a relatively low level of financing, it is relatively less affected by the rate hike.

2. Exchange rate changes

The Group's receivables and payables arising from operations are mainly transacted in foreign currencies. The appreciation of the Taiwan dollar will have an adverse impact on the Group's income statement, therefore, each of the Group's subsidiaries will use natural hedges to reduce the impact of exchange rate changes on the estimated profit or loss by offsetting the currency of the receivables and payables arising from operations or the amounts of assets and liabilities at maturity.

3. Inflation

Although there is a risk of global inflation, the Corporation is an agent trading business and adjusts appropriately according to market conditions, so the impact is relatively limited.

- (2) Policies, main reasons for profits or losses, and future response measures regarding high-risk and high-leverage investments, fund lending to others, endorsements and guarantees, and derivative product transactions: The Corporation does not engage in high-risk or high-leverage investments.

- (3) R&D Work to Be Carried Out in the Future and Further Expenditures Expected for R&D Work:

As a distributor, the Corporation has set up professional engineers to support customers in product testing and design services, and provide or update the best solutions for different product applications from time to time to help customers reduce manufacturing costs and improve product efficiency.

- (4) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Corresponding Measures:

1. In response to the amendments to the Corporation Act and the Securities and Exchange Act, the Corporation's management practices are reviewed and revised from time to time to comply with the Act.

2. Other important domestic and foreign policy and legal changes have no significant impact on the Corporation's financial operations, and the Corporation will obtain relevant information from time to time in the future and will promptly consider necessary measures to meet the Corporation's operational needs.

- (5) Impact of technological changes and industry changes on the Corporation's financial operations and response measures: Technological changes and industry developments will affect the components represented by the Corporation. The Corporation continuously monitors market changes for its products, conducts market research to understand product development trends, and maintains up-to-date product competitiveness in line with current developments.

- (6) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response: None.

- (7) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response: None.

- (8) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response: None.

- (9) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response: None.

The current procurement concentration has gradually become more diversified, and the Corporation is actively developing other product lines with a view to further reducing the proportion of imports.

- (10) Effect on and Risk to the Corporation in the Event a Major Quantity of Shares Belonging to a Director or Shareholder Holding Greater than a 10% Stake in the Corporation Has Been Transferred or Has Otherwise Changed Hands, and Measures to Be Taken in Response: None.
- (11) Effect on and Risk to the Corporation Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response: None.
- (12) The Corporation and its directors, supervisors, president, actual responsible persons, major shareholders with shareholding exceeding ten percent, and affiliated companies with finalized judgments or pending major litigation, non-litigation, or administrative disputes, where the outcome may significantly impact shareholders' equity or securities prices: As of the printing date of the annual report, there are no relevant litigation, non-litigation, or administrative disputes.
- (13) Other important risks and response measures: None.

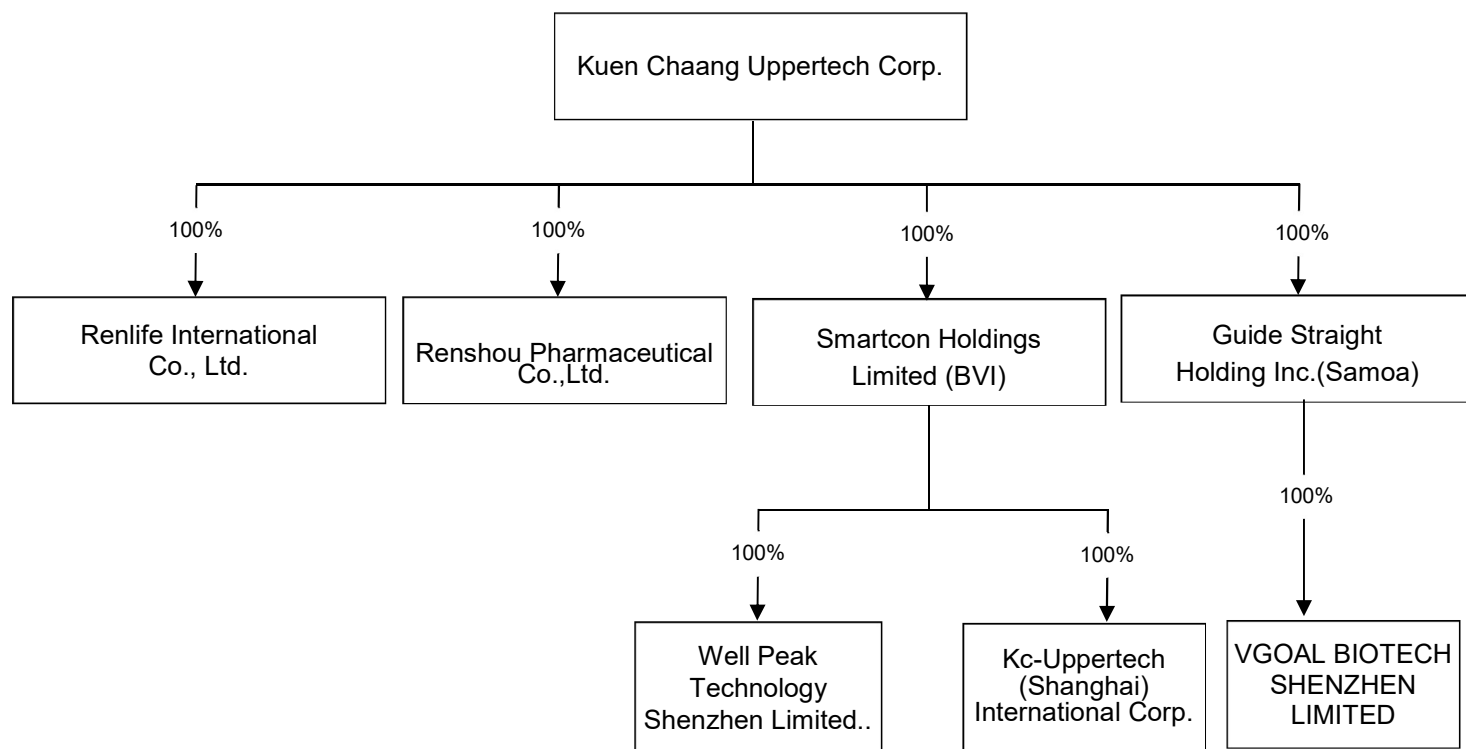
7. Other Important Matters :

VI. Special Disclosure

1. Information on Affiliates

(1) Consolidated Business Report of Affiliates

1. Organization chart of related enterprises: As of March 31, 2025



2. Information of affiliates:

Unit: NT\$ thousand

Name of Affiliate	Date of Incorporation	Address	Paid-in capital	Major Lines of Business or Products Item
Kuen Chaang Uppertech Corp. Hong Kong branch.	2007.12.24	Suite 1205, 12/F., Tower 2, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	0	Taipei Headquarters Branch Locations Electronic component distribution agency business
Renshou Pharmaceutical Co., Ltd.	1970.05.13	10F., No. 92, Baozhong Rd., Xindian Dist., New Taipei City	NT\$40,000	Manufacturing and distribution of Chinese and Western pharmaceutical products
Renlife International Co., Ltd.	2021.07.20	6F., No. 92, Baozhong Rd., Xindian Dist., New Taipei City	NT\$20,000	Wholesale and retail of food and beverages
SMARTCON HOLDING LIMITED	1996.04.01	P.O.BOX.957OffshoreIncorporationsCentre,RoadTwon,Tortola,BritishVirgin Islands.	US\$5,642 (Note 3)	Holding Company
GUIDESTRAIGHT HOLDING INC.(SAMOA)	2009.01.05	P.O.BOX3018,Level2,CCCS Building,BeachRoad,Apia,Samoa.	US\$380	Holding Company
Well Peak Technology Shenzhen Limited.	2007.04.24	Room 2605, North District (Phase II), Nanjing Ji Binhe Times Square, Futian District, Shenzhen, China	US\$2,900 (Note 2)	Electronic technology services
KC-Uppertech (Shanghai) International Corp.	2002.11.19	Room 401, No. 425, Yishan Road, Xuhui District, Shanghai	US\$2,880 (Note 1)	Electronic Materials Trading
VGOAL BIOTECH SHENZHEN LIMITED	2009.09.21	08F, Building C2, Binhe Times Square, Xiasha Village, Beijing, No. 9289, Binhe Road, Xiasha Community, Shatou Street, Futian District, Shenzhen	US\$358	Bioproducts

Note 1 :KunChang International Trading (Shanghai) Co., Ltd. reduced its capital and returned USD 2.4 million in 2024. The funds were returned to SMARTCON HOLDING LIMITED in December 2024.

Note 2 :Well Peak Technology Shenzhen Limited reduced its capital and returned USD 1.1 million in 2024. The funds were returned to SMARTCON HOLDING LIMITED in April 2025.

Note 3 :SMARTCON HOLDING LIMITED reduced its capital and returned USD 3.5 million in 2024. The funds were returned to Kuen Chaang Uppertech Corp. in April 2025.

3. Where there is considered to be a controlled and subordinate relation, information of the same shareholders: None.

4. The overall industry covered by the business of affiliates, with a description of the previous division of labor:

The business of the Corporation and the Corporation's related companies includes the distribution of electronic parts and components, holding companies, electronic and computer software and hardware development and related consulting services, manufacturing and trading of Chinese and Western pharmaceutical products, and wholesale and retail of food and beverage products.

5. Information on directors, supervisors, and presidents of affiliates:

Name of Affiliate	Title	Name or Representative	Number of shares or capital contribution	Percentage (%)
RENSHOU PHARMACEUTICAL CO., LTD.	Director	Kuen Chaang Uppertech Corp. Representative: Chang, Cheng-Wen	NT\$40,000	100%
REN LIFE INTERNATIONAL CO., LTD.	Director	Kuen Chaang Uppertech Corp. Representative: Chang, Cheng-Wen	NT\$20,000	100%
SMARTCON HOLDINGS LIMITED	Director	Kuen Chaang Uppertech Corp. Representative: Chang, Cheng-Wen	US\$5,642	100%
GUIDESTRAIGHT HOLDING INC. (SAMOA)	Director	Kuen Chaang Uppertech Corp. Representative: Chang, Cheng-Wen	US\$380	100%
WELL PEAK TECHNOLOGY SHENZHEN LIMITED.	Director	Smartcon Holdings Limited Representative: Chu, Po	US\$2,900	100%
KC-UPPERTECH (SHANGHAI) INTERNATIONAL CORP.	Director	Smartcon Holdings Limited Representative: Chu, Po	US\$2,880	100%
VGOAL BIOTECH SHENZHEN LIMITED	Director	Guidestraight Holding Inc. Representative: Chu, Po	US\$358	100%

6. Financial position and results of operations of each affiliate for 2024:

Unit: NT\$ thousand

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenue	Operating net (loss) income	Net income (loss) after tax
RENSHOU PHARMACEUTICAL CO., LTD.	NT\$40,000	23,401	3,438	19,963	5,331	(8,106)	(8,006)
REN LIFE INTERNATIONAL CO., LTD.	NT\$20,000	12,141	7	12,134	0	(311)	(216)
SMARTCON HOLDINGS LIMITED	US\$5,642	260,024	114,748	145,276	0	0	(16,431)
WELL PEAK TECHNOLOGY SHENZHEN LIMITED.	US\$2,900	107,618	36,368	71,250	0	(1,499)	(7,939)
KC-UPPERTECH (SHANGHAI) INTERNATIONAL CORP.	US\$2,880	70,166	2,124	68,042	0	(3,304)	(8,592)
GUIDESTRAIGHT HOLDING INC	US\$380	1,686	0	1,686	0	0	13
VGOAL BIOTECH SHENZHEN LIMITED	US\$358	1,382	0	1,382	0	(17)	10

Note: Balance sheet exchange rates: USD:NT=1:32.785/RMB:NT=1:4.478;

Income statement exchange rates: USD:NT=1:32.1251/RMB:NT=1:4.4558

(2) Consolidated Financial Statements of Affiliates

Declaration of Consolidated Financial Statements of Affiliates

The affiliates that are required to be included in the Company's consolidated financial statements as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared.

Sincerely,

Name of Company: Kuen Chaang Uppertech Corp. Person in charge:

Chang, Cheng-Wen

March 7, 2025

(3) Reports on Affiliations: None.

- 2. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.**
- 3. Other Supplementary Information: None.**
- 4. Situations Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Corporation's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.**

Kuen Chaang Uppertech Corp.

Chairman: Chang, Cheng-Wen