

Elite Material Co., Ltd.

2024

ANNUAL REPORT

Printed Date : 25th April 2025

This annual report can also be viewed and downloaded at the following website:

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

<https://www.emctw.com>

1. The Company Spokesperson:

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Deputy Spokesperson:

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2. Elite Material Co., Ltd.

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3. Stock Transfer Processing Agent:

Name : Stock Transfer Agent Department
Oriental Securities Co., Ltd.
Address : 13F, No. 16, Xinzhan Rd., Banqiao Dist., New Taipei City, Taiwan
Telephone : +886-2-7753-1699
Website : www.osc.com.tw

4. Independent Auditor:

Name of the accountants : Yi-Chun Chen; Hsiao-Ling Chiang
Name of the firm : KPMG
Address : 68F, No. 7, Xinyi Road, Section 5, Taipei City, Taiwan
Telephone : +886-2-8101-6666
Website : www.kpmg.com.tw

5. Name of the Transaction Place of the Overseas Securities and the Ways to Inquire the Information of the Overseas Securities:

Not Applicable

6. The Company Website: www.emctw.com

The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

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I. BUSINESS REPORT TO SHAREHOLDERS

1. Year 2024 Business Results

i. Execution Results of Business Plan

Unit: NT\$ thousands

Items	Year 2023	Year 2024	% change
Revenue	41,296,217	64,376,727	55.89%
Gross profit	11,332,715	17,969,626	58.56%
Operating profit	7,345,991	12,151,609	65.42%
Income before tax	7,419,548	12,132,931	63.53%
Net income	5,488,309	9,568,985	74.35%

Execution results of business plan

- Guanyin/Hsinchu production site of Taiwan: Monthly production capacity has achieved 650,000 sheets.
- Kunshan production site of Jiangsu Province, China: Monthly production capacity has achieved 1.80 million sheets.
- Zhongshan production site of Guangdong Province, China: Monthly production capacity has achieved 950,000 sheets.
- Huangshi production site of Hubei Province, China: Monthly production capacity has achieved 900,000 sheets.

ii. Summary of cash flow statements

Unit: NT\$ thousands

Items	Year 2024
Net cash provided by operating activities	7,263,482
Net cash used in investing activities	(5,900,751)
Net cash provided by financing activities	4,115,932
Effects of changes in foreign exchange rate on cash and cash equivalents	250,764
Increase in cash in reporting period	5,729,427

iii. Analysis of profitability

Items		Year 2023	Year 2024
Return on assets (%)		11.34	14.78
Return on equities (%)		22.45	30.92
Percentage of paid-in capital (%)	Operating profit	214.06	350.56
	Income before tax	216.20	350.52
Net margin (%)		13.29	14.86
Earnings per share (NT Dollar)		16.35	27.81

iv. Results of research and development:

EMC is the world's largest supplier of halogen-free and Prepreg laminate material, among which the market share of HDI/SLP laminate materials for handheld devices has ranked number one in the world for several consecutive years.

HSD (High speed digital) materials used in high-speed product design for infrastructure sized the world number one position in year 2024 due to hard work in recent years; especially the proportion of AI server applications is ahead of other

competitors; HSD product applications include high-layer count materials for high-speed related products such as AI servers, general servers, switches, data storage, etc.; it not only creates the company's revenue and profits, but also increases the company's visibility in this field.

The HDI/SLP (High density inter-connect / Substrate like PCB) substrate market for mobile device product design has ranked number one in the world for several consecutive years, and its quality has been recognized by customers. The development of AI will drive the demand for edge computing in mobile devices, such as AI PCs, AI mobile phones, etc. The design of products in this field will continue to use EMC's HDI/SLP materials.

In addition to motherboards and component boards for circuit boards in electronic products, substrate boards are also another important material requirement. EMC's substrate board market share is growing rapidly, and it is believed that it will soon become the top three in the world.

New products successfully developed by the Company in 2024:

1. Silicon photonics optical module boards are certified by customers.
2. Customer certification of environmentally friendly substrates for 224Gbps (1.6T) high-speed switches and high-speed AI servers.
3. The mass production of materials for low-earth orbit satellites and the certification of next-generation boards are completed.

In order to maintain its competitiveness and leading position, the company continues to invest resources in developing next-generation products for mobile devices, high-speed transmission, AI computing, substrate boards, aerospace, self-driving cars, industrial fields and other related applications. It continuously introduces new products to meet the needs of electronic-related product application development to enhance product value and production efficiency. New products will be launched one after another in year 2025.

In addition to product innovation and commercialization, the establishment and maintenance of intellectual property rights is also an important part of the company's competitiveness. EMC has been developing innovative products with its own technology and continues to protect its technology property rights through patent applications. The company has ranked number one in Taiwan and 4th place in the world in the number of patents in the copper clad lamination industry, and is actively moving towards third place. Continue to lay out patents and expand the region to Southeast Asian countries to maintain the company's technical value and improve competitiveness.

In addition to product innovation and commercialization, the competitiveness of the company, intellectual property is also an indispensable item. EMC has been developing innovative products with its own technology, and has been constantly protecting its own technology property rights through patent applications. In the future, it will continue to apply for patents to improve the company's technological value and competitiveness.

II. Summary of Year 2025 business plan

- i. Planning of sales and production
 - a. Promote eco-friendly laminate material
 - b. Capacity expansion
 - c. Balancing sales and production, flexible inventory adjustment and active cash management
- ii. Operating strategy
 - a. 5G infrastructure servers and switch laminate materials continue to be introduced into high-end HDI processes, and EMC has stabilized its number one material suppliers in the infrastructure market.
 - b. To maintain lion's share in high end HDI segment.
 - c. To develop laminate material for high end vehicle market.
 - d. To penetrate in LEO market, aggressively seize the growth of market share.

- iii. Sales volume target
 - a. Expected sales volume target:
 - Copper clad laminates (CCLs): 49.11 million sheets/year
 - Prepreg (PP): 830 thousand rolls/year
 - Mass Lam (M/L): 0.43 million panels/year

III. Effects from changes in competitions, regulations, and business environment on the future development strategy of the company as the following:

i. Future development strategy of EMC:

- a. Maintain its global number one spot in high speed/ high frequency and low loss materials
- b. To solidify the lion's share position of EMC's materials consumed by HDI PCBs in the global market.
- c. Enlarge offshore market, diversify risks.

ii. Perfectness of Internal control, enhance management efficiency

Looking forward, although the overall economic environment is full of uncertainties, technological innovation is still the only way for enterprises to grow. The requirements for the speed and quality of information transmission are getting higher and higher, and the trend of enterprise product specification upgrades will not change. The market share in server and switch products has increased generation by generation with the launch of new generations of products; 5G mobile phone shipments will continue to grow due to the rapid increase in penetration rate. EMC continues to improve self-competitiveness and has a positive view toward the future operating prospects.

Chairman: Ding-Yu Dong

II. CORPORATE GOVERNANCE

1. Directors and Management Team

1.1. Directors

16 March 2025

Title	Nationality or Record of Birth	Name Sex Age	Date elected Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & Minor children		Holding shares in the name of another person		Curriculum vitae	Other positions in EMC and other companies	Executives or Directors who are spouses or within two degrees of kinship			Remarks
					Share	%	Share	%	Share	%	Share	%			Title	Name	Relationship	
Chairman	ROC	Ding-Yu Dong Male 61-70	26 May 2022 3 years	25 May 2001	5,265,766	1.58	5,265,766	1.52	1,209,842	0.35	0	0.00	Ph.D. in Engineering, Stanford University, USA Assistant Professor, San Jose State University, USA	Far Eastern Department Stores Co., Ltd. Independent Director Hsin Ya Construction & Development Co., Ltd. Director	None			Note 1
Vice Chairman	ROC	Yu Chang Investment Co., Ltd. Representative: Fei-Liang Tsai Male 61-70	26 May 2022 3 years	25 Jun 2004	25,471,477 447,244	7.65 0.13	25,471,477 213,000	7.35 0.06	0 0	0.00 0.00	0 0	0.00 0.00	Master in Chemical Engineering, National Tsing Hua University President, Taiwan Union Technology Corp.	None	None			None
Director	ROC	Yu Chang Investment Co., Ltd. Representative: Wen-Shiung Lee Male 71-80	26 May 2022 3 years	25 Jun 2016	25,471,477 0	7.65 0.00	25,471,477 0	7.35 0.00	0 0	0.00 0.00	0 0	0.00 0.00	Bachelor of Chemical Engineering, Tamkung University Director, Unimicron Corporation President, Isola Asia Pacific (Taiwan) Inc.	Consultant, Taiwan Printed Circuit Association	None			None
Director	ROC	Mon-Chong Hsieh Male 51-60	26 May 2022 3 years	25 Jun 2004	0	0.00	0	0.00	0	0.00	0	0.00	Master in International Affairs, Columbia University, Chairman, Food Industry Research and Development Institute Director, The Eisenhower Exchange Fellowships, Inc.	Chairman, Synmax Biochemical Co., Ltd. Vice Chairman, Royal Chef Co., Ltd.	None			None

Title	Nationality or Record of Birth	Name Sex Age	Date elected Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & Minor children		Holding shares in the name of another person		Curriculum vitae	Other positions in EMC and other companies	Executives or Directors who are spouses or within two degrees of kinship			Remarks
					Share	%	Share	%	Share	%	Share	%			Title	Name	Relationship	
Independent Director	ROC	Bing Shen Male 71-80	26 May 2022 3 years	25 Jun 2016	0	0.00	0	0.00	0	0.00	0	0.00	MBA, Harvard University Financial Analyst, World Bank Chief Investment Officer, International Bank Corp. Executive Director, Morgan Stanley & Co. Vice President, China Development Industrial Bank President, CDIB Partners Investment Holding Corporation	Director, OUC Corporation Director, ECOVE	None			None
Independent Director	ROC	Duen-Chian Cheng Male 61-70	26 May 2022 3 years	10 Jun 2019	0	0.00	0	0.00	0	0.00	0	0.00	MBA, Columbia University, Director, uPI Semiconductor Corp. Director, Appier Holdings Inc. Independent Director, Ta Ya Electric Wire & Cable Co., Ltd. Director, LuxNet Corp Chairman, Clientron Corp. President, UMC Capital Corporation Executive Director, Morgan Stanley Asia Ltd. Executive Director, Goldman Sachs Asia LLC	Chairman, TGVest Capital Co., Ltd. Chairman, TriKnight Capital Corporation Vice Chairman, LuxNet Corp	None			None
Independent Director	ROC	Cheng, Shou- Zhen Male 51-60	29 May 2024 1 year	29 May 2024	0	0.00	0	0.00	0	0.00	0	0.00	Judicial Division, Department of Law, National Taipei University Partner, Chang-Tsai International Law Offices	Partner, Chang- Tsai International Law Offices	None			None

Title	Nationality or Record of Birth	Name Sex Age	Date elected Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & Minor children		Holding shares in the name of another person		Curriculum vitae	Other positions in EMC and other companies	Executives or Directors who are spouses or within two degrees of kinship			Remarks
					Share	%	Share	%	Share	%	Share	%			Title	Name	Relationship	
Independent Director	ROC	Hsi-Chia Chen Female 51-60	26 May 2022 3 years	26 May 2022	0	0.00	0	0.00	0	0.00	0	0.00	Doctor of Law, National Taiwan University and Doctor of Law, Peking University Member, Standing Committee of the ICC International Centre for ADR (International Chamber of Commerce) Chairperson, Taiwan Branch of the Chartered Institute of Arbitrators (CIArb) Partner, Joint Head of China Offices, and Member of Asia Pacific Operations Committee at Pinsent Masons LLP Independent Director, Asia New Energy (Cayman) Co., Ltd.	Managing Partner, Jong Tsai International Law Firm Member, International Court of Arbitration, International Chamber of Commerce (ICC) Chairperson, Taiwan Chapter of ARIAS Asia (Asia Reinsurance and Insurance Arbitration Society) Member, Advisory Committee, Japan Commercial Arbitration Association (JCAA) Chairperson, ADR Committee, National Bar Association	None			None

Note (1): If the Chairman of the Board and the General Manager or equivalent position (i.e., the highest-ranking executive) are the same person, or if they are spouses or first-degree relatives, an explanation should be provided regarding the reasons, rationality, necessity, and corresponding measures:

In our company, the Chairman concurrently serves as the General Manager in order to enhance operational efficiency and decision-making effectiveness. However, to strengthen the independence of the Board of Directors, more than half of our directors are not concurrently serving as employees or managerial officers. The company is also actively cultivating suitable candidates to implement sound corporate governance. Additionally, in the 2024 fiscal year (Year 113 of the ROC calendar), the company added one independent director, thus complying with the legal requirement that the number of independent directors shall not be fewer than four.

1.2. Major shareholders of EMC's Directors are institutional shareholders

16 March 2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
Yu Chang Investment Co., Ltd.	Yu Sheng Investment Co., Ltd.

1.3. Major shareholders of the major shareholders who are juridical persons

16 March 2025

Name of Juridical Persons	Major Shareholders of the Juridical Persons
Yu Sheng Investment Ltd.	British Virgin Island Daton West Limited

1.4. Professional Qualifications and Independent Analysis of Directors

(1) Professional Qualifications and Independent information disclosure of Directors:

Condition Name	Professional qualifications	Curriculum Vitae	Independence situations (Meet the criteria of Note 1)	The number of independent directors of the other public offering company
Director Dong, Ding Yu	Has work experience in business, legal, finance, accounting or corporate business	Assistant Professor, San Jose State University	(6) (8) (9) (10) (11) (12)	1
Director Tsai, Fei Liang	Has work experience in business, legal, finance, accounting or corporate business	President, Taiwan Union Technology Corporation	(1) (3) (4) (5) (6) (8) (9) (10) (11)	-
Director Lee, Wen Shiung	Has work experience in business, legal, finance, accounting or corporate business	Director, Unimicron Corporation President, Isola Asia Pacific (Taiwan) Inc.	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11)	-
Director Hsieh, Mon Chong	Has work experience in business, legal, finance, accounting or corporate business	Chairman, Food Industry Research and Development Institute Director, The Eisenhower Exchange Fellowships, Inc. Director, Chinese National Federation of Industries	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	-
Independent director Shen, Bing	Has work experience in business, legal, finance, accounting or corporate business	Financial Analyst, World Bank Chief Investment Officer, International Bank Corp. Executive Director, Morgan Stanley & Co. Vice President, China Development Industrial Bank President, CDIB Partners Investment Holding Corporation	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	-

Condition Name	Professional qualifications	Curriculum Vitae	Independence situations (Meet the criteria of Note 1)	The number of independent directors of the other public offering company
Independent director Cheng, Duen-Chian	Has work experience in business, legal, finance, accounting or corporate business	Managing Director, Union Investment Management Consulting Co, Ltd. Executive Director/President of Taiwan Branch, Morgan Stanley Asia Limited Executive Director, Goldman Sachs Asia L.L.C.	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	2
Independent director Chen, Hsi-Chia	Has work experience in business, legal, finance, accounting or corporate business2	Partner of Pinsent Masons, Chief Representative of Beijing Office, Co-Head of China Region and Member of Asia Pacific Operations Committee King & Wood Mallesons trainee lawyer Lawyer and Partner of Huanying Law Firm	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	-
Independent director Cheng, Shou-Zhen	Has work experience in business, legal, or corporate operations.	Partner, Chang-Tsai International Law Firm	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	3

Note 1 : Each director meets the following conditions in the two years prior to the election and during his or her term of office.

- (1) An employee who is not employed by the company or its affiliates.
- (2) Directors or supervisors who are served as the position of the same company or affiliated enterprises (except where the company and its parent company, subsidiaries or subsidiaries of the same parent company are established as independent directors in accordance with this Act or local national decrees).
- (3) A natural person shareholder who is not a natural person who holds more than 1% of the total number of issued shares of the company or holds in the name of others or the top 10 shareholders.
- (4) The spouse, second degree or third degree relatives of managers not listed in (1) or (2) or (3) listed persons.
- (5) A director, supervisor or employee who does not directly hold more than 5% of the total number of issued shares of the company, the top five shareholders or the legal person shareholders designated as directors or supervisors of the company in accordance with article 27, paragraphs 1 or 2 of the company Act (except where the company and its parent company, subsidiaries or subsidiaries of the same parent company are established by this law or local laws and regulations).
- (6) More than half of the shares that are not seated or have voting rights in the directors of the company shall be directors, supervisors or employees of other companies controlled by the same person (except where they are independent directors of the company or its parent, subsidiary or subsidiary of the same parent company established in accordance with this Act or local national decrees).
- (7) Directors, supervisors or employees of other companies or institutions that are not the same person as the chairman, president or equivalent of the company or spouse (except where the company and its parent company, subsidiaries or subsidiaries of the same parent company are established as independent directors in accordance with this Law or local national laws).
- (8) Directors, supervisors, president or shareholders holding more than 5% of the shares of a particular company or institution that do not have financial or business dealings with the company (unless a particular company or institution holds more than 20% of the total number of issued shares of the company, not more than 50%, and is an independent director of the company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this Law or local national laws).
- (9) Professionals, sole proprietors, partners, directors, supervisors, managers and their spouses who do not provide audits for the company or related enterprises or have obtained remuneration in the past two years in the past two years in a commercial, legal, financial, accounting and other related services of NT\$500,000. However, this does not apply to members of the Remuneration Committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions who perform their functions under the Securities and Exchange Act or the relevant laws and regulations of the Mergers and Acquisitions Act.
- (10) There is no family relationship with other directors within the scope of a spouse or second-degree relatives.

(11) There is no circumstance under the paragraphs of article 30 of the company act.

(12) There is no any elected directors who is on behalf of a government, a legal person or its representative under the article 27 of company act.

(2)The diversity and independence of board of directors :

(A) Board Diversity :

The current directors have practical experience in managing listed companies, with expertise in leadership decision-making, crisis management, and international market insight. Among the four independent directors, Independent Director Shen, Bing and Independent Director Cheng, Duen-Chian possess expertise in financial accounting, industry knowledge, and operational judgment. Independent Director Chen, Hsi-Chia is a partner at Chang-Tsai International Law Firm, while Independent Director Cheng Shou-Zhen is a partner at Chang-Tsai International Law Offices. Two independent directors have legal professional backgrounds and practical experience.

Among the four non-independent directors, Chairman Dong, Ding Yu, Director Tsai, Fei Liang, Director Lee, Wen Shiung, and Director Hsieh, Mon Chong all have experience serving in important management positions such as chairman or general manager of listed companies. The company operates in industries including technology, biotechnology, food, and manufacturing, and the directors bring professional expertise in marketing, technology, business management, industry knowledge, and operational judgment.

Among the eight board members, 13% (1 member) are employees, two independent directors have less than 3 years of tenure, two independent directors have between 3 and 9 years of tenure, two directors are over 71 years old, three are between 61 and 70 years old, and three are under 60 years old. The company emphasizes gender equality in the composition of the board of directors and aims to increase the number of female directors to two. Currently, 87% (7 members) of the board are male, and 13% (1 member) is female. In the future, the company will strive to increase the number of female directors to achieve this goal.

Diversity Name	Content							
	Nationality	Gender	Employed by EMC	Age			Tenure of independent director	
				51-60	61-70	71-80	< 3years	3-9 years
Dong Ding-Yu	ROC	Male	✓		✓			
Tsai, Fei Liang	ROC	Male			✓			
Lee, Wen Shiung	ROC	Male				✓		
Hsieh, Mon Chong	ROC	Male		✓				
Shen, Bing	ROC	Male				✓		✓
Cheng, Duen-Chian	ROC	Male			✓			✓
Chen, Hsi-Chiag	ROC	Female		✓			✓	
Cheng Shou-Zhen	ROC	Male		✓			✓	

Name	Professional Background		
	Industry	Finance and accounting	Legal
Dong Ding-Yu	✓		
Tsai, Fei Liang	✓		
Lee, Wen Shiung	✓		
Hsieh, Mon Chong	✓		
Shen, Bing	✓	✓	
Cheng, Duen-Chian	✓	✓	
Chen, Hsi-Chiag	✓		✓
Cheng Shou-Zhen	✓		✓

Name	Professional Qualification and Experience					
	Operating and Manufacturing	Leadership Skill	Strategic Decision-making	Global Market Perspective	Sustainability	Risk Management
Dong Ding-Yu	✓	✓	✓	✓	✓	✓
Tsai, Fei Liang	✓	✓	✓	✓		
Lee, Wen Shiung	✓	✓	✓	✓		
Hsieh, Mon Chong	✓	✓	✓	✓		
Shen, Bing	✓	✓	✓	✓		
Cheng, Duen-Chian	✓	✓	✓	✓	✓	✓
Chen, Hsi-Chiag	✓	✓	✓	✓	✓	✓
Cheng Shou-Zhen	✓	✓	✓	✓		✓

(B)The independence of board of directors :

- a The company has a total of 8 board members, and none of the board members have any circumstances listed in Article 30 of the Company Act. Furthermore, none of the board members are subject to the situations specified in Article 26-3, Paragraph 3 (where more than half of the board members have a spouse or a close relative within the second degree of kinship) and Paragraph 4 (where supervisors or supervisors and directors cannot have a spouse or a close relative within the second degree of kinship) of the Securities and Exchange Act.
- b All independent directors are compliance with the regulations on independent directors stipulated by the Financial Supervisory Commission. The status of independence is as follows

Name	Whether the person, spouse, or relative within the second degree is a director, supervisor, or employee of the company or its affiliated companies	The number and proportion of the company's shares held by myself, spouse, and relatives within the second degree (or in the name of others)	Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company	The amount of remuneration obtained for providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years
Shen, Bing	No	No	No	No
Cheng, Duen-Chian	No	No	No	No
Chen, Hsi-Chiag	No	No	No	No
Cheng Shou-Zhen	No	No	No	No

1.5. President, Vice President, Assistant Vice President, Managers of Departments and Branches

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Title	Nationality	Name Sex	Effective	Shareholding		Shareholding of Spouse & Minor Children		Holding shares in the name of another person		Curriculum Vitae	Other Positions	Managers who are spouses or within two degrees of kinship			Remarks
				Share	%	Share	%	Share	%			Title	Name	Relationship	
President	ROC	Dong Ding-Yu Male	29 Feb 2024	5,265,766	1.52	1,209,842	0.35	None		Ph.D. in Engineering, Stanford University, USA Assistant Professor, San Jose State University, USA	Far Eastern Department Stores Co., Ltd. Independent Director Hsin Ya Construction & Development Co., Ltd. Director	None			None
Senior Vice President	ROC	Sun, Michael Male	9 Aug 2018	0	0.00	0	0.00	None		Ph.D. in Chemical Engineering, University of Southern California Senior Vice President, SOCLE Technology Corporation VP of AUO Optonics Corp./ President of AUO Business Group	None				
Vice President	ROC	Peng, Yi- Ren Male	1 Apr 2011	139,774	0.04	0	0.00	None		Master in Chemistry, University of LAMAR, USA	None				
Vice President	ROC	Chuang, Michael Male	1 Mar 2020	0	0.00	0	0.00	None		Master of Science, Duke University, USA General manager, PVC, Zhuhai BU Head, Liteon Mobile	VP of Elite Material(Zhongshan)				
Vice President	ROC	Chou, Li- Ming Male	19 May 2020	9,791	0.00	0	0.00	None		Master of Materials Science and Engineering, NTU Director, RD division	None				
Vice President	ROC	Yang, Danny Male	6 Sep 2021	27,049	0.01	0	0.00	None		Institute of Mechanical Engineering, Taiwan Institute of Industrial Technology VP, EMC president office AVP, EMC (KY)	None				
Vice President	ROC	Lee, De-Na Male	13 Sep 2021	2,000	0.00	0	0.00	None		Institute of Mechanical Engineer, CKVS AVP, EMC(ZS) AVP, EMC (KS)	None				
Vice President Jan 1, 2023	ROC	Lin, Michael Male	1 Jan 2023	0	0.00	4,000	0.00	None		Master in Mechanical Engineering, National Cheng-Kung University Celxpert energy corporation, COO EMC (KS), director	None				

Title	Nationality	Name Sex	Effective	Shareholding		Shareholding of Spouse & Minor Children		Holding shares in the name of another person		Curriculum Vitae	Other Positions	Managers who are spouses or within two degrees of kinship			Remarks
				Share	%	Share	%	Share	%			Title	Name	Relationship	
Vice President Oct 28, 2024	ROC	Yeh, Wenhua	Oct 28, 2024	0	0.00	0	0.00	None		Bachelor's degree in Accounting, Soochow University Accounting and Finance Supervisor, Chia Hui Electric Co., Ltd. Accounting Supervisor and Deputy Chief Auditor, Asia Cement Corporation	None				
Vice President Dec 27, 2024	ROC	Yin, TY Male	Dec 27, 2024	6,000	0.00	0	0.00	None		MBA, Indiana University, USA CFO, Far EasTone Telecommunications Co., Ltd. Financial Supervisor, Dell Co., Ltd. Executive VP, FarEasTone Telecommunications Co., Ltd.	Homeplus Digital Co., Ltd.				
Director (Corporate Governor)" March 1, 2023	ROC	Wesley-Lin Male	1 Mar 2023	0	0.00	0	0.00	None		Bachelor, Department of Business administration, Shih Chien University Manager of Audit Office, Elite Material Co., Ltd.	None				
Head of Accounting Department	ROC	Monica Lin Female	1 Mar 2024	0	0.00	0	0.00	None		Master, Institute of Financial Management, Eastern Michigan University Financial director of Philips Electronic Building Elements Ind. Financial director of FeiYuan Technology Assistant Manager, Administration Department, TSEC Financial Director, Nanzi Branch of Yageo Corporation Assistant of Financial Department and spokesman of Ralec Electronic Corporation	None				

2. Remuneration for Directors, President and Vice President

2.1.1 Remuneration paid to Directors and Independent Directors

Unit: NTD thousand

Title	Name	Remuneration								Ratio of Total Remuneration (I+II+III+IV) over Net Income (%)	
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' Remuneration from Distribution of Earnings (III)		Operating Allowances (IV)			
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidate d Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Chairman	Dong, Ding Yu	0	0	0	0	43,644	43,644	274	1,156	43,918 0.46%	44,800 0.47%
Vice Chairman	Yu Chang Investment Co., Ltd.										
Director	Yu Chang Investment Co., Ltd.										
Director	Hsieh, Mon Chong										
Independent Director	Shen, Bing	0	0	0	0	26,134	26,134	234	234	26,368 0.28%	26,368 0.28%
Independent Director	Cheng, Duen-Chian										
Independent Director	Chen, Hsi-Chia										
Independent Director (May 29, 2024 on board)	Cheng, Shou-Zhen										

Title	Name	Relevant Compensation Received by Directors Who Are Also employees								Ratio of Total Remuneration (I+II+III+IV+V+VI+VII) to Net Income (%)		Remuneration Paid to Directors from an Invested Company or the Company's Subsidiary
		Salary, Bonuses, and Allowances (V)		Severance Pay and Pension (VI)		Employees' Compensation from Distribution of Earnings (VII)						
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements		The Company	All Companies in the Consolidated Financial Statements	
						Cash	Stock	Cash	Stock			
Chairman	Dong, Ding Yu	16,074	16,074	0	0	1,739	0	1,739	0	61,731 0.64%	62,613 0.65%	None
Vice Chairman	Yu Chang Investment Co., Ltd.											
Director	Yu Chang Investment Co., Ltd.											
Director	Hsieh, Mon Chong											
Independent Director	Shen, Bing	0	0	0	0	0	0	0	0	26,368 0.28%	26,368 0.28%	None
Independent Director	Cheng, Duen-Chian											
Independent Director	Chen, Hsi-Chia											
Independent Director (May 29, 2024 on board)	Cheng, Shou-Zhen											

(Note 1): Please state the policy, system, standard and structure of the independent director's honorarium payment, and describe the correlation with the amount of remuneration according to the responsibilities, risks, investment time and other factors undertaken: The remuneration of the general directors and independent directors of the company shall be not more than 1.2% of the remuneration of the directors if there is a profit in the year stipulated in the Articles of Association of the Company. The procedures for setting remuneration for directors are based on the Company's "Performance Assessment Method for the Board of Directors", not only with reference to the company's overall operating performance, future operational risks and development trends of the industry, but also to the individual's performance compliance rate and contribution to the company's performance. Considering the reasonable remuneration including the mastery of the company's goals and tasks, the understanding of the responsibilities of the directors, the degree of participation in the company's operations, the operation and communication of internal relationships, the professional and continuous training of directors, internal control, etc., into the performance appraisal and remuneration payment considerations, the relevant performance appraisal and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed in a timely manner according to the actual operating conditions and relevant laws and regulations at any time, so as to seek a balance between the company's sustainable operation and risk control.

(Note 2): In addition to the above table, the remuneration received by the directors of the Company for the most recent year for the services provided by all companies in the financial report (e.g. as consultants to non-employees, etc.): None.

2.1.2 Bracket of Remuneration paid to Directors and Independent Directors

Bracket	Name of Directors			
	Total of (I + II + III + IV)		Total of (I + II + III + IV + V + VI + VII)	
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Under NT\$1,000,000				
NT\$1,000,000 ~ NT\$2,000,000				
NT\$2,000,000 ~ NT\$3,500,000				
NT\$3,500,000 ~ NT\$5,000,000	Cheng, Shou-Zhen	Cheng, Shou-Zhen	Cheng, Shou-Zhen	Cheng, Shou-Zhen
NT\$5,000,000 ~ NT\$10,000,000	Mon-Chang Hsieh; Wen-Shiung Li; Bing Shen; Duen-Chian Cheng; Chen, Hsi-Chia	Mon-Chang Hsieh; Wen-Shiung Li; Bing Shen; Duen-Chian Cheng; Chen, Hsi-Chia	Mon-Chang Hsieh; Wen-Shiung Li; Bing Shen; Duen-Chian Cheng; Chen, Hsi-Chia	Mon-Chang Hsieh; Wen-Shiung Li; Bing Shen; Duen-Chian Cheng; Chen, Hsi-Chia
NT\$10,000,000 ~ NT\$15,000,000	Fei-Liang Tsai	Fei-Liang Tsai	Fei-Liang Tsai	Fei-Liang Tsai
NT\$15,000,000 ~ NT\$30,000,000	Ding-Yu Dong	Ding-Yu Dong		
NT\$30,000,000 ~ NT\$50,000,000			Ding-Yu Dong	Ding-Yu Dong
NT\$50,000,000 ~ NT\$100,000,000				
NT\$100,000,000 and above				
Total	8	8	8	8

2.2.1 Remuneration paid to President, Senior Vice President, and Vice President

Unit : NTD thousand

Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' Compensation from Distribution of Earnings (IV)				Ratio of Total Compensation (I+II+III+IV) to Net Income (%)		Compensation paid to President and Other Managers in This Table from an Invested Company other than the Company's Subsidiary
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements		The Company	All Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President (Feb 29,2024 concurrent)	Dong, Ding-Yu	17,966	22,690	677	677	35,537	50,830	7,386	0	7,386	0	61,566 0.64%	81,583 0.85%	None
SVP	Sun, Michael													
VP	Peng, Yi-Ren													
VP	Chuang, Michael													
VP	Chou, Li-Ming													
VP	Yang, Danny													
VP	Lee, De-Nan													
VP	Lin, Michael													
VP (Oct 28,2024 on board)	Yeh, Wenhua													
VP (Dec 27, 2024 on board)	Yin, TY													

Note 1 : Retirement pension is the amount of the company's retirement pension expense.

Note 2 : The above is the remuneration of the general manager and vice presidents in the most recent year (Year 2024).

2.2.2. Bracket of Compensation paid to President, Senior Vice President, and Vice President

Bracket	Name of President, and Vice Presidents	
	The Company	All Companies in the Consolidated Financial Statements
Under NT\$1,000,000	Yeh, Wenhua 、Yin, TY	Yeh, Wenhua 、Yin, TY
NT\$1,000,000 ~ NT\$2,000,000		
NT\$2,000,000 ~ NT\$3,500,000	Chuang, Michael 、Lee, De-Nan 、Lin, Michael	
NT\$3,500,000 ~ NT\$5,000,000		
NT\$5,000,000 ~ NT\$10,000,000	Sun, Michael 、Peng, Yi-Ren 、Chou, Li-Ming 、Yang, Danny	Sun, Michael 、Peng, Yi-Ren 、Chou, Li-Ming 、Yang, Danny 、Lee, De-Nan 、Chuang, Michael 、Lin, Michael
NT\$10,000,000 ~ NT\$15,000,000		
NT\$15,000,000 ~ NT\$30,000,000	Dong, Ding-Yu	Dong, Ding-Yu
NT\$30,000,000 ~ NT\$50,000,000		
NT\$50,000,000 ~ NT\$100,000,000		
NT\$100,000,000 and above		
Total	10	10

2.3.1 Compensation Paid to Managers

31 December 2024/Unit: NT\$ thousands

Title	Name	Compensation (Stock)	Compensation (Cash)	Total amount	Ratio of Total Amount to Net Income (%)
Chairman	Dong, Ding-Yu	0	8,743	8,743	0.09%
Senior Vice President	Sun, Michael				
Vice President	Peng, Yi-Ren				
Vice President	Chou, Li-Ming				
Vice President	Chuang, Michael				
Vice President	Yang, Danny				
Vice President	Lee, De-Nan				
Vice President	Lin, Michael				
Vice President	Yeh, Wenhua				
Vice President	Yin, TY				
Head of Corporate Governance	Lin, Wesly				
Director of Accounting Department (Re-appointed on March 1, 2024)	Lin, Monica				

2.3.2 The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two latest fiscal years to Directors, Presidents and Vice Presidents of the Company over net income:

	The Ratio of Total Paid Remuneration Over Net Income (%)			
	The Company			
	2023		2024	
	Total amount	Ratio of Total Amount to Net Income (%)	Total Amount	Ratio of Total Amount to Net Income (%)
Directors	41,010	0.75%	61,731	0.64%
Independent Directors	15,717	0.29%	26,368	0.28%
President & Vice President	58,300	1.06%	61,566	0.64%
Net Income	5,488,309	-	9,578,449	-

	The Ratio of Total Paid Remuneration Over Net Income (%)			
	All Companies in the Consolidated Financial Statements			
	2023		2024	
	Total amount	Ratio of Total Amount to Net Income (%)	Total Amount	Ratio of Total Amount to Net Income (%)
Directors	42,095	0.77%	62,613	0.83%
Independent Directors	15,717	0.29%	26,368	0.28%
President & Vice President	83,902	1.53%	81,583	1.83%
Net Income	5,488,309	-	9,578,449	-

Remuneration policies, standards and combinations, procedures for determining remuneration, and relevance to business performance and future risks:

- According to Article 36-1 of the company's articles of association: If the company makes a profit in the year, 3% of the employee's compensation and no more than 1.2% of the director's compensation shall be provided. However, when the company still has accumulated losses, it should reserve the compensation amount in advance. When employees' compensation is distributed in stock or cash, the distribution target must include employees of subordinate companies that meet certain conditions, and the method shall be separately formulated by the board of directors.
- The compensation for the company's directors is based on the "Articles of Incorporation" and is set at no more than 1.2% of the annual profit, if any. The process for determining compensation is governed by the company's "Board Performance Evaluation Guidelines," which serve as the basis for evaluation. In addition to considering the overall business performance,

future industry risks, and development trends, individual performance and contribution to the company's performance are also taken into account. The evaluation considers factors such as the understanding of company goals and tasks, awareness of board duties, participation in company operations, internal relationship management and communication, the director's professional qualifications and ongoing education, and internal controls. Reasonable compensation is provided based on the performance evaluation and salary considerations. The performance evaluation and compensation reasonableness are reviewed by the Compensation Committee and the Board of Directors. The compensation system is also reviewed periodically based on actual operating conditions and relevant laws, to balance the company's sustainable development and risk management.

- In fiscal year 2024, the Company allocated 0.65% as directors' remuneration, amounting to NT\$69,778 thousand. In addition, NT\$1,390 thousand was paid for directors' related business execution expenses (including transportation allowances). No other remuneration was received by the directors..
- The Company's compensation policy for the General Manager, Deputy General Managers, and other managerial officers is based on market salary levels for comparable positions, the scope of responsibilities of each role, and their contributions to the Company's operational goals. The compensation structure is designed in accordance with industry characteristics and is reviewed and approved by the Remuneration Committee, taking into account factors such as company performance, individual performance, industry benchmarks, and future risks.
- Bonuses are granted in accordance with the Company's "Bonus Payment Guidelines" and "Employee Compensation Guidelines." The evaluation items are as follows:
- The company's remuneration policy considers the company's current year's operating results, financial situation and future capital utilization needs planning, and the assessment of future risks is also included in the scope of consideration to minimize the possibility of risk occurrence.

Compensation Payment	Compensation Category	Indicator Category	Weight Proportion	Guideline Items
Fixed Compensation (20~45%)	Base Salary, Annual Bonus	-	-	-
Variable Compensation (55~80%)	Management Bonus, Employee Compensation, Annual Performance Bonus	Financial Indicators	20~35%	Return on Equity (ROE) Return on Assets (ROA) Revenue/Sales Earnings Per Share (EPS) Total Assets of the Company Owner's Equity
		Strategic Indicators	20~35%	The company's short, medium, and long-term business strategies, business ethics, competitive behavior, sustainable supply chain management, and ESG implementation results
		Sustainability and Internal Control Indicators	15~30%	Energy management, waste and circular recycling, carbon emissions management, sustainable green energy product development, and internal control and risk management
		Management Indicators	15~30%	Customer relationship management, labor relations, human resources indicators, and promoting workplace occupational safety and health

3. Corporate Governance

3.1 Board of Directors

Total six meetings were convened by the Board of Directors in 2024. Attendance of each Director and Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Remarks
Chairman	Dong, Ding-Yu	6	0	100%	
Vice Chairman	Tsai, Fei-Liang Representative of Yu Chang Investment Co., Ltd.	6	0	100%	
Director	Li, Wen-Shiung Representative of Yu Chang Investment Co., Ltd.	6	0	100%	
Director	Hsieh, Mon-Chang	5	1	83%	
Independent Director	Sheng, Bing	5	0	83%	
Independent Director	Cheng, Duen-Chian	5	1	83%	
Independent Director	Chen, Hsi-Chia	6	0	100%	
Independent Director	Cheng, Shou-Zhen	3	0	100%	2024.05.29 elected

Other required disclosure:

(1) Should any circumstance described in Article 14-3 of the Securities and Exchange Act

Term	Date	Important Resolutions	The Opinions of Independent Directors and the Company's handling of the Opinions of Independent Directors
The 12th Board Meeting of the 12th term	29 Feb 2024	1.Accepted the acquired of use of asset rights and capital expenditure plan of the Guanyin business division. 2.Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares. 3.Approved the increase of the company's mid- to long-term credit limit. 4.Approved to issue the "Internal Control System Statement" that the design and implementation of the company's 112-year internal control system are valid. 5.Approved the capital expenditure plan of the EMC subsidiary (Penang). 6.Approved the re-appointment of the company's head of finance and accounting departments. 7.Approved the re-allocation the company's president. 8.Accepted the proposal submitted by the Remuneration Committee about the directors' remuneration and managers' compensation of Year 2024. 9.Approved the proposal of Year 2023 directors' remuneration and employees' compensation. 10.Approved the Year 2023 business report and financial statements. 11.Approved the proposal of distribution of Year 2023 profits. 12.Approved to elect one additional independent director. 13.Approved the matters related to convening the company's year 2024 annual general meeting of shareholders.	No objections; approved as submitted.
The 13th Board	10 April 2024	1.Accept matters related to the nomination of independent director	

Meeting of the 12th term		candidates by shareholders with more than 1% of the shares.	
The 14th Board Meeting of the 12th term	30 April 2024	<ol style="list-style-type: none"> 1.Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2.Approved the case of increasing or decreasing the amount of the company's endorsement guarantee. 3.Approved the appointment of the company's certified accountant and assessment of independence and competency. 4.Approved the revision of the company's "Board of Directors Rules of Procedure" and "Audit Committee Organizational Rules". 5.Approved the re-appointed director of subsidiary. 6.Approved the 1Q24 business report and financial statements. 7.Approved the capital expenditure budget of KY division. 8.Approved the capital expenditure budget of the company's subsidiary, (EMC kuanshanKY division) ° 9.Approved the raising capital of subsidiary, (EMCKuanshan) ° 10.Approved the capital expenditure budget of the company subsidiary, EMC Penang. 	No objections; approved as submitted.
The 15th Board Meeting of the 12th term	31 July 2024	<ol style="list-style-type: none"> 1.Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares. 2.Approved increasing the amount of the company's endorsement guarantee. 3.Approved the company's 2023 sustainability report. 4.Approved the reorganization case of subsidiary "Elite Electronic Materials (Kunshan) Co., Ltd." 5.Approved the company's consolidated financial report for the second quarter of 2024 6.Approved the issuance of sixth domestic unsecured convertible corporate bond case. 7.Approved the issuance of seventh domestic unsecured convertible corporate bond case. 	No objections; approved as submitted.
The 16th Board Meeting of the 12th term	30 Oct 2024	<ol style="list-style-type: none"> 1.Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2.Approved the case of increasing the amount of the company's endorsement guarantee. 3. Approved the amendment of the company's "Management Procedures for Related Party Transactions" and formulating the company's "Risk Management Policies and Procedures", "Sustainable Report Preparation and Assurance Operational Procedures", and "Sustainable Information Management" internal control and internal audit systems case. 4. Formulate the organizational rules and committee member selection procedures of the company's corporate sustainable development committee. 5.Approved the nomination of directors and supervisors of subsidiary. 6.Approved the audit plan of year 2025. 7. Approved the work plan of the company's remuneration committee of year 2025. 8. Approved the company's consolidated financial report for the third quarter of 2024. 9. Approved the case of company's capital loan. 10.Approved the capital expenditure budget of the company Taoyuan manufacturing site. 	No objections; approved as submitted.
The 17th Board Meeting of the 12th term	23 Dec 2024	<ol style="list-style-type: none"> 1.Approved the recognition of the company's Guanyin business unit's major property scrapping case. 2.Approved the case of increasing the amount of the company's endorsement guarantee. 	No objections; approved as submitted.

		3.Approved increasing the company's short-term credit limit. 4.Approved increasing the company's mid to long term credit limit. 5.Approved the company’s year 2024 accountant’s public expense review. 6.Approved the case of formulating the general principles of the company's pre-approved non-confidential service policy. 7.Approved the donation case through related person. 8.Approved the company's year 2025 group budget and capital expenditure plan.		
(2) In addition to the aforementioned matters, other resolutions of the board of directors that have been objected or reserved by independent directors and have records or written statements: None				
(3) Execution of Recusal by Directors with Conflicts of Interest: In the board meetings convened in 2024, all directors duly fulfilled their recusal obligations. Specifically, in the board meeting held on December 23, 2024, Chairman Ding-Yu Dong recused himself from the discussion and voting on the donation to a related party, as he also serves as the Chairman of the Minglun Social Welfare and Charity Foundation. Other than this instance, there were no cases requiring director recusal during the year.				
(4) The board of directors (peer) valuation cycles, periods, scopes, ways and content of board of directors:				
Method	Period	Context	Evaluation	Date
Self-assessment of board of directors.	From : Nov 1, 2023 To : Nov 30, 2024	Nine aspects, 36 indicators 1. The mission and goals of the company 2. Internal control and risks of the company 3. Management of internal relations 4. Management of external relations 5. Composition and capabilities of the board of directors 6. Board culture 7. Operation of the board of directors 8. Chairman/Chairperson of the meeting 9. Self-evaluation of directors	In November 2024, the Group’s Finance and Accounting Department distributed eight copies of the “Board Member Self-Assessment Questionnaire,” all of which were completed and returned. A “Board Member Self-Assessment Statistical Summary” was compiled accordingly. Based on the assessment scale—5 points for "Strongly Agree" and 4 points for "Agree"—the results ranged from 4.63 to 5.00 points. The self-evaluation indicated that the board’s performance falls within the upper-middle tier. A report was subsequently prepared and submitted to the Board of Directors on December 23, 2024.	Dec 23, 2024
Self-assessment of audit committee	From : Nov 1, 2023 To : Nov 30, 2024	Five aspects, 14 indicators 1. Degree of participation in company operations 2. Understanding of responsibilities of functional committees 3. Improve the decision-making quality of functional committees 4. Functional committee composition and member selection 5. Internal Control	In November 2024, the Secretariat of the Audit Committee distributed four copies of the “Audit Committee Performance Self-Assessment Questionnaire,” all of which were completed and returned. A “Statistical Summary of the Audit Committee Performance Assessment” was then compiled. Based on the assessment scale—5 points for "Strongly Agree" and 4	Dec 23, 2024

			points for "Agree"—the results averaged a perfect score of 5. The self-assessment indicated that the Audit Committee's performance was rated as excellent. The 2024 performance evaluation of the Audit Committee was subsequently reported to the Board of Directors on December 23, 2024.	
Self-assessment of remuneration committee	From : Nov 1, 2023 To : Nov 30, 2024	Four aspects, 13 indicators 1. Degree of participation in company operations 2. Understanding of responsibilities of functional committees 3. Improve the decision-making quality of functional committees 4. Functional committee composition and member selection	In November 2024, the Secretariat of the Remuneration Committee distributed three copies of the "Remuneration Committee Performance Self-Assessment Questionnaire," all of which were completed and returned. A "Statistical Summary of the Remuneration Committee Performance Assessment" was subsequently compiled. Based on the assessment scale—5 points for "Strongly Agree" and 4 points for "Agree"—the results averaged a perfect score of 5. The self-assessment indicated that the Remuneration Committee's performance was rated as excellent. The 2024 performance evaluation of the Remuneration Committee was reported to the Board of Directors on December 23, 2024.	Dec 23, 2024

In accordance with the Code of Practice for Corporate Governance of Listed OTC companies, the company was approved by the board of directors in 2020 to formulate the "Measures for Performance Evaluation of the Board of Directors of EMC Co., Ltd." Every year, the members of the board of directors and the board of directors conduct internal self-evaluation to conduct the performance evaluation of the board of directors of the year, and it is stipulated that the evaluation should be carried out by an external professional independent organization or a team of external experts and scholars at least every three years. In 2022, the company entrusted the "Taiwan Board of Directors Performance Association" to perform an external evaluation of the effectiveness of the board of directors (period 2019/1-2022/9). Structure, selection and training, operation participation, decision-making quality, internal control, and environment, society and corporate governance (ESG) and value creation, etc. 7 aspects, 70 indicators, assessed by means of questionnaires and on-site visits, An evaluation report was issued on Dec 7th, 2022, and the company reported the evaluation results to the board of directors on Dec 21, 2022 and sought improvements.

Summary of the Internal and External Board Performance Evaluation Results for 2022:

Type	Timeframe	Scope	Evaluation
Self-Assessment,	From : Jan 1, 2022 To : Dec 31, 2022	<p>Nine aspects, 36 indicators</p> <ol style="list-style-type: none"> 1. The mission and goals of the company 2. Internal control and risks of the company 3. Management of internal relations 4. Management of external relations 5. Composition and capabilities of the board of directors 6. Board culture 7. Operation of the board of directors 8. Chairman/Chairperson of the meeting 9. Self-evaluation of directors 	<p>According to the evaluation indicators and evaluation standards, the performance evaluation of the company's board of directors in year 2022 was in the middle to high end range (96 points).</p>
Board of Directors	From : Jan 1, 2022 To : Dec 31, 2022	<p>Two aspects, 7 indicators</p> <p>Comply with relevant laws and regulations</p> <ol style="list-style-type: none"> 1. Compliance with matters that should be brought to the board of directors for discussion according to law 2. Whether the board meeting is held at least once a quarter 3. Observance of director's avoidance of interests <p>Participation in company operations</p> <ol style="list-style-type: none"> 1. Supervise and understand the implementation of business plans, the expression of financial statements, audit reports and their tracking 2. Assessing the independence of accountants 3. Assess and supervise the company's existing or potential risks 4. Communication and interaction with the company's management 	

(5) Goals and Evaluation of the Strengthening of the Board of Directors' Functions for the Current and Recent Years:

The company has established an Audit Committee, a Remuneration Committee, and a Corporate Sustainability Development Committee, which assist the Board of Directors in performing its supervisory duties.

3.2 Audit Committee

The audit committee of the company is composed of 4 independent directors. The audit committee aims to assist the directors to perform their supervision on the company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial control.

The Audit Committee met 5 times in 2024, and the matters considered mainly include:

1. Major asset transaction and issuance of domestic convertible bonds.
2. Major asset transaction and issuance of domestic convertible bonds.
3. Proposal for the review of auditor remuneration.
4. Review financial reports
 - (1) The board of directors prepared the company's year 2023 annual business report, financial statements, and profit distribution proposals, among which the financial statements were audited and completed by entrusting KPMG Accounting Firm, and an audit report was issued. The above-mentioned business report, financial statements and profit distribution proposal have been checked by the audit committee, and there is no discrepancy.
 - (2) Consolidated financial statements for the first quarter, second quarter, and third quarter of year 2024.

In the most recent year (2024), the Audit Committee convened 5 times (A). The attendance of independent directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Remarks
Independent Director	Sheng, Bing	4	1	80%	
Independent Director	Cheng, Duen-Chian	4	1	80%	
Independent Director	Chen, Hsi-Chia	5	0	100%	
Independent Director	Cheng, Shou-Zhen	3	0	100%	2024.05.29 elected

Other required disclosure:

- (1) Should any circumstance described in Article 14-5 of the Securities and Exchange Act and any resolution

Term	Proposals	Resolutions
The 11th meeting of the 3th term 2024.02.29	1. Accepted the acquired of use of asset rights and capital expenditure plan of the Guanyin business division. 2. Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares. 3. Approved to issue the "Internal Control System Statement" that the design and implementation of the company's 112-year internal control system are valid. 4. Approved the capital expenditure plan of the EMC subsidiary (Penang). 5. Approved the re-appointment of the company's head of finance and accounting departments. 6. Approved the Year 2023 business report and financial statements. 7. Approved the proposal of distribution of Year 2023 profits.	The Audit Committee members expressed no objections or reservations regarding the proposals listed on the left, and all proposals were unanimously approved by all committee members.
The 12th meeting of the 3th term 2024.04.30	1. Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2. Approved the case of increasing or decreasing the amount of the company's endorsement guarantee. 3. Approved the appointment of the company's certified accountant and assessment of independence and competency. 4. Approved the 1Q24 business report and financial statements. 5. Approved the capital expenditure budget of KY division. 6. Approved the capital increase of subsidiary, EMC Kunshan. 7. Approved the capital expenditure budget of the company's subsidiary, EMC Penang. 8. Approved the capital expenditure budget of the company subsidiary, EMC Zhongshan.	

The 13th meeting of the 3th term 2024.07.31	1.Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares. 2.Approved increasing the amount of the company's endorsement guarantee. 3.Approved the reorganization case of subsidiary "Elite Electronic Materials (Kunshan) Co., Ltd." 4.Approved the company's consolidated financial report for the second quarter of 2024 5.Approved the issuance of sixth domestic unsecured convertible corporate bond case. 6.Approved the issuance of seventh domestic unsecured convertible corporate bond case.	
The 14th meeting of the 3th term 2024.10.30	1.Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2.Approved the case of increasing the amount of the company's endorsement guarantee. 3. Approved the amendment of the company's "Management Procedures for Related Party Transactions" and formulating the company's "Risk Management Policies and Procedures", "Sustainable Report Preparation and Assurance Operational Procedures", and "Sustainable Information Management" internal control and internal audit systems case. 4. Approved the company's consolidated financial report for the third quarter of 2024. 5. Approved the case of company's capital loan. 6.Approved the capital expenditure budget of the company Taoyuan manufacturing site.	
The 15th meeting of the 3th term 2024.12.23	1.Approved the recognition of the company's Guanyin business unit's major property scrapping case. 2.Approved the case of increasing the amount of the company's endorsement guarantee. 3.Approved the company's year 2024 accountant's public expense review. 4.Approved the case of formulating the general principles of the company's pre-approved non-confidential service policy.	

- (2) Should any circumstance described in Article 14-5 of the Securities and Exchange Act and any resolution on which the Audit Committee had a dissenting or qualified opinion occur with the approval of two thirds or more of the entire Board of Directors, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of the Audit Committee, and measures the Company had in responding to such opinions shall be specified: None
- (3) Should there be any independent director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such independent director, the contents of the said resolution, the reasons such independent director has personal interests, and the voting results shall be specified: None
- (4) Communication Between Independent Directors and the Chief Internal Auditor and CPA (This should include major matters discussed regarding the company's financial and business status, the methods of communication, and the outcomes.)
- The Chief Internal Auditor submits a monthly report on the execution of the internal audit plan and a follow-up report on internal audit findings to the independent directors (Audit Committee members) via email. If any major violations or risks of significant damage to the company are discovered, an immediate report should be made for review, and all independent directors should be notified.
 - The CPA reports to the Audit Committee at least twice a year on the company's financial status, the financials and overall operations of domestic and international subsidiaries, and the internal control audit situation. The CPA should also thoroughly communicate any significant adjusting entries or potential impacts of legal revisions on accounting records.

3.3 Corporate governance execution results and deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM listed Companies” and explanations
	Yes	No	Summary	
(1) Has the company formulated and disclosed its own corporate governance best practice principles in accordance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”?	V		The company has formulated “Corporate Governance Principles” to promote the protection of shareholders’ interests, improvement of functions of board of directors, and the transparency of the Company’s information; meanwhile, to encourage the declaration of rights of interested parties. The said principle can be viewed and downloaded from the company website.	None
(2) Shareholding structure and shareholders’ rights: a. Has the company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation related issues, and practically implemented such procedures?	V		The company has designated Stock Transfer Agent, and has appointed personnel to be in charge of stock affairs and investor relations. The said agent and personnel have handled shareholder proposals, doubts, disputes, and litigation related issues in compliance with relevant laws and regulations and the company’s Articles of Incorporation.	None
b. Has the company kept a list of major shareholders and a list of ultimate owners of these major shareholders?	V		The company, at all time, keeps updated shareholding information of directors, managers, and major shareholders with a percentage holding of 10% and more, and the ultimate owners of these major shareholders. If change in ownership occurs, the company follows the relevant regulations to disclose related information.	None
c. Has the company established and operated a risk management mechanism and “firewall” between the Company and its affiliates?	V		To manage the potential risk and establish a “firewall” between the company and its affiliates, the company and its affiliates have already established and implemented “Procedures for Acquisition and Disposition of Assets”, “Procedures for Lending of Capital to Others”, and “Procedures for Endorsements and Guarantees”.	None
d. Has the company established internal rules to prohibit company insiders from trading securities using information not disclosed to the market?	V		The Company has established the “Procedures for Handling Material Inside Information” and “Procedures for Preventing Insider Trading” to prohibit company insiders from trading securities using information not disclosed to the market. The Company has performed internal self-evaluation, and the Audit Office has audited the implementation of the said procedures periodically.	None
(3) Composition and Responsibilities of the Board of Directors: a. Have members of the board of directors formulated diverse policies and implemented them accordingly?	V		Article 16 of the company's Code of Practice on Corporate Governance provides that the composition of its board of directors shall consider diversity, and that, in addition to serving as a director of the company's managers, it shall not exceed one third of the board seats and formulate appropriate diversification guidelines for its own operation, mode of operation and development needs, which shall include, but are not limited to, the following two criteria: (1) Basic conditions and values: gender, age, nationality and culture. (2) Expertise and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. Board members should generally have the knowledge, skills	None

			<p>and literacy necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:</p> <p>(1) Operational judgment.</p> <p>(2) Accounting and financial analysis capabilities.</p> <p>(3) Management capacity.</p> <p>(4) Crisis management capacity.</p> <p>(5) Industry knowledge.</p> <p>(6) International market view.</p> <p>(7) Leadership.</p> <p>(8) Decision-making ability.</p> <p>2. Diversity implementation of board members: Footnote (1)</p>	
b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?	V		<p>In October of 2024, the company's board of directors approved the elevation of the "Corporate Sustainability Development Committee" to a functional committee directly under the board of directors. At the same time, the "Corporate Sustainability Development Committee Organizational Regulations" were formulated to regulate matters related to the committee's establishment purpose, member composition, powers, and other relevant issues.</p>	Ditto
c. Has the company established a Board performance assessment method, and have performance evaluations been conducted annually?	V		<p>The company has established the "Board of Directors Performance Evaluation Procedures," which was approved by the board of directors on July 31, 2020. In 2024, the board members and the board meeting unit conducted an internal self-assessment of the board's performance for the year, focusing on the following aspects:</p> <p>Compliance with relevant laws and regulations (compliance with matters that should be discussed at the board meetings as required by law, holding at least one board meeting per quarter, compliance with board members' conflict of interest avoidance)</p> <p>Level of participation in the company's operations (supervising and understanding the execution of operational plans, financial statement presentation, audit reports and their follow-up, assessing the independence of auditors, evaluating and monitoring various existing or potential risks to the company, communication and interaction with the company's management)</p> <p>The board's performance evaluation for the 2024 fiscal year was categorized as "high-medium," and the evaluation results were reported at the board meeting on December 23, 2024. The evaluation results also served as a reference for compensation distribution and re-nomination for board member tenure.</p>	None
d. Has the company evaluated the independence of CPAs on a regular basis?	V		<p>The company's Audit Committee evaluates the independence and suitability of its appointed auditors every year. In addition to requiring auditors to provide an "Independence Declaration" and "Audit Quality Indicators (AQIs)," the evaluation is conducted based on the standards mentioned in Note (1) and the 13 AQI indicators. After confirming that the auditors have no financial interests or business relationships with the company, apart from fees for auditing and tax-related services, and that the auditors' family members also comply with independence requirements, the evaluation considers the AQI indicators. The auditors and the firm are confirmed to have superior audit experience and training hours compared to the industry average. Furthermore, in recent years, digital audit tools have been continuously introduced to improve audit quality. The latest evaluation results were discussed and approved by the Audit Committee on April 30, 2024, and were subsequently submitted to the board of directors on the same date for approval regarding the auditors' independence and suitability assessment.</p>	None
(4) Has the company designated a	V		The company, by resolution of the Board of Directors on	None

full-time (or part-time) unit or personnel to be in charge of corporate governance affairs (including, but not limited to, providing Directors and Supervisors with information needed to conduct businesses, handling matters about Board of Directors meeting and Shareholders' Meeting in compliance with laws, handling company registration and change in the company registration, document meeting minutes of Board of Director meetings and Shareholders' Meetings)?		<p>February 23, 2023, appointed Manager Lin Wei-xian as the Corporate Governance Officer to safeguard shareholders' rights and strengthen the functionality of the board. Manager Lin has over three years of experience in financial and other management roles in publicly listed companies.</p> <p>The main responsibilities of the Corporate Governance Officer include managing board and shareholders' meetings in accordance with the law, preparing the meeting minutes for board and shareholders' meetings, assisting directors with their appointments and continuous education, providing directors with the information needed to perform their duties, and ensuring compliance with laws and regulations.</p> <p>Key business execution points for the year 2024 (113th year) are as follows:</p> <p>Held 6 board meetings and 5 audit committee meetings in 2024, providing meeting materials to all directors.</p> <p>Responsible for publishing major resolutions and significant information announcements immediately after board and shareholders' meetings.</p> <p>Successfully held the shareholders' meeting on May 29, 2024.</p> <p>Evaluated and purchased appropriate insurance coverage for "Directors and Key Personnel Liability Insurance," completing the insurance arrangement on December 23, 2024, and reported the coverage details to the board of directors.</p> <p>Provided directors with relevant continuing education information irregularly, reminded them to complete the required hours of continuing education in compliance with the "Guidelines for Continuing Education of Directors and Supervisors of Listed and OTC Companies," and completed the related reporting procedures. In 2024, arranged for all directors to complete 6 hours of continuing education courses and ensure they were reported as completed.</p> <p>Continuing education status for 2024:</p> <table border="1"> <thead> <tr> <th>Date</th><th>Host</th><th>Course</th><th>Hour</th></tr> </thead> <tbody> <tr> <td>2024.07.16</td><td>Foundation for the Development of Accounting Research, ROC</td><td>The latest analysis of laws and regulations related to "Annual Report/Sustainability Information/Financial Report Preparation" and internal control management practices</td><td>6</td></tr> <tr> <td>2024.07.31</td><td>Chinese Association of Corporate Governance</td><td>Digital Detective: The Future Path Toward Preventive Auditing</td><td>3</td></tr> <tr> <td>2024.11.15</td><td>Foundation for the Development of Securities and Futures Markets, ROC</td><td>2024 Annual Insider Stock Trading Legal Compliance Briefing Sessions</td><td>3</td></tr> <tr> <td colspan="3">Total</td><td>12</td></tr> </tbody> </table>	Date	Host	Course	Hour	2024.07.16	Foundation for the Development of Accounting Research, ROC	The latest analysis of laws and regulations related to "Annual Report/Sustainability Information/Financial Report Preparation" and internal control management practices	6	2024.07.31	Chinese Association of Corporate Governance	Digital Detective: The Future Path Toward Preventive Auditing	3	2024.11.15	Foundation for the Development of Securities and Futures Markets, ROC	2024 Annual Insider Stock Trading Legal Compliance Briefing Sessions	3	Total			12	
Date	Host	Course	Hour																				
2024.07.16	Foundation for the Development of Accounting Research, ROC	The latest analysis of laws and regulations related to "Annual Report/Sustainability Information/Financial Report Preparation" and internal control management practices	6																				
2024.07.31	Chinese Association of Corporate Governance	Digital Detective: The Future Path Toward Preventive Auditing	3																				
2024.11.15	Foundation for the Development of Securities and Futures Markets, ROC	2024 Annual Insider Stock Trading Legal Compliance Briefing Sessions	3																				
Total			12																				
(5) Has the company established a communication channel for interested parties, a company website dedicated to interested parties, and appropriately responded to the main social responsibility issues which are critical to the interested parties?	V	<p>The company has established spokesperson and deputy spokesperson to communicate with investors and other interested parties such as press and media. In addition, the Company has designated full-time personnel to be in charge of stock affairs and communication with other interested parties. The contact information of the responsible personnel can be found in the Company's website.</p>	None																				
(6) Has the company	V	The company has commissioned Oriental Securities Co., Ltd.	None																				

commissioned a professional stock service agent to handle matters about shareholders' meetings?			to assist and handle matters about shareholders' meetings.	
(7) Information disclosure a. Has the company set up a corporate website to disclose information on financial, business and its corporate governance?	V		The Company has established a multi-language website (www.emctw.com) to disclose information on financial, business, and corporate governance. Those information can also be viewed on the Market Observatory Post System (MOPS) operated by the Taiwan Stock Exchange.	None
b. Has the company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company's website, etc.)?	V		The Company has designated appropriate persons to collect information for public disclosure. Investor conference and analyst meeting are held periodically. Those information are disclosed on the Company website or the MOPS system operated by the Taiwan Stock Exchange. The Company also has established a spokesperson system, including spokesperson and deputy spokesperson.	None
c. Has the company announce and file annual report within 2 months after the accounting calendar year ends, and compliance with regulations that announce and file for first quarter, second quarter, third quarter and monthly revenue in advanced ?	V		The company completed the announcement and filing of the consolidated and individual financial reports for 2023 and 2024 on February 29, 2024, and February 25, 2025, respectively. The financial reports for the first, second, and third quarters of 2024, along with monthly revenue reports, were all announced and filed on the Market Observation Post System (MOPS) ahead of the regulatory deadline and were simultaneously uploaded to the company's website.	None
(8) Does the company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, vendor relations, interested parties' rights, training for Director, risk management policies and risk measurement standard implementation progress, customer policy implementation progress, and the Company's purchase of liability insurance for Directors)?				
a. Employee rights and interests, and staff care	V		<p>In compliance with laws and regulations, the Company has an employee welfare committee that appropriates welfare funds and manages various welfare activities for employees. The Company also provide training courses to cultivate employee talents and enhance safety requirements of operations.</p> <p>The Company complies with all pertinent labor regulations and the International Bill of Human Rights, and have established and adjusted internal management systems accordingly. For instance, we do not, and will not, recruit children under the age of 15. We ensure that our recruitment policy does not discriminate based on gender, ethnicity, age, marital status, and/or family conditions, and our practices ensure the equality of salaries, recruitment conditions, trainings, and career advancement opportunities. The Company also ensures a working environment that all employees are protected from not being bullied, discriminated, and harassed.</p> <p>Employees are informed the contact details, including email, phone number, and mail box, of the Human Resources Department, which handles employee grievances. Each case will be handled by a dedicated person.</p>	None

b. Investor relations, vendors' relations, rights of interested parties	V		The company has established a spokesperson system, including spokesperson and deputy spokesperson, to respond to requests and opinions from the investing public and interested parties. The Company also designates a full-time IR personnel to serve the needs of professional institutional investors. Vendors' relationship is well maintained by the chief of the procurement department.	None
c. The purchase of liability insurance for Directors	V		The company has purchased liability insurance for each Director, and reviewed the insurance coverage program on annual basis.	None
d. Risk management policies and risk measurement standard implementation progress	V		Based on the responsibilities and functions of each unit, including various levels of risk categories, the ESG Committee categorizes risks according to the principle of materiality into three main areas: Economic (including corporate governance), Environmental, and Social. These risks are further subdivided into related types. For detailed information, please refer to the company's annual sustainability report.	None
e. Customer policy implementation progress	V		The Company has maintained a stable relationship with customers in accordance with the internal guidelines. To ensure the Company will be able to meet the demand of customers, the Company consistently obtain better understanding of customers' situations and continuously improve the product quality.	None
f. The training status of Directors	V		Please refer to Note 2.	None
(9) Please explain the improvement of the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancements and measures for those that have not been improved: The company continues to improve the company's website in accordance with the corporate governance blueprint and annual report disclosures.				

Note:1

1. Criteria to evaluate the independence of CPAs (The following criteria are formulated in accordance with the Article 47 of the Accountant Law and the requirement of “Integrity, Objectivity and Independence” stipulated in the Bulletin No. 10 of the Professional Ethics of CPAs of the Republic of China):

Accreditation of Accountants Independence Assessment Form		Compliance with independence	
		Yes	No
a.	The CPAs have voluntarily terminated their services and transferred to other qualified ones in compliance with relevant regulations in past seven years until the latest audit/review of financial statements	V	
b.	Not having a material financial interest in the audit client.	V	
c.	Avoid having an inappropriate relationship with the audit client.	V	
d.	The CPA firm shall ensure its employees follow the requirement of “Integrity, Objectivity, and Independence”.	V	
e.	The CPA shall not audit and/or review the financial statements of an organization by which he or she has been employed and not separated with the organization for less than two years.	V	
f.	The CPA shall not permit others to practice under his or her name.	V	
g.	The CPA does not hold stakes in the Company or the affiliated entities of the Company.	V	
h.	The CPA shall not borrow from or lend to the Company or the affiliated entities of the Company.	V	
i.	The CPA shall not cooperate with the Company or the affiliated entities of the Company to invest in the same business or make profit-sharing arrangement with the Company or the affiliated entities of the Company.	V	
j.	The CPA shall not be concurrently employed by the Company or the affiliated entities of the Company to conduct routine business and receive a consistent salary.	V	
k.	The CPA shall not be involved in the management decision making of the Company or the affiliated entities of the Company.	V	
l.	The CPA shall not engage in the conduct that could jeopardize the independence.	V	
m.	The CPA is not the spouse, a lineal consanguinity, a direct affinity, or a collateral consanguinity within two degrees of kinship of the management team of the Company.	V	
n.	The CPA shall not receive any commission related to the practice performed.	V	
o.	Matters could compromise or jeopardize the independence of the CPA were not found until the date the annual report published.	V	

Note:2

Training for Directors and Independent Directors:

Training for Directors and Independent Directors					
Title	Name	Date	Host	Course	Hour
Chairman	Dong, Ding-Yu	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.05.09	Corporate Governance Association of Taiwan	Analysis of the Labor-Management Dispute Handling Act and Recent Practical Analysis of Labor Standards Act Regulations	3
Subtotal					6
Director	Tsai, Fei-Liang	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.07.31	Corporate Governance Association of Taiwan	Digital Detectives: The Future Path Toward Preventive Auditing	3
Subtotal					6
Director	Hsieh, Mon-Chang	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.11.07	Corporate Governance Association of Taiwan	Trends in Digital Technology and Artificial Intelligence and Risk Management	3
Subtotal					6
Director	Lee, Wen-Shiung	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.12.10	Taiwan Directors' Association	Growth and Challenges Under Innovation and Transformation	3
Subtotal					6
Director	Shen, Bing	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.05.03		2024 Global Economic Trends, Risk Indicators, and Response Strategies	3
		2024.08.02		Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
Subtotal					9
Independent Director	Cheng, Duen-Chian	2024.07.11	The Foundation for Securities and Futures Market Development of the Republic of China	Digital Re-engineering to Create a New AI Future - Generative AI Application Case Sharing	3
		2024.07.31	Corporate Governance Association of Taiwan	Digital Detectives: The Future Path Towards Preventive Auditing	3
Subtotal					6
Independent Director	Chen, Hsi-Chia	2024.04.30	Chinese Independent Directors Association	Applications and Challenges of Generative AI from the Perspective of ChatGPT	3
		2024.07.31	Corporate Governance Association of Taiwan	Digital Detectives: The Future Path Towards Preventive Auditing	3
Subtotal					6
Independent Director	Cheng, Shou-Zhen	2024.07.31	Corporate Governance Association of Taiwan	Digital Detectives: The Future Path Towards Preventive Auditing	3
		2024.08.23		Introduction to IFRS Sustainable Disclosure Standards and Sharing of Domestic and International Net Zero Carbon Emission Trends	3
Subtotal					6
Total					51

3.4 Composition and Operations of the Remuneration Committee and the Corporate Sustainability Development Committee:

3.4.1 Remuneration Committee

Information of Remuneration Committee Members

2025.03.31

<div> <div>Condition</div> <div>Identity</div> <div>Name</div> </div>		Professional Qualification	Curriculum Vitae	Independence Situations (Meet the criteria of Note 1)	The number of Independent Directors of the other Public Offering Company
Independent Director (Commissioner)	Shen, Bing	Has work experience in business, legal, finance, accounting or corporate business	Chief Investment Officer, International Bank Corporation Executive Director, Morgan Stanley & Co. Vice President, China Development Industrial Bank President, CDIB Partners Investment Holding Corporation	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	-
Independent Director	Cheng, Duen-Chian	Has work experience in business, legal, finance, accounting or corporate business	President, UMC Capital Corporation Managing Director, Union Investment Management Consulting Co, Ltd. Executive Director/President of Taiwan Branch, Morgan Stanley Asia Limited Executive Director, Goldman Sachs Asia L.L.C.	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	2
Independent Director	Chen, Hsi-Chia	Has work experience in business, legal, finance, accounting or corporate business	Managing Partner, Chen & Chang, Attorneys-at-Law. Member, Standing Committee of ICC International Centre for ADR Convenor, Taiwan Chapter of the Chartered Institute of Arbitrators (CIArb) East Asia Branch. Independent Director, Asia Renewable Energy (Cayman) Ltd.	(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)	-

Note: Each director meets the following conditions in the two years prior to the election and during his or her term of office.

- (1) An employee who is not employed by the company or its affiliates.
- (2) Directors or supervisors who are served as the position of the same company or affiliated enterprises (except where the company and its parent company, subsidiaries or subsidiaries of the same parent company are established as independent directors in accordance with this Act or local national decrees).
- (3) A natural person shareholder who is not a natural person who holds more than 1% of the total number of issued shares of the company or holds in the name of others or the top 10 shareholders.
- (4) The spouse, second degree or third degree relatives of managers not listed in (1) or (2) or (3) listed persons.
- (5) A director, supervisor or employee who does not directly hold more than 5% of the total number of issued shares of the company, the top five shareholders or the legal person shareholders designated as directors or supervisors of the company in accordance with article 27, paragraphs 1 or 2 of the company Act (except where the company and its parent company, subsidiaries or subsidiaries of the same parent company are established by this law or local laws and regulations).
- (6) More than half of the shares that are not seated or have voting rights in the directors of the company shall be directors, supervisors or employees of other companies controlled by the same person (except where they are independent directors of the company or its parent, subsidiary or subsidiary of the same parent company established in accordance with this Act or local national decrees).
- (7) Directors, supervisors or employees of other companies or institutions that are not the same person as the chairman, president or equivalent of the company or spouse (except where the company and its parent company, subsidiaries or

subsidiaries of the same parent company are established as independent directors in accordance with this Law or local national laws).

- (8) Directors, supervisors, president or shareholders holding more than 5% of the shares of a particular company or institution that do not have financial or business dealings with the company (unless a particular company or institution holds more than 20% of the total number of issued shares of the company, not more than 50%, and is an independent director of the company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this Law or local national laws).
- (9) Professionals, sole proprietors, partners, directors, supervisors, managers and their spouses who do not provide audits for the company or related enterprises or have obtained remuneration in the past two years in the past two years in a commercial, legal, financial, accounting and other related services of NT\$500,000. However, this does not apply to members of the Remuneration Committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions who perform their functions under the Securities and Exchange Act or the relevant laws and regulations of the Mergers and Acquisitions Act.
- (10) There is no family relationship with other directors within the scope of a spouse or second-degree relatives.
- (11) There is no circumstance under the paragraphs of article 30 of the company act.
- (12) There is no any elected directors who is on behalf of a government, a legal person or its representative under the article 27 of company act.

3.4.2 Executive Status of Remuneration Committee

- A. The number of committee members of the company is three.
- B. The tenure of current Remuneration Committee is from 26 May 2022 to 25 May 2025.
- C. The Remuneration Committee held twice in 2024, and the attendance status of members in most recent year is disclosed as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Remarks
Independent Director Commissioner	Shen, Bing	2	0	100%	
Independent Director	Cheng, Duen-Chian	2	0	100%	
Independent Director	Chen, Hsi-Chia	2	0	100%	
Other required disclosure:					
(1) Should Board of Directors reject or amend the proposal of Remuneration Committee, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of the Remuneration Committee, and measures the Company had in responding to such opinions shall be specified (for instance, the Board of Directors resolved a remuneration package that is better than the proposed remuneration by the Committee, the difference and reasons shall be specified): None					
(2) Should any resolution on which the member of Remuneration Committee have a dissenting or qualified opinion occur and such opinion be recorded or be expressed by writing notice, the dates and sessions of the said Remuneration Committee meetings, the contents of the said resolutions, opinions of the Remuneration Committee members, and measures the Company had in responding to such opinions shall be specified: None					

- D. Resolutions resolved by the Remuneration Committee in year 2024:

	Proposals	Resolutions	Measures the Company had
The 5th meeting of the 5th term dated as 29 Feb 2024	1. To approve the planned remuneration of Directors and compensation of Managers for year 2024. 2. To approve the distribution of remuneration of Directors and compensation of employees for year 2023.	Resolved. All members vote For all proposals.	The resolution was submitted to the Board of Directors Meeting and obtain approval from the Board.
The 6th meeting of the 5th term dated as 30 Oct 2024	1. Discussion of the Year 2024 working plan for the remuneration committee.	Resolved. All members vote For the proposal.	The resolution was submitted to the Board of Directors Meeting and obtain approval from the Board.

3.4.3 Executive Status of Remuneration Committee

1. The members of this committee are appointed by a resolution of the Board of Directors, with the number of members being at least three, and more than half of them should be independent directors. At least one member should possess expertise in corporate sustainability development. The committee members shall elect one member to serve as the convener and chairperson of the meetings.
2. Qualifications, Experience, and Operations of the Corporate Sustainability Development Committee:
 - (1) The committee has three members, with their professional qualifications and experience (please refer to the Board of Directors' information on page 16-17 of this annual report).
 - (2) The term of office for the current members is from October 30, 2024, to May 29, 2025.
 - (3) The committee held one meeting in 2024 (A), with attendance and discussion items as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Remarks
Director Commissioner	Dong, Ding-Yu	1	0	100%	
Independent Director	Cheng, Duen-Chian	0	1	-	
Independent Director	Chen, Hsi-Chia	1	0	100%	
Other required disclosure: The first session of the first committee meeting was held on December 23, 2024. During the meeting, discussions were held on Elite Material Co., Ltd.'s (EMC's) corporate sustainability strategy goals, short-, medium-, and long-term plans, as well as the 2024 energy-saving and carbon reduction project report. The report was also presented at the Board of Directors meeting on December 23, 2024.					

3.4.4 Nomination Committee: The company has not established a Nomination Committee.

3.5 Circumstances and reasons for the implementation of sustainable development promotion and the differences with the code of practice for sustainable development of listed companies

Item	Execution status			Differences and reasons for the code of practice for sustainable development with listed companies
	Yes	No	Summary	
(1) Has the company established a governance framework to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by senior management authorized by the board of directors, and the board of directors supervises the situation?	V		<p>The company's board of directors approved in October 2024 (113th year) the elevation of the "Corporate Sustainability Development Committee" to a functional committee directly under the board of directors. Simultaneously, the "Corporate Sustainability Development Committee Organizational Regulations" were formulated, which outline the purpose of the committee, its composition, powers, and other relevant matters.</p> <p>The first term of the committee is chaired by Chairman Dong Dingyu, with independent directors Zheng Dunqian and Chen Xijia as members. For their relevant professional qualifications, please refer to the Board Member Diversity Policy and its implementation.</p> <p>The first committee meeting of the first term was held on December 23, 2024, with a 100% attendance rate. During the meeting, discussions were held regarding Taiwan Union</p>	None

			Technology Corporation's corporate sustainability strategy, short- to long-term plans, as well as the 2024 energy-saving and carbon reduction project report, which was presented to the board on December 23, 2024.	
(2) Does the company conduct risk assessments related to environmental, social, and corporate governance (ESG) issues that are relevant to its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>On October 30, 2024, at the 12th Board of Directors' 16th meeting, the company passed the "Risk Management Policies and Procedures" as the highest guiding principle for the company's risk management.</p> <p>Each year, the company designates a unit assigned by the general manager to assist in identifying risk factors, in order to identify potential risks that may affect corporate sustainability. This helps to select the scope of risk management. Based on operational needs, the company monitors potential risks and implements preventive measures to strengthen risk management. For each identified risk, a risk management strategy is developed, covering management objectives, organizational structure, responsibilities, and risk management procedures, which are implemented to keep risks arising from business activities within an acceptable range.</p> <p>The company actively promotes the implementation of risk management mechanisms. For the implementation status in 2024, please refer to the official website: Investor Relations / Corporate Governance / Board of Directors / Risk Management Procedures and Operations for the year 2024.</p>	None
(3) Environmental Issues A. Has the Company established an appropriate environmental management system according to its industry characteristics?	V		All factories and subsidiaries of the company follow ISO 14001 to establish environmental management systems and continue to pass third-party verification, and conduct annual greenhouse gas inventory according to ISO14064-1 specifications, track emission reduction results and publicly disclose them in the sustainability report.	None
B. Is the company committed to improving energy efficiency and using recycled materials that have a low impact on the environment?	V		<p>The company is a professional manufacturer of adhesive films and copper foil substrates. Since its establishment, it has been committed to improving product environmental performance to achieve sustainable business operations, and has obtained ISO 14001 (Environmental Management System) certification. In the direction of using environmentally friendly and low-impact recycled materials, Elite Material Co., Ltd. has been the world's largest supplier of eco-friendly, halogen-free substrates and adhesive films for several consecutive years, maintaining its competitive edge. Additionally, the company also uses recycled copper (recycled copper), with the usage rate of recycled copper now reaching 100%.</p> <p>Regarding waste management, the company categorizes and carefully stores industrial waste, entrusting an environmentally certified waste disposal agency to handle the removal of the waste.</p> <p>In recent years, the company has continuously improved production volume and value, while also focusing on enhancing energy efficiency. To effectively manage energy use, the company's Kunshan, Zhongshan, and Huangshi plants have all obtained ISO 50001 Energy Management System certification, and the Guanyin plant is expected to pass the ISO 50001 certification by the end of 2025.</p>	None
C. Has the company paid attention to the impact from climate changes on its business operations, carried out assessments on greenhouse gases, and set up corporate strategies to save energy and to reduce the emission of carbon and greenhouse gas?	V		<p>The Company also organizes employee training program to promote the environmental awareness and the Company's environmental policy.</p> <p>For potential risks and opportunities for the Company today and in the future, please refer to the Company's Annual Corporate Social Responsibility Report.</p>	None
D. Does the company count greenhouse gas emissions, water consumption and total waste weight over the past two years	V		<p>Total greenhouse gas emissions in the last 2 years (Our Guanyin Factory and Hsinchu Factory)</p> <p>The company Taoyuan and Hsinchu facility are gradually</p>	None

and establish policies for greenhouse gas reduction, water use reduction or other waste management?		<p>using natural gas to replace heavily oil, completed ISO14064 greenhouse gas inventory and third-party verification. The company has established a baseline for greenhouse gas emissions, and set annual carbon reduction targets to continuously promote emission reductions.</p> <p>The company's Guanyin and Hsinchu factory completed the ISO14064 greenhouse gas inventory in 2023, and are expected to complete the third-party verification in June 2024.</p> <p>The total greenhouse emission in 2023, 2024 figure is as the following</p> <table><tr><td>Company's Guanyin & Hsinchu Factory</td><td>2023</td><td>2024</td></tr><tr><td>Scope 1 (Metric Tons of CO2 Equivalent)</td><td>15,637.2609</td><td>14,276.3497</td></tr><tr><td>Scope 2 (Metric Tons of CO2 Equivalent)</td><td>20,083.5700</td><td>20,842.6504</td></tr><tr><td>Scope 1+2 (Metric Tons of CO2 Equivalent)</td><td>35,720.8309</td><td>35,119.0001</td></tr><tr><td>Scope 3 (Metric Tons of CO2 Equivalent)</td><td>1,409.6179</td><td>2,762.0093</td></tr></table> <table><tr><td>Item</td><td>Unit</td><td>2023</td><td>2024</td></tr><tr><td>Scope 1+2</td><td>Metric Tons of CO₂ Equivalent</td><td>35,720.8309</td><td>35,119.0001</td></tr><tr><td>Total Sales</td><td>Individual Financial Statements Unit: NT\$ million</td><td>10,663.801</td><td>15,473.986</td></tr><tr><td>Carbon Emission Intensity</td><td>Carbon Emissions / Total Revenue Unit: Metric Tons of CO₂ Equivalent / NT\$ Million</td><td>3.3497</td><td>2.2696</td></tr></table> <p>In addition, the company has identified electricity consumption as the primary source of its greenhouse gas emissions. Therefore, the company adopts energy-saving measures as its carbon reduction strategy and promotes a management approach based on an energy management system, actively implementing various energy-saving initiatives.</p> <p>To achieve the aforementioned energy-saving and carbon reduction goals, the company allocates an annual budget for energy efficiency improvements, including the replacement of outdated equipment, and monitors performance to ensure effectiveness. When upgrading air handling units, EC (electronically commutated) fans are used. Additional measures include temperature control of office air conditioning, full replacement with LED lighting, limiting elevator usage during peak hours, and encouraging employees to propose energy-saving improvements. These efforts aim to continuously improve internal processes and enhance energy efficiency.</p>	Company's Guanyin & Hsinchu Factory	2023	2024	Scope 1 (Metric Tons of CO2 Equivalent)	15,637.2609	14,276.3497	Scope 2 (Metric Tons of CO2 Equivalent)	20,083.5700	20,842.6504	Scope 1+2 (Metric Tons of CO2 Equivalent)	35,720.8309	35,119.0001	Scope 3 (Metric Tons of CO2 Equivalent)	1,409.6179	2,762.0093	Item	Unit	2023	2024	Scope 1+2	Metric Tons of CO ₂ Equivalent	35,720.8309	35,119.0001	Total Sales	Individual Financial Statements Unit: NT\$ million	10,663.801	15,473.986	Carbon Emission Intensity	Carbon Emissions / Total Revenue Unit: Metric Tons of CO ₂ Equivalent / NT\$ Million	3.3497	2.2696
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Water consumption in the last 2 years

(Our Guanyin Factory and Hsinchu Factory)

Item	Unit	2023	2024
Water Consumption	Degree or Cubic Meter per Year	69,271	89,030
Total Sales	Individual Financial Statements Unit: NT\$ million	10,663.801	15,473.986
Intensity of Water Consumption	Water Consumption / Total Revenue Unit: m ³ / NT\$ million	0.0065	0.0058

The company's Guanyin plant and Hsinchu plant's water supply sources are 100% from municipal water (tap water). The main water is used for employees' lives, peripheral equipment and washing machines, especially for air conditioners (accounting for 70%).

We believe that water is a precious resource of the Earth. Therefore, reducing water usage and improving water resource efficiency are important tasks. To implement effective water resource management, the company has adopted several water-saving measures, including: establishing water quality control systems for air conditioning usage and evaluating water quality monitoring for air conditioning systems. In terms of domestic water use, the company promotes water conservation awareness among employees and adopts water-saving devices. These efforts aim to conserve water and energy, reduce resource consumption, and lower water intensity, thereby fulfilling our responsibility for environmental protection.

Waste output in the last 2 years

(Our Guanyin Factory and Hsinchu Factory)

	Unit	2023	2024
Hazardous Waste	Ton	1,676.22	2,476.90
General Waste		2,892.43	3,017.08
Total		4,568.65	5,493.98
Hazardous Waste Recycle Rate		78.49%	79.43%
General Waste Recycle Rate		68.09%	71.58%

Note: The increase in total waste was due to expanded production capacity. The countermeasure adopted is to increase the waste recycling rate in order to reduce environmental impact.

Waste management measures:

Regularly track and report the amount of waste generated, and set waste reduction targets

- (1) From time to time, check whether the disposal site properly handles the company's waste. In accordance with the ISO 14001 environmental management system "Waste Management Procedures", regularly (at least once a year) check the operation and management of entrusted waste storage, removal, treatment, and reuse.
- (2) When each batch of waste is cleared and transported, an online declaration is required according to the law, and the waste disposal situation is reported monthly according to the requirements of the Environmental Protection Agency.
- (3) Suppliers are required to provide proper disposal documents for each batch of waste entrusted for disposal
- (4) According to the category of the announcement, entrust a recycling organization to deal with the company's relevant recyclable (scrap) waste.

			<p>(5) Carry out waste sorting and recycling to reduce the types and quantities of clearing and transportation.</p> <p>(6) Gradually introduce consumables and raw materials made of environmentally friendly materials.</p>	
<p>(4) Social Issues</p> <p>A. Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?</p>	V		<p>As a global corporate citizen, the Responsible Business Alliance (RBA), social responsibility standards (Social Accountability 8000, SA 8000) and internationally recognized human rights norms include the United Nations Universal Declaration of Human Rights, the International Labour Organization (International Labour Organization), United Nations Guiding Principles on Business and Human Rights.</p> <p>And in accordance with the above-mentioned guidelines and local laws and regulations where the operation is located, develop the basis of labor standards and establish the Code of Conduct for Labor and Ethical Management, the Corporate Social and Environmental Responsibility Policy Statement, and the Corporate Social Responsibility Code of Practice as guidelines for the practice of corporate social responsibility. The use of child labor is expressly prohibited, child labor under the legal minimum age is ensured, the physical and mental health and safety of underage employees are ensured, and hazardous work is prohibited. Companies also promote freedom of employment, and all work is voluntary. Violations of Taiwan's photovoltaic human rights policy, such as non-slavery and human trafficking, will occur in 2023.</p>	None
<p>B. Does the company establish and implement reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflect its business performance or results in employee compensation?</p>	V		<p>The company determines employees' salary levels based on their educational and professional backgrounds, technical expertise, and individual performance. An Employee Welfare Committee has been established to manage and implement employee welfare programs. Additionally, the company's Articles of Incorporation stipulate that 3% of the annual profit, if any, shall be allocated as employee compensation.</p> <p>For more information on employee benefits and welfare measures, please refer to the official website under: Corporate Social Responsibility / Employee Rights and Welfare System.</p>	None
<p>C.. Has the Company offered a safe and healthy work environment and routinely offered employees with safety and health education training?</p>	V		<p>The company implements planned environmental monitoring and equipment maintenance and has established an ESH (Environmental, Safety, and Health) management system. With environmental safety and health as its goal, the company promotes two management systems: ISO 45001 (certified on July 23, 2024; valid from September 5, 2024 to September 4, 2027) and ISO 14001 (certified on July 23, 2024; valid from September 5, 2024 to September 4, 2027).</p> <p>New employees receive thorough pre-employment training, and supervisors are often present on-site to ensure workplace safety. Regular health checkups are provided for employees, and special medical examinations are conducted for workers in specific roles to safeguard their health. To prevent occupational hazards and protect the safety and health of workers, the company has established a "Workplace Safety and Health Code" in accordance with the Occupational Safety and Health Act and its regulations for employees to follow.</p> <p>The company places great importance on the overall safety of employees, contractors, and visitors. It conducts regular evacuation drills, fire and chemical disaster response drills across all facilities every year. In 2024, no fire incidents occurred. For more information on workplace safety, please refer to the company's annual sustainability report.</p>	None
<p>D. Has the Company established employee grievance mechanisms and channels, and handled these grievances properly?</p>	V		<p>Employees are informed the contact details, including email, phone number, and mail box, of the Human Resources Department, which handles employee grievances. Each case will be handled by a dedicated personnel.</p>	None
<p>E. Prior to conducting business with suppliers, has the Company evaluated if such</p>	V		<p>Prior to conducting business with suppliers, the Company will obtain "Supplier CSR Commitment Declaration". The legality, code of ethical management, and records of unethical</p>	None

suppliers have had records where they made an impact on the environment and on society at large?			behavior, if there is any, are used as a reference in the supplier selection process.	
F. Do the Company's contracts with its primary suppliers contain any immediate termination or cancellation clauses when suppliers violate their corporate social responsibility policies, and pose a significant impact on the environment and society?	V		<p>The company has established relevant assessment and management procedures. Before entering into a business relationship with a supplier, we first evaluate the legitimacy of the counterpart, their commitment to ethical business practices, and any history of dishonest conduct. Additionally, we obtain a signed commitment from suppliers to comply with environmental protection, occupational safety and health, energy usage, and anti-corruption practices.</p> <p>The company conducts social and environmental responsibility audits and assessments on key suppliers to ensure compliance with the Responsible Business Alliance (RBA) Code of Conduct or applicable local regulations. Furthermore, engineering contracts specify the need to comply with relevant laws, including the implementation of labor insurance for workers, and also include provisions related to anti-bribery and anti-corruption practices. Violations by suppliers may seriously impact their business relationship with the company.</p>	None
(5) Has the company adopted international standard code or guideline of perpetual statement to prepare CSR report to disclose non-financial data? Whether fore-mentioned report acquired third part assertion or guarantee opinion?	V		<p>The company follows the Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) in the preparation and disclosure of its report content. To enhance accuracy and credibility, the company has commissioned the British Standards Institution (BSI) Taiwan branch to conduct assurance in accordance with AA1000 AS (2008) Type 1 Moderate Assurance Level and the GRI Standards.</p>	None
(6) If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference: The Company has formulated a Code of Practice on Corporate Social Responsibility, and there is no material difference between the actual operating conditions and the Code of Practice on Corporate Social Responsibility of Listed Companies.				
<p>(7) Other important information that will help to promote the implementation of sustainable development</p> <p>(a) Environmental protection: Comply with relevant environmental laws and regulations, including, but not limited to, Waste Disposal Act, Water Pollution Control Measures and Test Reporting Management Regulations, and Air Pollution Control Act.</p> <p>(b) Community welfare, social services, and social welfare: The Company contributes to society through participation in activities of environmental protection, art & culture, and education. The Company also routinely makes monetary donation to non-profit organization supporting the minority group.</p> <p>(c) Rights and interests of consumers: Understanding customers' demand and promptly respond to customers' requests, in order to enhance the competitiveness of the Company.</p> <p>(d) Human rights: The Company ensures that its recruitment and human resource policy do not discriminate based on gender, ethnicity, age, marital status, and/or family conditions, and our practices ensure the equality of salaries, recruitment conditions, trainings, and career advancement opportunities for each employee. All employees are protected from not being discriminated, harassed, and bullied.</p> <p>(e) Safety and Health: The Company complies with laws and regulations to ensure the safety of labor in the work place and the health of each employee. The Company also adopts the EHS philosophy and management system.</p>				

Climate-related information for listed companies
Climate-related information implementation status

Item	Status
<ol style="list-style-type: none"> 1. Describe board of directors and management oversight and monitor of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term). 3. Describe the financial impact of extreme climate events and transformation actions. 4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described. 6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be described. 8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs). 9. Greenhouse gas inventory and assurance status. (Because the paid in capital does not reach NTD 5 billion , there is no need to disclose greenhouse gas check and confirmation status) 	<p>The Board of Directors serves as the highest governance body for climate-related issues, responsible for overseeing and making decisions on climate-related matters. The "Corporate Sustainability Development Committee" regularly reports the progress of climate change-related work to the Board.</p> <p>The Corporate Sustainability Development Committee is composed of three directors, with the Chairman of the Board serving as the Chief Commissioner, and Independent Directors Mr. Duen-Chien Cheng and Mr. Hsi-Chia Chen serving as committee members. The committee's main responsibilities are to promote, develop, and supervise climate-related tasks as resolved by the Board of Directors.</p> <p>Under the Corporate Sustainability Development Committee, there are four ESG working groups: Corporate Governance/Economy, Supply Chain/Green Products, Employee Care/Social Engagement, and Sustainable Environment. These groups are composed of department heads or designated representatives from relevant departments and are responsible for assessing and managing climate-related risks and opportunities, as well as implementing climate-related financial disclosures.</p> <p>Elite Material Co., Ltd. (EMC)'s Taiwan plants analyze the key climate risks and opportunities of concern to stakeholders to support the group's future impact adaptation planning. For EMC itself, physical disasters—such as natural disasters (typhoons, floods, etc.)—represent the greatest climate risk to operations, with production capacity being the most directly impacted area. On the opportunity side, increased customer demand for green products offers greater collaboration potential and drives innovation in R&D. As such, EMC is investing in and developing green products to meet the rising demand driven by climate change.</p> <p>For the upstream supply chain, climate-related risks such as natural disasters may disrupt supplier operations. EMC therefore requires suppliers to maintain flexible delivery capabilities, such as offering multiple shipping points, and continues to strengthen sustainable supply chain management practices.</p> <p>EMC has not yet conducted analyses using different climate-related scenarios, including the 2°C or more stringent scenarios.</p> <p>Indicators for climate-related risks and opportunities include metrics such as carbon reduction target achievement, greenhouse gas emissions, energy resource usage, water consumption, and waste generation. By reviewing the performance of these environmental indicators annually, the company manages and improves operational efficiency.</p> <p>For more information, please refer to the company's annual Sustainability Report.</p> <p>Website: https://www.emctw.com/zh-TW/csr_report/index</p>

3.6 Implementation of Code of Business Conduct

Item	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM listed Companies” and explanations
	Yes	No	Summary	
(1) Establishment of Business Conduct Policy and Plans				
a. Does the Company demonstrate business conduct policy and practice in the corporate guidelines and external documents? Have the Board of Directors and management committed to actively implement such policy?	V		<p>The Company has established “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management”. All employees are required and trained to comply with our “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management” throughout daily operations. In order to promote awareness, the policies are available for access through channels such as intranet, company website, and various meetings, etc.</p> <p>The purpose of the Principles said in the preceding paragraph is to cultivate an enterprise culture for the Company to ensure all businesses conducted with sincerity and integrity, preventing any misconduct while conducting business.</p>	None
b. Has the Company established and implemented an unethical conduct prevention plan, which stipulates operational processes, provides guidelines for conduct, discipline for violations of rules, and an appeal system in each case?	V		<p>The Company Directors, managers, employees, and mandatories are prohibited from, directly or indirectly, offering, promising to offer, requesting, or receiving improper benefits of any sort when conducting business with counterparties. Obtaining or sustaining benefits by conducting business without sincerity and integrity, in any illegal way, or in breach of fiduciary duty is also prohibited.</p>	
c. Has the Company taken any precautionary measures to prevent corruption or high-risk illegal business activities, based on Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”?	V		The internal control system and the internal ratification system of the Company have included measures to prevent conducting business without sincerity and integrity, and that shall also be able to prevent corruption or high-risk illegal business activities.	None
(2) Implementation of the Code of Business Conduct				
a. Does the Company evaluate the ethical conduct records of its counterparties and specify “Ethical clauses” in business contracts?	V		<p>Prior to engaging in a commercial transaction, the Company will take into consideration the legitimacy and legality of the counterparty such as agents, vendors, customers, and other entities, and their misconduct record, if any. The Company shall avoid engaging in business with counterparty with any record of misconducts. The Company will also make sure the counterparty will not, directly or indirectly, offer, promise to offer, request, or accept any improper benefits, including, but not limited to, bribery, kickbacks, commissions, and grease payments.</p> <p>When entering into material contracts with counterparties, the Company will include provisions in such contracts demanding the compliance of ethical corporate management policy.</p>	None
b. Does the company establish a dedicated unit under the Board of Directors to promote ethical business practices, and does it report at least once a year to the Board on the implementation	V		To implement ethical business practices, the company has designated the Human Resources department as the dedicated unit responsible for promoting integrity in business operations. This unit is responsible for coordinating the formulation, supervision, and execution of the ethical business policies and guidelines, conducting an annual	None

of its integrity management policies, anti-corruption programs, and the supervision and execution status?			<p>review of their implementation and compliance, and reporting to the Board of Directors. On December 23, 2024, the dedicated unit reported its execution status to the Board.</p> <p>Execution of Ethical Business Practices in 2024: In 2024, internal and external training related to ethical business issues (including compliance with ethical business regulations, corporate social responsibility, employee code of conduct, maternity protection, general safety training, etc.) was held for a total of 1,297 hours and 2,310 participants.</p> <p>Suppliers signing the Integrity Commitment Letter: In 2024, 152 new suppliers signed the commitment.</p> <p>Suppliers signing the Social Responsibility Commitment Letter: In 2024, 123 new suppliers signed the commitment.</p> <p>For more details on the execution of ethical business practices in 2024, please visit the official website: Investor Area / Corporate Governance / Board of Directors.</p> <p>Website: https://www.emctw.com/upload/media/New_Investors/Corporate_Governance/Integrity-TW-20241223.pdf </p>	
c. Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?	V		<p>The Company periodically organizes training programs for Company Directors, managers, and employees, so that the said Principles can be fully understood.</p> <p>For any violation of the Principles being found, each member of the Company is urged to proactively report to the Audit Committee, the management, head of internal audit, Human Resources Department, and other appropriate authorized managers, and to provide information, as comprehensive as possible, to allow the Company to take appropriate actions.</p>	None
d. Does the Company establish an effective operation of the accounting and internal control systems, and periodically conduct internal audits by internal auditors, or audit by CPA?	V		<p>The accounting system, the internal control system of the Company, and their implementation status are audited by the internal Audit Office.</p>	None
e. Does the Company periodically conduct internal and external training on ethical management?	V		<p>The company continuously promotes and implements the concept of ethical business practices through various meetings and training sessions.</p> <p>In 2024, the company conducted a total of 1,297 hours of internal and external training related to integrity management topics, including compliance with integrity-related regulations, corporate social responsibility, employee code of ethics, maternity protection, and hazard communication education. These training sessions reached a total of 2,310</p>	None

			participants.	
(3) Establishment of Reporting Channels for Violations of the Code Of Business Conduct				
a. Has the company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?	V		For any violation of the Principles being found, each member of the Company is urged to proactively report to the Audit Committee, the management, head of internal audit, Human Resources Department, and other appropriate authorized managers, and to provide information, as comprehensive as possible, to allow the Company to take appropriate actions.	None
b. Has the company established standard operating procedures, follow-up measures to be taken after the completion of the investigation and handling complaints in a confidential manner?	V		The Company ensures that the whistle- blower's identity and the contents of the complaint are kept confidential in order to protect the whistle-blower from retaliation for having filed the complaint. There are also measures are in place to conduct independent investigation into the alleged misconduct.	
c. Does the company adopt measures to protect whistle-blowers from reprisals for having filed the complaint report?	V			
(4) Improvements in Information Disclosure Does the Company disclose the principle and the practice of business conduct related information on the corporate website and MOPS website operated by the Taiwan Stock Exchange?	V		The Company has set up the "Code of Business Conduct" and "Ethical Corporate Management Best-Practice Principles for EMC", and both Principles has been disclosed on the Company website and the MOPS website operated by the Taiwan Stock Exchange.	None
(4) If the Company has established its own guidelines for the "Code of Business Conduct" according to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the discrepancies (if any) between actual operation and policy: There is no material discrepancies between actual operation and the policy.				
(5) Other important information revealing the Company's ethical operations: For the review of the current policy and continual improvement at the ethical corporate management, the Company is paying close attention to any further development at the best-practice principles for ethical corporate management.				

3.7 、 Other important information that would facilitate better understanding of the Company's status in implementing corporate governance: No.

3.8 Internal Control System Execution Status

3.8.1 Internal Control Statement

The company's 2024 Internal Control System Statement can be accessed on the Market Observation Post System (MOPS).

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

3.8.2 The investigative report of Entrusting CPA to examine the internal control system: None °

3.9 In recent years until the annual report being published, major resolutions of shareholders' meeting and board meetings:

Shareholders' Meeting

	Date	Resolutions and executions of Shareholders' Meeting
2024 Annual General Shareholders' Meeting	29 May 2024	<ol style="list-style-type: none">1. Approval of the 2023 financial statements.2. Approval of the 2023 earnings distribution proposal. Execution status: September 6, 2024 (Year 113) was set as the ex-dividend date for cash dividends, and the full distribution was completed on September 27, 2024, with a cash dividend of NT\$9.97920605 per share.3. Proposal to elect one additional independent director. Execution status: The registration of the new director with the Ministry of Economic Affairs was completed on June 11, 2024 (Year 113).

Board Meetings

Term	Date	Important Resolutions
The 12th Board Meeting of the 12th term	29 Feb 2024	<ol style="list-style-type: none">1. Accepted the acquired of use of asset rights and capital expenditure plan of the Guanyin business division.2. Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares.3. Approved the increase of the company's mid- to long-term credit limit.4. Approved to issue the "Internal Control System Statement" that the design and implementation of the company's 112-year internal control system are valid.5. Approved the capital expenditure plan of the EMC subsidiary (Penang).6. Approved the re-appointment of the company's head of finance and accounting departments.7. Approved the re-allocation the company's president.8. Accepted the proposal submitted by the Remuneration Committee about the directors' remuneration and managers' compensation of Year 2024.9. Approved the proposal of Year 2023 directors' remuneration and employees' compensation.10. Approved the Year 2023 business report and financial statements.11. Approved the proposal of distribution of Year 2023 profits.12. Approved to elect one additional independent director.13. Approved the matters related to convening the company's year 2024 annual general meeting of shareholders.
The 13th Board Meeting of the 12th term	10 April 2024	<ol style="list-style-type: none">1. Accept matters related to the nomination of independent director candidates by shareholders with more than 1% of the shares.

The 14th Board Meeting of the 12th term	30 April 2024	<ol style="list-style-type: none"> 1.Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2.Approved the case of increasing or decreasing the amount of the company's endorsement guarantee. 3.Approved the appointment of the company's certified accountant and assessment of independence and competency. 4.Approved the revision of the company's "Board of Directors Rules of Procedure" and "Audit Committee Organizational Rules". 5.Approved the re-appointed director of subsidiary. 6.Approved the 1Q24 business report and financial statements. 7.Approved the capital expenditure budget of KY division. 8.Approved the capital expenditure budget of the company's subsidiary, (EMC kuanshanKY division) ° 9.Approved the raising capital of subsidiary, (EMCKuanshan) ° 10.Approved the capital expenditure budget of the company subsidiary, EMC Penang.
The 15th Board Meeting of the 12th term	31 July 2024	<ol style="list-style-type: none"> 1. Approved the establishment of the base date for the company's fifth domestic unsecured conversion of corporate bonds into ordinary shares and the issuance of new shares. 2. Approved increasing the amount of the company's endorsement guarantee. 3. Approved the company's 2023 sustainability report. 4. Approved the reorganization case of subsidiary "Elite Electronic Materials (Kunshan) Co., Ltd." 5. Approved the company's consolidated financial report for the second quarter of 2024 6. Approved the issuance of sixth domestic unsecured convertible corporate bond case. 7. Approved the issuance of seventh domestic unsecured convertible corporate bond case.
The 16th Board Meeting of the 12th term	30 Oct 2024	<ol style="list-style-type: none"> 1.Approved the set of the base date for the company's fifth domestic unsecured conversion of corporate bonds into common shares and the issuance of new shares. 2.Approved the case of increasing the amount of the company's endorsement guarantee. 3. Approved the amendment of the company's "Management Procedures for Related Party Transactions" and formulating the company's "Risk Management Policies and Procedures", "Sustainable Report Preparation and Assurance Operational Procedures", and "Sustainable Information Management" internal control and internal audit systems case. 4. Formulate the organizational rules and committee member selection procedures of the company's corporate sustainable development committee. 5.Approved the nomination of directors and supervisors of subsidiary. 6.Approved the audit plan of year 2025. 7. Approved the work plan of the company's remuneration committee of year

		<p>2025.</p> <p>8. Approved the company's consolidated financial report for the third quarter of 2024.</p> <p>9. Approved the case of company's capital loan.</p> <p>10. Approved the capital expenditure budget of the company Taoyuan manufacturing site.</p>
The 17th Board Meeting of the 12th term	23 Dec 2024	<ol style="list-style-type: none"> 1. Approved the recognition of the company's Guanyin business unit's major property scrapping case. 2. Approved the case of increasing the amount of the company's endorsement guarantee. 3. Approved increasing the company's short-term credit limit. 4. Approved increasing the company's mid to long term credit limit. 5. Approved the company's year 2024 accountant's public expense review. 6. Approved the case of formulating the general principles of the company's pre-approved non-confidential service policy. 7. Approved the donation case through related person. 8. Approved the company's year 2025 group budget and capital expenditure plan.
The 18th Board Meeting of the 12th term	25 Feb 2025	<ol style="list-style-type: none"> 1. Approval of the capital expenditure proposal for the company's Guanyin Business Division. 2. Approval of the management personnel changes proposal. 3. Approval of the proposal to set the ex-dividend date for the company's fifth issuance of unsecured convertible bonds into common stock. 4. Approval of the proposal to reassign directors for the subsidiary. 5. Approval of the company's internal control system design and effectiveness declaration for the 2024 fiscal year. 6. Approval of the capital expenditure proposal for the company's Guanyin Business Division (again). 7. Approval of the Compensation Committee's recommendations regarding the salary and compensation items for the company's directors and managers for 2025 (Year 114). 8. Discussion on the amendment of the company's Articles of Incorporation to comply with Article 14, Section 6 of the Securities and Exchange Act. 9. Definition of "entry-level employees." 10. Approval of the employee and director compensation distribution proposal for 2024 (Year 113). 11. Approval of the company's 2024 (Year 113) business report and financial statements. 12. Approval of the company's 2024 (Year 113) earnings distribution proposal. 13. Approval of the election of directors for the company's 13th term. 14. Approval of matters related to convening the 2025 (Year 114) annual shareholders meeting.
The 19th Board Meeting of the 12th term	2 Apr 2025	<ol style="list-style-type: none"> 1. Approval of the amendment to the company's "Articles of Incorporation." 2. Approval of the list of candidates nominated by shareholders holding more than 1% of shares. 3. Approval of the proposal to lift the non-compete restrictions on the newly appointed director.

3.10 In recent years until the annual report being published, dissenting comments on major BOD resolutions from Directors and Independent Directors: None

4 Audit Fees

4.1 Information of Audit Fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Note
KPMG	Yi-Chun Chen Hsiao-Ling Chiang	1 Jan 2024 – 31 Dec 2024	4,030	5,379	9,409	None

Note: Service fees for income tax counseling, audit fees of business tax report, and fees for English translation of financial reports.

5 Information for change of CPA:

Not Applicable

6 The Company's Chairman, President, Managers Responsible for Finance and Accounting who have held a position in the CPA Office or its affiliates within the latest year:

None

7 Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Hold 10% or More of the Company Shares:

1.1 Shareholding Variation

Title	Name	2024		1 Jan 2025 – 16 March 2025	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman & President	Dong, Ding-Yu	-	-	-	-
Vice Chairman	Yu Chang Investment Co., Ltd.	-	(1,000,000)	-	-
	Representative: Tsai, Fei-Liang	(105,000)	-	-	-
Director	Yu Chang Investment Co., Ltd.	-	(1,000,000)	-	-
	Representative: Li, Wen-Shiung	-	-	-	-
Director	Hsieh, Mon Chang	-	-	-	-
Independent Director	Shen, Bing	-	-	-	-
Independent Director	Cheng, Duen-Chian	-	-	-	-
Independent Director	Hsi-Chia Chen	-	-	-	-
Senior Vice President	Sun, Michael	-	-	-	-
Vice President	Peng, Yi-Ren	(8,000)	-	-	-
Vice President	Chou, Li-Ming	-	-	-	-
Vice President	Chuang, Michael	-	-	-	-
Vice President	Yang, Danny	-	-	3,000	-
Vice President	Lee, De-Na	-	-	-	-
Vice President	Lin, Michael	-	-	-	-

Title	Name	2024		1 Jan 2025 – 16 March 2025	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Vice President	Yeh, Wenhua	-	-	-	-
Vice President	Yin, TY	6,000	-	-	-
Head of corporate governor	Lin, Wesly	-	-	-	-
Director of Accounting Department	Lin, Monica	-	-	-	-

1.2 Shareholding transferred:

Not applicable.

1.3 Shareholding pledged:

Not applicable.

8 Top ten shareholders being the related party as defined in statement of financial accounting standards No. 6:

16 March 2025

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding in Name of Others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Yu Chang Investment Co., Ltd.	25,471,477	7.35	0	0.00	0	0.00	Yu Sheng Investment Co., Ltd.	100%-owned subsidiary of Yu Sheng Investment Co. Ltd.
Representative: Su-Moon Wu	3,498,859	1.01	0	0.00	0	0.00		
New Labor Pension Fund	20,184,500	5.82	0	0.00	0	0.00	None	None
Silver Top Investment	17,253,000	4.98	0	0.00	0	0.00	None	None
Representative: Si, Run-Hong	0	0	0	0.00	0	0.00		
Yuanta High Dividend Fund	13,554,739	3.72	0	0.00	0	0.00	None	None
Yu Sheng Investment Co., Ltd.	12,915,000	3.39	0	0.00	0	0.00	Yu Chang Investment Co., Ltd.	100%-owned subsidiary of Yu Sheng Investment Co., Ltd.
Representative: Su-Moon Wu	3,498,859	1.01	0	0.00	0	0.00		
Chunghwa Post Co., Ltd.	7,708,000	2.22	0	0.00	0	0.00	None	None
Dong, Ding-Yu	5,265,766	1.52	1,209,842	0.35	0	0.00	None	None
Fubon Life Insurance:	4,918,000	1.42	0	0.00	0	0.00	None	None
Representative: Lin Fook Sing	0	0	0	0.00	0	0.00		
Desheng Technology Grand Dam Fund Account	4,600,000	1.33	0	0.00	0	0.00	None	None
Citibank (Taiwan) Ltd. Custody Account for the Central Bank of Norway Investment Account	4,175,582	1.20	0	0.00	0	0.00	None	None

9 Shareholding Proportion of EMC to Investees:

Investees by equity method	The Company's Holdings		Direct and Indirect Holding of Directors and Managers of EMC		Total Holdings	
	Shares	%	Shares	%	Shares	%
EMC Overseas Holding Inc.	36,256,950	100.00%	-	-	36,256,950	100.00%
Grand Wuhan Incorporated	20,020,000	100.00%	-	-	20,020,000	100.00%
EMC International Holding Incorporated	27,042,000	100.00%	-	-	27,042,000	100.00%
Li Cheng Technology Co., Ltd.	16,412,918	33.50%	250,000	1.53%	16,662,918	35.03%

Note: This refers to the company's long-term investment using the equity method.

III. CAPITAL OVERVIEW

1. Capital and Shares

1.1. Issued Shares

Month/Year	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		No. of Share	Amount (NT\$)	No. of Share	Amount (NT\$)	Sources of Capital	Capital Increased by Assets other than Cash	Other
2021.07	10	600,000,000	6,000,000,000	332,918,299	3,329,182,990	-	None	Note 1
2023.12	10	600,000,000	6,000,000,000	341,611,133	3,416,111,330	Conversion of CB	None	Note 2
2024.03	10	600,000,000	6,000,000,000	343,179,334	3,431,793,340	Conversion of CB	None	Note 3
2024.05	10	600,000,000	6,000,000,000	344,278,126	3,442,781,260	Conversion of CB	None	Note 4
2024.08	10	600,000,000	6,000,000,000	344,560,158	3,445,601,580	Conversion of CB	None	Note 5
2024.11	10	600,000,000	6,000,000,000	345,221,859	3,452,218,590	Conversion of CB	None	Note 6
2025.04	10	600,000,000	6,000,000,000	346,632,905	3,466,329,050	Conversion of CB	None	Note 7
-	10	600,000,000	6,000,000,000	346,773,599	3,467,735,990	Conversion of CB	None	Note 8

Note 1: On July 19, 2021, with approval document No. 11001123680 from the Ministry of Economic Affairs, an amendment registration was processed, changing the total capital from NT\$4 billion to NT\$6 billion.

Note 2: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11230212480 dated December 1, 2023.

Note 3: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11330037910 dated March 20, 2024.

Note 4: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11330075360 dated May 13, 2024.

Note 5: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11330143660 dated August 12, 2024.

Note 6: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11330196280 dated November 12, 2024.

Note 7: On March 24, 2022, approval document No. 1110335261 from the Financial Supervisory Commission authorized the domestic issuance of the 5th unsecured convertible corporate bonds. Ministry of Economic Affairs registration approval document No. 11430028950 dated April 1, 2025.

Note 8: In the first quarter of 2025, a total of 140,694 common shares were converted from the 5th and 7th unsecured convertible corporate bonds. The amendment registration is currently under submission.

Type of Stock	Authorized Share Capital			Remarks
	Issued outstanding shares	Unissued shares	Total	
Common Stock	346,773,599	253,226,401	600,000,000	None

1.1.1. Consolidated Filing System – Related Information: None

1.2 Major Shareholders

Shareholder	No. of Share Owned	Ownership (%)
Yu Chang Investment Co., Ltd.	25,471,477	7.35
New Labor Pension Fund	20,184,500	5.82
Silver Top Investment	17,253,000	4.98
Yuanta High Dividend Fund	13,554,739	3.91
Yu Sheng Investment	12,915,000	3.72
Chunghwa Post Co., Ltd.	7,708,000	2.22
Dong, Ding-Yu	5,265,766	1.52

Fubon Life Insurance: Representative: Lin Fook Sing	4,918,000	1.42
Desheng Technology Grand Dam Fund Account	4,600,000	1.33
Citibank (Taiwan) Ltd. Custody Account for the Central Bank of Norway Investment Account	4,175,582	1.20

1.3 Dividend Policy and Execution Results

1. Dividend Policy

In consideration of the growth characteristics of the industry and to maintain a sound financial structure, the Company may choose not to distribute annual earnings in years when a loss is incurred. The dividend policy prioritizes the Company's future development and financial condition while also taking into account shareholders' returns. Based on the Company's future capital expenditure plans, stock dividends may be distributed to retain the necessary cash, with the remaining portion to be distributed to shareholders in the form of cash dividends. However, the cash dividend shall not be less than 20% of the total dividends intended to be distributed.

When the Company's annual final accounts show a profit, income tax shall first be paid, and accumulated losses from previous years shall be offset. A statutory reserve of 10% shall then be appropriated in accordance with the law, and a special reserve or retained earnings may also be appropriated in accordance with Article 41 of the Securities and Exchange Act or as resolved by the shareholders' meeting. If the reason for setting aside a special reserve no longer exists due to legal amendments or changes in applicable laws, such reserve may be reversed and included in distributable retained earnings.

After appropriating all necessary reserves and adding accumulated undistributed earnings from previous years, 10% to 70% of the distributable earnings shall be allocated for distribution.

Shareholder dividends shall be determined based on the Company's operating performance. The Board of Directors shall draft a distribution proposal and submit it to the shareholders' meeting for approval.

If the Company's dividends, bonuses, statutory earnings reserve, or capital reserve are distributed in whole or in part in the form of cash, the Board of Directors is authorized to do so upon the attendance of at least two-thirds of directors and approval by a majority of the attending directors. The distribution shall be reported to the shareholders' meeting.

1.3.1 Proposed dividend to be resolved in the upcoming 2021 Annual General Shareholders' Meeting:

Year of Earnings	Date the Board Meeting Resolved to Distribute Earnings	Dividends	
		Cash Dividend (NT\$)	Stock Dividend (NT\$)
2024	25 Feb 2025	5,893,694,827 (NT\$17 per share)	0

Note: Cash dividend per share is calculated based on the total number of issued outstanding shares on 25 Feb 2025.

1.3.2 If the Dividend Policy Is Expected to Change Substantially: None

1.4 Effects on business performance and EPS resulted from stock distribution proposed by 2024 Annual General Shareholders' Meeting:

Not applicable.

1.5 Employees' Compensation and Directors' Remuneration:

The Percentage or Range of Employee and Director Remuneration Specified in the Articles of Incorporation:

If the Company has profits for the year, 3% shall be allocated as employee remuneration, and no more than 1.2% shall be allocated as director remuneration. However, if the Company has accumulated losses, the amount needed to cover such losses shall be retained in advance.

When employee remuneration is distributed in the form of stock or cash, the recipients may include employees of subsidiaries who meet certain criteria, with the method determined separately by the Board of Directors.

Basis for the Accrual of Employee and Director Remuneration for the Current Period, Basis for Calculating Shares When Distributed in Stock, and Accounting Treatment for Differences Between Accrued and Actual Amounts:

The amounts of employee and director remuneration for the current period were estimated based on the self-assessed profit/loss and historical dividend distributions. If the actual distributed amounts differ from the estimates, the difference is treated as a change in accounting estimate and recognized in the following year's profit or loss.

Information on the Proposed Distribution of Employee Remuneration Approved by the Board of Directors:

On February 25, 2025, the Board of Directors approved the following proposal:

(1) Cash Remuneration Distribution for Employees and Directors:

Employee cash remuneration: NT\$322,051,753

Director remuneration: NT\$69,777,880

The proposed total amount of employee and director cash remuneration for fiscal year 2024 is consistent with the amount recognized as expenses in the same year.

(2) Proposed Stock Remuneration for Employees and its Proportion of Net Income After Tax and Total Employee Remuneration:

No employee stock remuneration will be distributed for this period.

Actual Distribution of Employee and Director Remuneration in the Previous Fiscal Year (2023), Including Number of Shares, Amount, and Stock Price, and Explanation of Any Differences from Accrued Amounts:

(1) Employee Remuneration:

Proposed amount: NT\$190,946,880

Actual amount distributed: NT\$138,885,000

(2) Director Remuneration:

Proposed and actual amount: NT\$41,371,824

The difference in employee remuneration will be fully distributed in future periods.

1.6 Share Buyback by the Company:

The Company did not buyback share in Year 2023 and in Year 2024 as of 31 March.

2. Corporate Bonds:

Type of Bond		5th Domestic Unsecured CB	6th Domestic Unsecured CB	7th Domestic Unsecured CB
Issue Date		Apr 25, 2022	Sep 25, 2024	Oct 9, 2024
Face Value (NTD)		100,000	100,000	100,000
Issuing Place		Domestic	Domestic	Domestic
Issuing Price		NT\$ 101	NT\$ 103	NT\$ 110.94
Issuing Amount (NT\$)		3,465,300,000	3,000,000,000	3,000,000,000
Coupon Rate		0%	0%	0%
Duration		5 Year	5 Year	5 Year
Maturity		Apr 25, 2027	Sep 25, 2029	Oct 9, 2029
Pledge		None	None	None
Custodian		Yuanta Bank	KGI Commercial Bank	KGI Commercial Bank
Underwriter		Yuanta Securities	KGI Securities	KGI Securities
Certified Attorney		n/a	n/a	n/a
CPA		n/a	n/a	n/a
Repayment of principal		Please refer to Article 6 of Annex III.	Please refer to Article 6 of Annex III.	Please refer to Article 6 of Annex III.
Outstanding Principal (NT\$)		110,100,000	3,000,000,000	2,996,600,000
Terms of Redemption		Please refer to Article 17	Please refer to Article 17	Please refer to Article 17
Restriction		Please refer to Article 16	Please refer to Article 16	Please refer to Article 16
Credit rating, credit rating agency, and credit rating date		N/A	N/A	N/A
Other rights of bond holders	Till the publishing of the annual report, number of common shares issued upon the exercise of the conversion right	None	None	None
	Issuance and conversion procedures	Please refer to Annex I	Please refer to Annex II	Please refer to Annex III
Issuance and Conversion, Exchange, or Subscription Rules, Conditions of Issuance, Potential Dilution of Shareholding, and Impact on Existing Shareholders' Rights		N/A	N/A	N/A
Custodian of the underlying asset		N/A	N/A	N/A

Information of Convertible Bond

Type of Bond		5th Domestic Unsecured CB		6th Domestic Unsecured CB		7th Domestic Unsecured CB	
Item	Year	2024	Till Mar 31, 2025	2024	Till Mar 31, 2025	2024	Till Mar 31, 2025
	CB	265	269	118.3	118.5	136	135
Market Price	Highest	149	233	102.1	108.5	108	119.95
	Lowest	193.25	253.73	105.52	114.54	113.57	128.54
Average		241.8/236.2	236.2	607.5	607.5	490.7	490.7
Conversion Price		Apr 25, 2022 NT\$ 263		Sep 25, 2024 NT\$ 607.5		Oct 9, 2024 NT\$ 490.7	
Issuing date and conversion price		Issuing new shares		Issuing new shares		Issuing new shares	
Conversion Obligations							

3. Preferred Shares:

None

4. Issuance of Overseas Depository Receipts:

None

5. Employees Stock Option:

None

6. Employee Restricted Stock Options and Share Issued for Merger or Acquisition:

None

7. Fund utilization plans and status:

As of the quarter preceding the publication date of the annual report, the content and implementation status of previous issuances or private placements of securities that have not yet been completed:

8.1 Plan

Item	6th Domestic Unsecured CB	7th Domestic Unsecured CB
Approval Date & Document No. Issued by the Authority	Financial Supervisory Commission Approval Document No. 1130355251, dated September 2, 2024	Financial Supervisory Commission Approval Document No. 11303552511, dated September 2, 2024
Total Funds Required for the Project	<p>NT\$ 6,418,253,000</p> <p>Repayment of Bank Loans</p> <p>NT\$1,200,000 thousand of the funds raised in this offering will be used to repay bank loans. This will not only reduce interest expenses but also lower the company's reliance on financial institutions, strengthen the financial structure, and enhance debt repayment capability. Based on the interest rates of the loans intended to be repaid and the estimated repayment date, it is projected that interest expenses will be reduced by NT\$3,697 thousand in 2024 (Year 113 of the ROC calendar), and by NT\$22,489 thousand annually thereafter.</p> <p>Replenishment of Working Capital</p> <p>NT\$5,218,253 thousand of the funds raised in this offering will be used to replenish working capital. Based on the company's current average bank loan interest rate of 1.8%, it is estimated that interest expenses will be reduced by approximately NT\$23,482 thousand in 2024, and by approximately NT\$93,928 thousand annually thereafter. This will help alleviate the company's financial burden, enhance debt repayment capability, and improve its financial structure, thereby supporting overall business development.</p>	

8.2 Project Implementation Status

Unit: thousand NT\$

Project Item	Expected Completion Date	Capital Needed	Projected Schedule of Fund Utilization		Actual Fund Utilization Progress	
			2024	2025	2024	2025
			Q4	Q1	Q4	Q1
Pay back Bank Loans	Q4.2024	1,200,000	1,200,000	0	1,200,000	0
Strengthen Working Capital	Q1.2025	5,218,253	2,520,000	2,698,253	3,296,534	1,921,719
Total		6,418,253	3,720,000	2,698,253	4,496,534	1,921,719

As of the first quarter of 2025, the project has been fully executed.

IV. OPERATIONAL HIGHLIGHTS

1. Business Activities

1.1. Business Scope

1.1.1. Current Business Scope

- CC01080 Manufacturing of electronic components
- CB01020 Manufacturing of business machines
- CC01110 Manufacturing of computers and the peripherals
- C801010 Basic chemical industry
- C801990 Manufacturing of other chemical materials
- C901990 Manufacturing of other non-metallic mineral products
- F401010 International commerce
- ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations

1.1.2. Current products and services provided by the Company and subsidiaries

- Copper Clad Laminates (CCLs) consumed by double-sided PCBs (Printed Circuit Boards)
- Core CCLs and Prepreg (PP) consumed by multilayer PCBs
- Mass Lamination Panel (Mass Lam)

1.1.3. Sales Breakdown

The factory of the Company was built in 1993, and its capacity was expanded in the mid of 2005. Since the inception of the Company, it has been focusing on the manufacturing and sales of CCLs and PP, and providing the Mass Lam service for the downstream PCB makers. The sales breakdown of major business segment of 2024 is as follows:

Unit: NT\$ thousands, %

Product	Revenue	Percentage of Revenue
CCL	36,108,470	56.09
PP	27,401,902	42.56
Mass Lam	474,773	0.74
Others	391,582	0.61
Total	64,376,727	100.00

1.1.4. New Products Development

The development focus remains on deepening efforts in eco-friendly new materials and application R&D, ensuring technological leadership and market share in material applications for electronic products such as mobile devices, infrastructure, and the automotive industry.

(1) Substrates for ultra-high-speed switches and AI applications.

(2) Low-carbon, eco-friendly substrates.

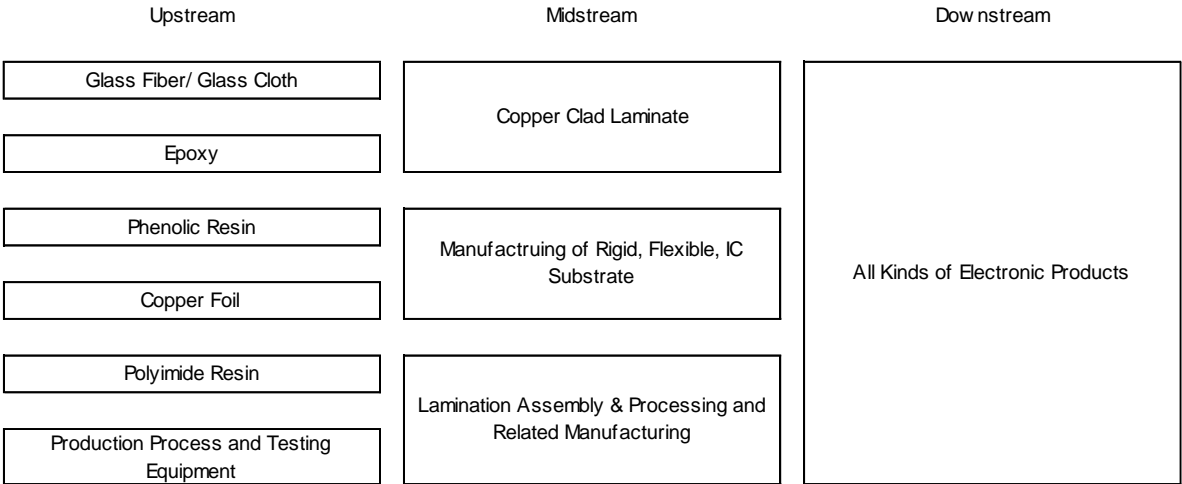
(3) Substrate materials for advanced packaging.

1.2. Business Environment

1.2.1. Current industry situation and prospects

In 2024, the primary sales markets were Taiwan and the People's Republic of China, with exports mainly to South Korea. It is expected that in 2025, Taiwan and the People's Republic of China will remain the main markets, with South Korea as a secondary market. The goal is to increase the proportion of high-end products (such as Hi-Tg, Br-Free, and Low CTE) to over 60%.

1.2.2. The supply chain analysis



1.2.3. Product trends and competition

Product and technology development trends are driven by downstream market demand. In addition to continuing toward lighter, thinner, smaller, more reliable, and multifunctional designs, electronic products are increasingly trending toward high-frequency, high-speed performance and eco-friendly innovation. Applications such as HDI boards, high-layer count boards, IC substrates, and rigid-flex boards used in mobile phones and consumer electronics place a higher emphasis on environmental sustainability. High-performance, eco-friendly substrate materials have strong growth potential and will be a key focus in the future development of PCB products.

1.3. Technology Innovation and R&D Overview

Upholding the philosophy of environmentally sustainable operations, we are fully committed to developing eco-friendly materials to meet future global market demands.

Year	Successfully Developed Technologies or Products
Year 2022	<div>1. RCC material adopted in 5G high-end handheld device has been certified by many customers and is actively preparing for mass production.</div> <div>2. Non PTFE high frequency laminate material for Self-driving Radar and Antenna has been mass produced.</div> <div>3. PCIe 5 II and PCIe 6 high speed data transmission material qualified by various customers and continuously gain market share.</div> <div>4. 800GHz Switch material verified and pilot run by global brand companies and ready for mass production.</div>
Year 2023	<div>1. Promotion and certification of tracking resistance and high voltage resistance base materials for rapid charging and discharging of electric vehicles.</div> <div>2. Customer testing and certification of low transmission loss adhesive-backed copper foil products for handheld devices.</div> <div>3. Testing and certification of halogen-free radar sheets for self-driving cars.</div> <div>4. A total of 60 patents have been certified in multiple countries.</div>
Year 2024	<div>1. Customer certification for silicon photonics optical module boards used in optical communications.</div> <div>2. Customer certification for eco-friendly substrates used in 224Gbps (1.6T) high-speed switches and high-speed AI servers.</div> <div>3. Mass production of substrates for low-earth orbit satellites and certification completed for next-generation boards.</div> <div>4. A total of 36 patents granted across multiple countries.</div>

1.4. Long-term and Short-term Business Plan

The Company conducts business with ethics and integrity in order to build a long-term cooperative relationship with customers. The long-term and short-term business plans that the management team makes are as follows:

1.4.1. Short-term Business Plan

- a. Achieve the targets of the operating and financial budgets of Year 2023
- b. Increase the percentage revenue derived from High-Tg low-CTE base materials, base materials consumed by electronic devices used for automotive vehicles, and thermal conductive base materials
- c. Coordinate the sales team and customer service activities to better serve customers

1.4.2. Mid-and Long-term Business Plan

- a. Expand the international market and enhance the long-term competitiveness of the company
- b. Diversify the applications of the company's products and diversify the sales channels

2. Overview of Market, Production, and Sales

2.1. Market Analysis

- 2.1.1. In 2024, the primary sales markets were Taiwan and the People's Republic of China, with exports mainly to South Korea. It is expected that in 2025, Taiwan and the People's Republic of China will remain the main markets. The sales distribution by region in 2024 is shown in the table below:

Regions	Percentage of total sales
Taiwan	14.53%
Mainland China	77.24%
Others	8.23%
Total	100.00%

2.1.2. Market Share

There are many copper foil substrate manufacturers in Taiwan, including Elite Material Co., Ltd., Nanya, Unimicron, Taiwan Union Technology Corporation, Taiwan Yao, Taiwan Panasonic Electric Works, and others. Our company is the global leader in halogen-free CCL, with a market share of 33%. According to the Prismark report published in 2024, our global market share is approximately 10%.

2.1.3. Future Market Supply and Demand Conditions and Growth Potential: Taiwan Moving Toward High-End Development.

2.1.4. Expected Sales Volume for 2025 and Its Basis:

- The company's expected sales volume for 2025 is based on the production and sales performance in 2024, future economic conditions, market supply and demand, and the results of the first quarter.
- Estimated total sales volume of CCL: 49.11 million sheets/year
- Estimated total sales volume of PP: 830,000 rolls/year
- Estimated total sales volume of M/L: 430,000 PNL/year

2.1.5. Factors Influencing Future Business Development

A. Positive factors

- CCLs are base materials for many sorts of electronic devices. The product life cycle is long, and at this moment, there is no product can replace the usage of CCLs.
- The penetration rate of halogen-free CCL is proliferating, and the market share is rising. Halogen-free products created much higher value for the Company.
- The Company has diversified the applications of its products, meeting the demand of different customers.
- The Company owns production base across the strait, and which are close to customers. In addition, the Company has established sales representative offices in Korea and the United States.

B. Negative factors

- The price volatility of raw materials can be significant, and therefore, has a negative impact on the gross margin of the Company.

C. Company's measures to counteract the negative factors

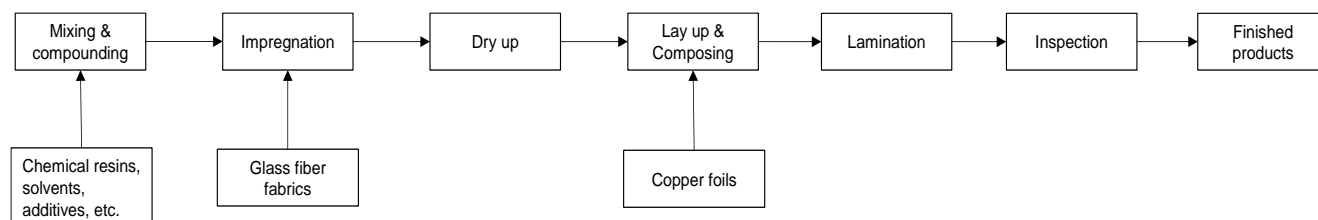
- Increase the sales percentage derived from high value-added products.
- Diversify the sources of raw materials to lower the risk. In addition, negotiate with vendors based on the total volume needed for all production sites of the Company to increase the bargaining power of the Company, in order to secure a consistent volume of supply with a relatively stable price.

2.2. Applications and Production Process of Major Products

2.2.1. Applications of major products

- CCLs: used for the production of double-sided PCBs and multi-layer PCBs
- Prepreg: used for the production of multi-layer PCBs
- Mass Lamination: an OEM service provided to PCB makers for the production of multi-layer PCBs.

2.2.2. Production process of major products



2.3. Source of Major Raw Materials

Major raw materials of the Company include, but not limited to, copper foils, glass fiber fabrics, and epoxy resins.

Table of major raw material sources and supply situations

Raw Materials	Major Sources	Supply Situation
Copper foil	Domestic	Normal
Glass fiber fabrics	Japan, domestic	Normal
Epoxy resins	Japan, domestic	Normal

2.4. Major suppliers or customers who account for 10% (inclusive) or above of purchases/or revenues in recent two years

2.4.1. Suppliers who account for 10% (inclusive) or above of purchases in recent two years:

Unit: NT\$ thousands

Year 2023				Year 2024				First Quarter of Year 2025			
Name	Purchase amount	Percentage of total purchase	Subsidiary or affiliates of the Company	Name	Purchase amount	Percentage of total purchase	Subsidiary or affiliates of the Company	Name	Purchase amount	Percentage of total purchase	Subsidiary or affiliates of the Company
A	2,522,614	10	No	A	4,337,391	11	No	A	1,404,137	11	No
Others	22,702,767	90	No	Others	36,022,192	89	No	Others	11,969,368	89	No
Net amount	25,225,381	100		Net amount	40,359,583	100		Net amount	13,373,505	100	

The reasons why percentage of purchase of major suppliers has changed: None

2.4.2. Customers who account for 10% (inclusive) or above of revenues in recent two years:

Unit: NT\$ thousands

Year 2023				Year 2024				First Quarter of Year 2025			
Name	Sales	Percentage of total revenue	Subsidiary or affiliates of the Company	Name	Sales	Percentage of total revenue	Subsidiary or affiliates of the Company	Name	Sales	Percentage of total revenue	Subsidiary or affiliates of the Company
B	4,675,845	11	No	B	8,987,063	14	No	A	2,721,829	13	No
-	0	0	-	-	0	0	-	B	2,791,164	13	No
Others	36,620,372	89	No	Others	55,389,664	86	No	Others	16,167,071	74	No
Net sales	41,296,217	100		Net sales	64,376,727	100		Net sales	21,680,064	100	

The reasons why percentage of sales of major customers has changed: None

3. Employee Data for the Last Two Years and as of March 31, 2025 :

Year		Year 2023	Year 2024	31 March 2025
Number of Employees				
Number of Employees	Direct	3,370	4,232	4,452
	Indirect	1,035	1,303	1,371
	Total	4,405	5,535	5,823
Average age		36	34	35
Average years of service		5	4	5
Breakdown of Educational Level (%)				
Distribution of Educational Level	Ph.D.	0.2	0.2	0.2
	Master	5.0	5.5	5.5
	Bachelor	39.0	40.0	40.3
	High School	51.0	51.0	50.6
	Below High School	4.8	3.3	3.4

4. Environmental Protection Measures and Expenses

4.1. Losses Incurred Due to Environmental Pollution in the Most Recent Year and Up to the Date of Annual Report Publication

(This includes compensation and violations identified through environmental protection inspections. The disclosure should specify the date of the penalty, the penalty document number, the violated regulation, details of the violation, and the penalty imposed):

In 2024 and up to the date of publication of the annual report, the Company paid a total fine of NT\$72,000 for violations of environmental protection regulations. A summary of the types of deficiencies is provided below:

Unit: NT\$, thousand

Company	Incident	Penalty Amount	Improvement Measures and Future Response Plans
EMC	1. May 29, 2024 – Violation of Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act. 2. July 15, 2024 – Violation of Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act.	72	Improvement Measures for Violation of Article 31, Paragraph 1, Subparagraph 1: The company has processed the amendment of the Waste Disposal Plan. Future Response Measures: Any future changes related to waste storage and classification must be managed in accordance with the company's EHS risk

	3. July 15, 2024 – Violation of Article 36, Paragraph 1 of the Waste Disposal Act.		change management procedures, and applications for amendments to the Waste Disposal Plan must be submitted in compliance with regulations. Improvement Measures for Violation of Article 36, Paragraph 1: Expanded waste classification and storage areas and improved labeling. Future Response Measures: An additional D-2499 classification and storage area will be established, and efforts will be strengthened to promote proper waste classification and storage.
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4.2. Estimated Future Expenses and Response Measures:

Estimated Expenses: In compliance with relevant regulations, no related expenses are expected to be incurred.

Response Measures: Strengthen personnel training on regulatory identification and enhance internal audit mechanisms to detect potential non-compliance issues early.

5. Employee Welfare

5.1 Description of the Company's Employee Welfare Measures, Education and Training, Retirement System and Its Implementation, Labor Relations Agreements, and Employee Rights Protection Measures:

Employee Welfare Measures

To become an outstanding enterprise in sustainable development, Elite Material Co., Ltd. (EMC) adheres to a people-oriented philosophy, striving to provide employees with a compensation system superior to industry peers. The company actively advocates for employee welfare, cares for both the physical and mental well-being of staff, and fosters a friendly workplace environment built on gender equality, multicultural integration, and intergenerational collaboration. EMC offers a wide range of benefits, including comprehensive safety systems, legal retirement and labor/health insurance, full training programs, and performance incentives. Key benefits include:

1. Employee remuneration and year-end bonuses based on annual business goal achievement

- ✧ Management bonuses based on business target fulfillment and individual performance
- ✧ Monthly performance bonuses
- ✧ Retirement system in accordance with the Labor Standards Act
- ✧ Labor insurance/social security, pension contributions, national health insurance, and group insurance (life, accident, medical, and occupational injury coverage)
- ✧ Regular employee health checkups
- ✧ Various training programs and regular reading clubs
- ✧ Free nutritious lunches and dinners
- ✧ Free employee uniforms
- ✧ Free motorcycle parking and car parking spaces
- ✧ Dormitory accommodations
- ✧ Annual year-end banquet
- ✧ Distribution of living essentials each quarter during the pandemic

2. Employee Training and Development System and Implementation Status

The company has established an "Education and Training Procedures" document to guide all training activities,

aimed at enhancing employees' skills and competencies to improve job performance and optimize human resource utilization in line with corporate goals.

To ensure systematic training across all employee levels, EMC established the “EMC Academy” based on the values of “taking responsibility, building teams, and creating value.” Supported by the eHRD learning platform, the training system is structured around job functions and levels, forming a comprehensive learning blueprint.

From the moment an employee joins the company, significant resources are invested in their training. EMC promotes various programs such as on-the-job training and self-study initiatives to maximize training outcomes. Training projects are also aligned with annual business goals and market trends to ensure adaptability and strategic alignment.

To enhance corporate competitiveness and professional development, EMC’s 2024 training focus was “Strengthening Competency Development and Enhancing the Learning Experience.” Training was fully implemented across all projects. In Taiwan and China facilities, average training hours were:

Managers: 21.9 hours per person

Non-managers: 33.6 hours per person

3. Retirement System and Implementation Status

To encourage professional service and ensure stable post-retirement living, EMC has implemented an “Employee Retirement Plan” and contributes regularly to labor retirement funds for each employee. A “Pension Supervisory Committee” was established by law to oversee the old pension system and implementation. For employees under the old system, the company contributes 2% of monthly salary into a designated retirement reserve account with Taiwan Bank. Annual actuarial evaluations ensure adequate funding and employee benefit protection.

Under the new pension scheme, the company contributes 6% of an employee’s salary monthly to an individual pension account. Employees can also voluntarily contribute up to an additional 6%, which is tax-exempt.

Employees who meet legal retirement criteria may apply for retirement and, upon approval, receive their old system pension (if applicable). The retirement funds in individual accounts can be withdrawn after reaching the age of 60. In 2024, nine employees applied for retirement, and their old system pension payments were processed according to regulations.

4. Labor Relations Agreements

Employee rights and responsibilities are governed by the company’s Employee Handbook. To protect labor rights and maintain harmonious labor relations, EMC emphasizes open communication and mutual resolution of issues. Labor relations remain harmonious, and no significant disputes have occurred. To continue fostering this environment, management will enhance communication channels and implement more human-centric management practices for a better future.

5. Employee Rights Protection Measures

Each department has established sound operational procedures based on relevant laws and internal control policies to ensure employee rights and responsibilities are upheld. A strong communication mechanism is in place, and employee-supervisor exchanges are encouraged to help the company respond appropriately, thereby protecting both employee and company interests.

5.2 Losses Due to Labor Disputes in the Most Recent Year and Up to the Date of the Annual Report, Including Estimated Future Losses and Response Measures (if any):
None.

6. Information and Communication Security Management:

(1) Description of the Information and Communication Security (Cybersecurity) Risk Management Framework, Security Policy, Specific Management Plans, and Resources Invested

(1) Information Security Risk Management Framework:

The Company has established its “Information Security Management Guidelines” based on the three core principles of information security: confidentiality, integrity, and availability. These guidelines aim to provide a stable information environment to support the continuous operation of the EMC Group's overall business, while establishing a management system and standard operating procedures to comply with relevant regulations and prevent threats such as misuse, leakage, tampering, theft, and destruction, thus mitigating potential risks.

In 2024 (Year 113 of the ROC calendar), the Company implemented the ISO/IEC 27001 international standard for information security management and obtained the ISO/IEC 27001 certification (valid from December 8, 2024 to December 8, 2027). This helps meet customers' information security requirements and enhances incident response capabilities to safeguard company and customer assets.

On March 10, 2022, the Company officially joined the TWCERT Cybersecurity Alliance, leveraging the alliance to receive early warnings about potential attack activities and threat detection. This membership also enables efficient threat intelligence sharing with domestic and international cybersecurity organizations, improving response strategies and reducing cybersecurity risks.

EMC uses the Cybersecurity Framework (CSF) developed by the U.S. National Institute of Standards and Technology (NIST) to assess its current cybersecurity defenses and define target states. The goal is to reduce risks to critical operational infrastructure. To protect corporate and customer confidential information, the Company strengthens information exchanges through structured management practices, implementing its information security system according to five functional areas: Identify, Protect, Detect, Respond, and Recover.

- Identify: Cybersecurity governance, IT asset inventory
- Protect: Identity and access control, endpoint protection, network security, data security, application and service protection
- Detect: Endpoint and network behavior detection, vulnerability management, threat intelligence utilization
- Respond: Incident reporting and response mechanisms, incident analysis, and corrective planning
- Recover: Backup mechanisms, redundancy planning, business continuity planning and drills

(2) Information Security Mechanisms:

To safeguard the Company's and clients' confidential information, data is classified and managed accordingly. The Company also enforces access control for networks, computers, and personnel. EMC has defined three major cybersecurity management objectives:

Information Equipment Security Management:

Regular IT asset inventory, implementation of a data-leak prevention (DLP) architecture, file permission control, Security

Information and Event Management (SIEM) log monitoring, Multi-Factor Authentication (MFA), and data security protection. Backup and recovery drills are conducted semi-annually. In 2024, four backup recovery drills were conducted at EMC headquarters, EMC (Kunshan), EMC (Zhongshan), and EMC (Huangshi), covering critical equipment switching and data restoration across sites.

Network and Anti-Virus Management:

To defend against cyberattacks and malicious intrusions, EMC has deployed next-generation firewalls, intrusion prevention systems (IPS), advanced threat protection, endpoint detection and response (EDR), network monitoring for industrial control systems and production lines, and deep host defense systems to mitigate zero-day exploits. Monthly vulnerability scans are conducted using automated tools, with prompt remediation. A network security risk management system is used for continuous risk assessment. Additionally, regular penetration tests are performed by external cybersecurity experts to identify and address security gaps and ensure a secure operating environment.

Employee Information Security Education and Training:

All new employees must receive cybersecurity awareness training. The Company also regularly conducts cybersecurity awareness and training sessions to enhance employee understanding of privacy and data protection, thereby reinforcing the importance of information security.

(3) Cybersecurity Incident Reporting Process and Events:

In the event of an information security incident, employees must follow the Company's "Cybersecurity Incident Reporting and Response Procedure", reporting to the highest-ranking information officer. The responsible unit then classifies and evaluates the incident and implements appropriate countermeasures. Between 2022 and 2024, EMC did not violate any information security laws and no information security incidents occurred.

(4) Specific Management Plans:

The Company's security practices—covering physical and environmental security, network and system security, access control, business continuity, and cybersecurity education—are rigorously implemented according to internal protocols.

The Audit Office serves as the supervising unit for information security oversight. It regularly inspects the effectiveness of internal cybersecurity operations, requests corrective plans for identified deficiencies, and tracks the results to reduce internal cybersecurity risks.

To strengthen the Company's cybersecurity risk management, an annual cybersecurity improvement plan was submitted to the Board of Directors on December 23, 2024, ensuring continued business operations.

The Company has a dedicated cybersecurity team consisting of one cybersecurity officer and one cybersecurity specialist, who hold monthly meetings to review policies and implementation details.

(2) Losses Due to Major Cybersecurity Incidents in the Most Recent Fiscal Year and up to the Publication Date of the Annual Report:

None.

7. Important Contracts and Agreements: None

Type of Contract	Company	Date	Content	Restriction
Construction	Elite Material (Penang) Sdn. Bhd.	112/12/28~114/2/28	New plant in Penang	None
Construction	Elite Electronic Material (Kunshan) Co., Ltd.	110/07/21~completion	New plant in Kunshan	None
Construction	Elite Electronic Material (Zhongshan) Co., Ltd.	113/10/21~completion	New plant in Zhongshan & equipment	None
Construction	Elite Material Co., Ltd.	114/04/09~completion	New Plant in Dayuan	None

V. REVIEW AND ANALYSIS OF THE FINANCIAL CONDITION, PERFORMANCE, AND RISK MANAGEMENT

1. Review and Analysis of Financial Condition

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current asset	33,674,913	51,493,766	17,818,853	52.91
Property, plant and equipment	16,654,509	21,386,978	4,732,469	28.42
Intangible assets	712,271	584,624	(127,647)	(17.92)
Other assets	2,384,934	2,614,468	229,534	9.62
Total assets	53,426,627	76,079,836	22,653,209	42.40
Current liabilities	23,073,079	30,181,993	7,108,914	30.81
Non-current liabilities	3,544,057	10,803,993	7,259,936	204.85
Total liabilities	26,617,136	40,985,986	14,368,850	53.98
Common stock	3,431,793	3,466,329	34,536	1.01
Capital surplus	4,361,746	5,690,867	1,329,121	30.47
Retained earnings	19,875,105	25,997,479	6,122,374	30.80
Other equities	(859,153)	(43,858)	815,295	94.90
Non-controlling interests	0	(16,967)	(16,967)	Note
Total equities	26,809,491	35,093,850	8,284,359	30.90

Analysis of Changes in Major Financial Items Over the Past Two Years

(For items with a change rate exceeding 20% and an amount greater than NT\$100 million)

Current Assets / Total Assets: The increase was mainly due to higher sales, which led to increases in accounts receivable and inventory.

Property, Plant, and Equipment: The increase was mainly due to ongoing capacity expansion.

Current Liabilities: The increase was mainly due to higher sales, which led to an increase in accounts payable.

Non-Current Liabilities: The increase was mainly due to the issuance of convertible bonds.

Total Liabilities: The increase was primarily due to the rise in accounts payable from increased sales and the issuance of convertible bonds.

Capital Surplus: The increase was mainly due to the issuance and conversion of convertible bonds.

Retained Earnings: The increase was mainly attributable to the Company's continued profitability.

Other Equity: The change was due to exchange differences arising from the translation of financial statements of foreign operations based on exchange rate fluctuations.

Non-Controlling Interests: The increase was due to newly added non-controlling interests during the period.

Total Equity: The increase was primarily driven by the Company's continued profitability.

Note: Not applicable due to the amount being zero in 2023.

2. Review and Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2023	Difference	
			Amount	%
Operating revenues – net	41,296,217	64,376,727	23,080,510	55.89
Cost of goods sold	29,963,502	46,407,101	16,443,599	54.88
Gross profit	11,332,715	17,969,626	6,636,911	58.56
Operating expenses	3,986,724	5,818,017	1,831,293	45.93
Operating profit (losses)	7,345,991	12,151,609	4,805,618	65.42
Non-operating gain (expenses)	73,557	(18,678)	(92,235)	(125.39)
Pre-tax profit from continuing operation	7,419,548	12,132,931	4,713,383	63.53
Net income (losses)	5,488,309	9,568,985	4,080,676	74.35
Other comprehensive income – net	(311,653)	823,901	1,135,554	(364.36)
Total comprehensive income	5,176,656	10,392,886	5,216,230	100.76
Net income attributable to the owner of the Company	5,488,309	9,578,449	4,090,140	74.52
Net income attributable to non-controlling interests	0	(9,464)	(9,464)	Note
Total comprehensive income attributable to the owner of the Company	5,176,656	10,403,148	5,226,492	100.96
Total comprehensive income attributable to non-controlling interests	0	(10,262)	(10,262)	Note

Analysis of Changes in Financial Figures Over the Past Two Years

(For items with a change rate of 20% or more and a change amount exceeding NT\$100 million)

Net Operating Revenue, Operating Costs, Operating Expenses, Operating Profit (Loss), Profit Before Tax from Continuing Operations, Net Profit (Loss) for the Period, Total Comprehensive Income for the Period, Net Profit Attributable to Owners of the Parent, Comprehensive Income Attributable to Owners of the Parent: The increase was mainly due to a favorable product mix that resulted in higher net operating revenue and profitability. However, related costs and expenses also increased accordingly.

Non-Operating Income and Expenses: The change was primarily due to an increase in financial costs.

Other Comprehensive Income for the Period (Net of Tax): The change was due to exchange differences arising from the translation of financial statements of foreign operations as a result of exchange rate fluctuations.

Net Profit Attributable to Non-Controlling Interests, Comprehensive Income Attributable to Non-Controlling Interests: The increase was due to the addition of new non-controlling interests during the period.

Note: Not applicable due to the amount being zero in 2023.

3. Review and Analysis of Cash Flow

3.1. Liquidity Analysis in Recent Two Years

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Cash Flows from Operating Activities	2,889,727	7,263,482	4,373,755	151.36
Cash Flows from Investing Activities	4,057,023	5,900,751	1,843,728	45.45
Cash Flows from Financing Activities	108,640	4,115,932	4,007,292	3,688.60
Analysis of variations between two years (should the variation exceed 20% of the numbers in previous year and the dollar):				
1. Operating Activities: Mainly due to continuous growth in sales.				
2. Investing Activities: Mainly due to ongoing capacity expansion.				
3. Financing Activities: Mainly due to the issuance of convertible bonds.				

3.2. Liquidity Analysis for the Coming One Year

Unit: NT\$ thousands

Cash and Cash Equivalents – beginning balance	Cash Flows from Operating Activities	Cash Flows from Investing and Financing Activities	Cash and Cash Equivalents – Ending Balance	Remedy Plans for Negative Balance of Cash and Cash Equivalents	
				Investment Plan	Financing Plan
14,988,308	9,757,633	(8,046,581)	16,699,360	-	-

3.2.1. Liquidity analysis for next year:

- Operating Activities: The net cash inflow from operating activities was primarily derived from cash receipts from operating revenues.
- Investing Activities: The net cash outflow from investing activities is mainly due to the purchase of property, plant, and equipment.
- Financing Activities: The net cash outflow from financing activities was primarily due to the distribution of cash dividends.

3.2.2. Remedy plans for negative balance of cash and cash equivalents:

It is expected that the ending balance of cash and cash equivalents will be positive in the coming year.

4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations:

In recent years, benefiting from the rise of applications such as 5G communication and high-performance computing, with the continuous growth of server and high-end switch material shipments and the increase in the structural demand of the semiconductor industry, the demand for high-end substrate has been synchronously driven. The company's subsidiary EMC (Huangshi) Co., Ltd. expands its production capacity through local construction to meet the needs of the company's group operating growth, in addition, another subsidiary, EMC (Kunshan) Co., Ltd. cooperates with the local government's factory relocation plan to build and purchase related equipment locally, which will have a positive impact on future financial business.

5. Investment Policy in the Most Recent Fiscal Year, Primary Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year:

1. Investment Policy in the Most Recent Year:

The Company's investment policy primarily focuses on capacity expansion, aiming to increase both production capacity and profitability.

2. Main Reasons for Investment Profitability:

In 2024, the Company recognized investment income of NT\$9,184,986 thousand under the equity method, mainly due to

strong operational performance and profitability of its overseas investee companies.

3. Investment Plan for the Coming Year:

The Company will prudently evaluate investment plans from a long-term strategic perspective to address future market demand and capacity expansion needs, and to continue enhancing its global competitiveness.

6. Risk Management

6.1. Impacts from fluctuations of interest rate and currency exchange rate and inflation on the Company in recent years, and measures the Company undertake to manage the risks

6.1.1. Interest Rate

The Company primarily uses floating interest rates for its borrowings and has not engaged in interest rate swap contracts to convert floating rates to fixed rates. To manage interest rate risk, the Company regularly evaluates the interest rates of its bank loans and borrowings in various currencies. It also maintains strong relationships with its financial institutions to secure lower financing costs. Additionally, the Company enhances the management of its working capital to reduce reliance on bank borrowings and diversify the risks associated with interest rate fluctuations.

6.1.2. Foreign Currency Exchange Rate

The Company is exposed to exchange rate risk arising from sales, purchases, and borrowings denominated in currencies other than the functional currencies of its group entities. The functional currencies of the group entities are primarily New Taiwan Dollars (NTD), with some entities using US Dollars (USD) and Renminbi (RMB). The main transaction currencies are NTD, USD, and RMB.

The Company follows a natural hedging approach, managing exchange rate risk based on the currency requirements and net positions (i.e., the difference between foreign currency-denominated assets and liabilities) of each currency, taking into account prevailing market exchange rates. The Company generally hedges exchange rate risk using forward exchange contracts or currency swap agreements with maturities within one year from the reporting date.

Interest on borrowings is denominated in the currency of the principal. Typically, the borrowing currency aligns with the currency in which the Company generates operating cash flows, mainly NTD and USD, but also includes RMB. In such cases, economic hedging is achieved without the need for derivative contracts, and hedge accounting is not applied.

For other monetary assets and liabilities denominated in foreign currencies, when short-term imbalances arise, the Company buys or sells foreign currencies at spot rates to ensure that net exposures remain within acceptable levels.

6.1.3. Inflation and Inflationary Expectations

The Company's profit/loss was little affected by the inflation and inflationary expectations.

6.2. Major reasons for transaction policies, gain or loss from engaging in high-risk and hyper-leveraged investments, fund lending to others, endorsement/ guarantee and derivatives and correspondent procedures

Apart from providing financial guarantees for its investments in subsidiaries, the Company does not engage in high-risk, high-leverage investments or lend funds to others. The related policies are executed with prudent evaluation, regular reporting, and control. Additionally, the Company and its subsidiaries have established regulations such as the "Asset Acquisition and Disposal Procedures," "Lending Funds to Others Procedures," "Endorsement and Guarantee Procedures," and "Derivative Transactions Procedures" to ensure compliance. As the subsidiaries become more profitable, the amount of financial guarantees will gradually decrease.

The Company and its subsidiaries occasionally hedge against exchange rate fluctuations for foreign currency positions, primarily using forward foreign exchange contracts. These derivative transactions are conducted in accordance with the "Asset Acquisition and Disposal Procedures," and there have been no significant irregularities. Therefore, there has been no material adverse impact on the financial position of the Company and its subsidiaries.

6.3. R&D Plans and Estimated Expenses in Coming Years

The Company believes that eco-friendly material is an irreversible trend in the laminate industry. Therefore, the R&D plans in the future will continue to focus on the development of eco-friendly materials.

Products and Items under R&D	Expected R&D Expenditure	Expected Time for Commercial Operation and Promotion	Major Factors Affect the R&D Results
Low-carbon environmentally friendly substrate	NT\$1,322,000,000	The 4th Quarter of 2025	Development and Acquisition of High-end Raw Materials, Balancing Product Characteristics, and Product Reliability Requirements
High-end packaging substrate material		The 4th Quarter of 2025	
Substrate material for ultra-high-speed switches and AI applications		The 4th Quarter of 2027	

6.4. Impacts and responses of the company in regard to material changes of policies and regulations in Taiwan and foreign countries

The company and its subsidiaries have always complied with relevant current domestic laws and regulations, and relevant personnel also pay attention to changes in laws and regulations at any time for reference by the management. Therefore, the company and its subsidiaries can immediately grasp and effectively respond to important domestic policy and legal changes. No special effects.

6.5. The impact of technological changes and industry shifts on the company's financial performance and operations, as well as the corresponding response measures

The company and its subsidiaries continuously monitor technological changes and industry shifts within their respective sectors. As needed, dedicated personnel or project teams are assigned to assess the potential impact of these changes on the company's future development, financial performance, and operations, along with corresponding response measures. In the most recent year and up to the date of the annual report, there have been no significant technological changes or industry shifts that have had a major impact on the company's financial performance or operations.

6.6. Changes of Corporate Image and Impacts on the Company's Crisis Management:

The company operates with integrity, and there has been no image change that has caused a crisis to corporate management in recent years.

6.7. Expected Benefits and Risks from Mergers and Acquisitions:

None

6.8. Expected Benefits and Risks from Plant Expansion:

In recent years, benefiting from the rise of 5G communications and high-performance computing applications, the continued growth in server and high-end switch material shipments, as well as the structural demand increase in the semiconductor industry, has simultaneously driven the demand for high-end substrates. Therefore, the company's subsidiaries, Elite Electronics Materials (Huangshi) Co., Ltd. and ELITE MATERIAL (PENANG) SDN. BHD., have expanded their production capacity through local construction to meet the operational growth needs of the company group. This expansion is based on the company's construction schedule and subcontracting plans. Additionally, the subsidiary, Elite Electronics Materials (Kunshan) Co., Ltd., has aligned with the local government's factory relocation plan by constructing locally and purchasing related equipment, which is expected to have a positive impact on future financial performance and operations.

6.9. Risks from concentration in supply and sales and measures the Company undertake:

The company and its subsidiaries are mainly engaged in the manufacturing, processing and sales of key materials for printed circuit boards. The main products are copper foil substrates, adhesive sheets and multi-layer laminated boards. The sales customers are mainly domestic and foreign PCB manufacturers, and they have maintained good relations with the purchase manufacturers. Judging from the purchase and sales situation in the most recent year and as of the date of publication of the annual report, there is no concentration of purchases and sales

6.10. Impacts and risks from changes in Directors, Supervisors and shareholders with greater than 10% shareholding or their selling of a large number of shares in recent years until the annual report being published:

None

6.11. Impact and risks from change of ownership in recent year until the annual report being published:

None

6.12. Litigations, Non-litigations, and Administrative Actions:

6.12.1. Material Impacts on shareholders' equity or share price from litigations, non-litigations or administrative actions in recent year until the annual report being published:

None

6.12.2. Material Impacts on shareholders' equity or share price from litigations, non-litigations or administrative actions in Directors, Supervisors, Chairman, President, shareholders with greater than 10% shareholding and subsidiaries in recent year until the annual report being published:

None

6.12.3. Violations of Article 157 of Stock Exchange Act Directors, Supervisors, Chairman, President, managers, and shareholders with greater than 10% shareholding and subsidiaries in recent year until the annual report being published:

None

6.13. Other major risks:

None

7. Others:

None

VI. SPECIAL DISCLOSURE

1. Information on Affiliated Enterprises: Details regarding the company's affiliated enterprises can be found in the "Affiliated Enterprises Disclosure" section of the Market Observation Post System (MOPS) at: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.
2. Private Placement of Securities in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report: No private placement of securities was conducted.
3. Other Necessary Supplementary Information: None.
4. Significant Events in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report That May Have a Major Impact on Shareholders' Equity or the Price of Securities as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: No such events occurred.

Elite Material Co., Ltd.

Domestic Fifth Unsecured Convertible Bond Issuance and Conversion Plan

1. **Bond Name:**

Elite Material Co., Ltd. (hereinafter referred to as "the Company") Fifth Domestic Unsecured Convertible Bonds (hereinafter referred to as "the Convertible Bonds").

2. **Issue Date:**

April 25, 2022 (ROC calendar year 111).

3. **Total Issuance and Denomination:**

Each bond has a face value of NT\$100,000. The total number of bonds issued is 34,653, with a total face value of NT\$3,465,300,000, issued at 101% of the face value.

4. **Term of the Bonds:**

The bonds have a term of five years, from April 25, 2022 to April 25, 2027 (the "Maturity Date").

5. **Coupon Rate:**

The bonds carry a 0% annual interest rate.

6. **Redemption Date and Method:**

Except when bondholders convert into common shares under Article 10, or the Company exercises the repurchase right under Article 18, or redeems early under Article 17, or the bonds are repurchased and canceled by securities dealers, the Company will repay the principal in cash in one lump sum within ten business days after the maturity date. If this date falls on a non-business day in the Taipei securities market, it will be postponed to the next business day.

7. **Collateral:**

These are unsecured bonds. However, if the Company issues or privately places secured convertible bonds or secured bonds with stock warrants after this issuance, these bonds will be given the same rank or equal collateral rights.

8. **Conversion Target:**

The Company's common shares. The Company will fulfill its conversion obligation by issuing new shares, which will be delivered via book-entry transfer; no physical certificates will be issued.

9. **Conversion Period:**

From July 26, 2022 (three months after the issue date) to April 25, 2027 (maturity date), bondholders may request conversion at any time except during the following periods:

- (1) During the statutory suspension of share transfers of common shares;
- (2) From 15 business days prior to the record date for stock dividends, cash dividends, or capital increases by cash until the record date;
- (3) From the base date of capital reduction until the trading start date of the new shares;
- (4) From the start date of suspension of conversion due to a change in par value until the trading start date of the new shares.

The start date for suspension due to a change in par value refers to the business day before the application for registration with the Ministry of Economic Affairs. The Company will announce the suspension period four business days in advance.

10. **Conversion Procedure:**

(1) Bondholders shall fill out a "Convertible Bond Book-Entry Conversion/Redemption/Put Application Form" (indicating conversion) at their original brokerage. The brokerage will submit the application to the Taiwan Depository & Clearing Corporation (TDCC), which will electronically notify the Company's stock affairs agent. The conversion becomes effective upon delivery and is irrevocable. The conversion procedure will be completed within five business days, and the Company's common shares will be directly credited to the bondholder's TDCC account.

(2) Overseas Chinese and foreign nationals holding the Convertible Bonds shall apply for conversion through TDCC by book-entry transfer.

11. **Conversion Price and Its Adjustment:**

(1) Determination of Conversion Price

The conversion price for this convertible bond was determined based on April 15, 2022 (Minguo Year 111) as the base date. The base price is calculated by selecting one of the simple arithmetic averages of the Company's common stock closing prices on the 1st, 3rd, or 5th business day(s) prior to (but not including) the base date. The conversion price is then calculated by multiplying the selected base price by a conversion premium rate of **110.19%** (rounded to the nearest tenth of a New Taiwan Dollar).

If there is any ex-rights or ex-dividend event before the base date, the closing prices used for the calculation must first be adjusted to reflect post-ex-rights or post-dividend values. If such events occur between the conversion price determination date and the actual issuance date, the conversion price must be adjusted according to the adjustment formulas described in item (2) of this section.

Based on the above method, the base price from the average of the 3 business days prior to the base date was NT\$238.67, resulting in a final **conversion price of NT\$263 per share**.

(2) Adjustment of Conversion Price

1. In the event of capital increase in common shares

After the issuance of this convertible bond, excluding the issuance (or private placement) of securities with conversion or subscription rights that result in common shares, or new shares issued as employee compensation, if the Company increases the number of issued common shares (including but not limited to public or private cash capital increases, capitalization of earnings or capital surplus, mergers, acquisition of another company's shares in exchange for new shares, stock splits, or issuance of overseas depositary receipts through capital increases), the conversion price shall be adjusted downward (but not upward) based on the following formulas (rounded to the nearest tenth of a New Taiwan Dollar).

The adjustment shall be announced by the Taipei Exchange (TPEX), and the new conversion price shall take effect on the ex-rights date (Note 1), or on the payment date if actual payment is required. If the increase is due to a change in par value of shares, the adjustment shall be made on the share exchange base date. If the issue price of new shares is modified after the ex-rights date, the conversion price will be re-adjusted based on the new issue price and the stock market price as of the new pricing base date. If the adjusted conversion price is lower than the previously announced adjusted price, TPEX will be requested to re-announce the new conversion price.

(1) Capital increase not resulting from change in par value

(Formula omitted in original)

Notes:

- **Note 1:** For stock splits, adjustments occur on the split base date; for mergers or share acquisitions, on the merger/acquisition base date; for cash capital increases through book building or issuance of overseas depositary receipts without ex-rights dates, adjustments are made on the payment date; for private placements, on the delivery date of securities.
- **Note 2:** Issued shares refer to total common shares issued (including public and private placements), minus treasury shares repurchased but not yet canceled or transferred.
- **Note 3:** For bonus shares or stock splits, the payment per share is zero. For mergers or acquisitions, the payment per share equals the net asset value per share of the target company (based on the latest audited or reviewed financial statements) multiplied by the share exchange ratio.
- **Note 4:** Market price per share is determined by taking the simple arithmetic average of the Company's closing prices over the 1, 3, or 5 business days prior to the relevant base date (ex-rights, pricing, split, or delivery of private securities).

(2) Capital increase due to change in par value

(Formula omitted in original)

2. Distribution of cash dividends on common shares

If the Company distributes cash dividends on common shares after the bond issuance, the conversion price shall be adjusted downward on the ex-dividend date in proportion to the market price per share (rounded to the nearest tenth of a New Taiwan Dollar). The adjusted price will be announced by TPEx on the ex-dividend date. This adjustment does not apply to bondholders who requested conversion before (but not including) the ex-dividend date.

Adjustment formula:

Adjusted conversion price = Original conversion price \times (1 - (Cash dividend per share \div Market price per share (Note 5)))

- **Note 5:** Market price per share is determined based on the average closing prices over 1, 3, or 5 business days prior to the ex-dividend announcement date.

3. Issuance of new securities with conversion or subscription rights at a price below market value

If the Company issues (or privately places) new securities with conversion or subscription rights at a price below the market price (Note 1) after this bond is issued, the conversion price shall be adjusted downward (but not upward) using the specified formula (rounded to the nearest tenth of a New Taiwan Dollar), and the new price will be announced by TPEx on the issue or delivery date.

- **Note 6:** Market price is based on the average of 1, 3, or 5 business days prior to the pricing base date or the private placement delivery date. If any ex-rights/ex-dividend event occurs before the pricing date, the sampled prices should first be adjusted accordingly.
- **Note 7:** Issued shares are total public and private issued common shares minus treasury shares. If treasury shares are used to support the issuance, the convertible/sharable shares shall be excluded from the denominator in the adjustment formula.

4. Capital reduction not involving cancellation of treasury shares

If the Company undergoes a capital reduction (not involving cancellation of treasury shares), leading to a decrease in the number of common shares, the conversion price shall be adjusted (rounded to the nearest tenth of a New Taiwan Dollar), and the adjustment shall be announced by TPEx on the base date of capital reduction. If the reduction is due to a change in par value, adjustment is made on the share exchange base date.

(1) Reduction to offset losses

(Formula omitted in original)

(2) Cash capital reduction

(Formula omitted in original)

(3) Change in par value reducing shares

(Formula omitted in original)

- **Note 8:** Issued common shares refer to total public and private issued shares, minus treasury shares repurchased but not yet canceled or transferred.

12. Listing and Delisting of the Convertible Bonds:

The convertible bonds will be applied for listing on the Taipei Exchange (TPEx) prior to the issuance date. Listing will be terminated once all bonds have either been converted into common shares, repurchased by the Company, or redeemed. All such matters shall be publicly announced by the Company after obtaining approval from TPEx.

13. Listing of New Shares After Conversion:

Common shares obtained through the conversion of this convertible bond will be listed and traded on the Taiwan Stock Exchange (TWSE) starting from the delivery date. These matters will be publicly announced by the Company after receiving approval from TWSE. The Company's common shares are issued in

dematerialized form, and the converted shares will also be traded in dematerialized form on TWSE from the delivery date.

14. Registration of Capital Change:

The Company shall, within fifteen days after the end of each quarter, announce the number of common shares delivered due to bond conversions in the preceding quarter. Furthermore, the Company shall apply to the competent authority for capital change registration **at least once every quarter**.

15. Handling of Fractional Shares Upon Conversion:

If, during conversion, the bondholder is entitled to a fractional share of the Company's common stock, the Company will pay the value of the fractional share in **cash** (rounded to the nearest New Taiwan Dollar; any amount below one dollar is rounded off), after deducting the central depository transfer fees.

16. Entitlement to Cash and Stock Dividends in the Year of Conversion:

(1) Cash Dividends

1. If the bondholder requests conversion **between January 1 and up to 15 business days before** the date the Company applies to TWSE to suspend share transfers for cash dividend distribution, the converted shares will be eligible to receive the cash dividends resolved at that year's shareholders' meeting for the **preceding fiscal year**.
2. From **15 business days before** (inclusive) the date of the Company's application to suspend transfers for cash dividends until the **ex-dividend date** (inclusive), conversion of the bonds will be **suspended**.
3. If the bondholder converts the bonds **on or after the ex-dividend date** and before **December 31** of that year, the converted shares will **not** be entitled to the previous year's cash dividends but **will** be entitled to cash dividends resolved at the **next year's** shareholders' meeting for the **current fiscal year**.

(2) Stock Dividends

1. If the bondholder requests conversion **between January 1 and up to 15 business days before** the date the Company applies to TWSE to suspend share transfers for stock dividend distribution, the converted shares will be eligible to receive the stock dividends resolved at that year's shareholders' meeting for the **preceding fiscal year**.
2. From **15 business days before** (inclusive) the date of the Company's application to suspend transfers for stock dividends until the **ex-rights date** (inclusive), conversion of the bonds will be **suspended**.
3. If the bondholder converts the bonds **on or after the ex-rights date** and before **December 31** of that year, the converted shares will **not** be entitled to the previous year's stock dividends but **will** be entitled to stock dividends resolved at the **next year's** shareholders' meeting for the **current fiscal year**.

17. Company's Right to Early Redemption of the Convertible Bonds:

Stock Price-Based Early Redemption

From the day following three months after the bond issuance date (i.e., July 26, 2022) until 40 days before the maturity date (i.e., March 16, 2027), if the closing price of the Company's common shares on the Taiwan Stock

Exchange exceeds 130% of the then-applicable conversion price for 30 consecutive trading days, the Company may, within 30 trading days thereafter, send a 30-day redemption notice by registered mail to the bondholders (based on the bondholders' register as of five business days prior to the mailing date). For bondholders who acquire the bonds after that date due to trading or other means, the Company will make a public announcement. The 30-day period starts from the date the Company sends the redemption notice, and the last day of that period becomes the redemption reference date. This period must not fall within a conversion suspension period as defined in Article IX. The Company must also request the Taipei Exchange to make an announcement, and within five business days after the redemption reference date, the Company shall redeem the bonds in cash at face value.

Low Outstanding Amount-Based Early Redemption

From July 26, 2022, to March 16, 2027, if the outstanding amount of the convertible bonds falls below 10% of the total original issuance, the Company may at any time thereafter send a 30-day redemption notice by registered mail to the bondholders (based on the bondholders' register as of five business days before mailing). For later-acquired bondholders, a public announcement shall be made. The redemption period and process follow the same rules as outlined above in (1).

No Response from Bondholders

If a bondholder does not respond in writing to the Company's shareholder services agent before the redemption reference date specified in the notice (effective upon receipt; mailing date is determined by the postmark), the Company will redeem the bond in cash at face value within five business days after the redemption reference date.

Final Conversion Deadline under Redemption

If the Company exercises its redemption right, the final date for conversion shall be the second business day following the termination of the convertible bond's OTC listing.

18. Bondholders' Put Right (Right to Sell Back to the Company):

The third anniversary of the bond issuance date (i.e., April 25, 2025) shall be the put reference date on which bondholders may exercise their right to sell the convertible bonds back to the Company. The following procedures shall apply:

The Company shall, 30 days before the put reference date (i.e., March 26, 2025), send a Put Right Exercise Notice by registered mail to the bondholders (based on the register as of five business days before mailing). For bondholders who acquire bonds thereafter due to trading or other reasons, the Company shall make a public announcement and request the Taipei Exchange to announce the put option details.

Bondholders may, within 30 days before the put reference date, notify the Company's shareholder services agent in writing of their request to redeem the bonds at face value. The notice becomes effective upon receipt (mailing date is determined by postmark) and cannot be revoked.

Upon receiving a valid redemption request, the Company shall redeem the bonds in cash at face value within five business days after the put reference date.

If any of the above dates fall on a non-business day in the Taipei Securities Market, they will be postponed to the next business day.

19. Rights and Obligations After Conversion

Unless otherwise stipulated in these Regulations, holders of convertible bonds who request conversion shall, after the conversion becomes effective, have the same rights and obligations as shareholders holding the Company's issued common shares.

20. Cancellation of Bonds

All convertible bonds that are redeemed by the Company (including those repurchased through securities firms), repaid, or converted shall be cancelled and may not be resold or reissued. The conversion rights attached to such bonds shall also be extinguished.

21. Registered Form and Related Procedures

The convertible bonds and the common shares issued upon conversion shall be in registered form. Matters such as transfer of title, registration of changes, pledge establishment, and loss handling shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the relevant provisions of the Company Act. Tax matters shall be handled in accordance with the applicable tax laws at the time.

22. Trustee

Yuanta Commercial Bank Co., Ltd., Trust Department, shall act as the trustee for the bondholders, representing their interests in auditing and supervising the Company's fulfillment of responsibilities related to the issuance of the convertible bonds. All holders of the convertible bonds, whether they subscribed at issuance or purchased later, agree to the provisions of the trust agreement between the Company and the trustee, the rights and obligations of the trustee, and the procedures for bond issuance and conversion. Bondholders authorize the trustee to act fully on their behalf in related trust matters, and such authorization may not be revoked. The contents of the trust agreement may be reviewed by bondholders during business hours at the offices of the Company or the trustee.

23. Agent for Principal Repayment, Interest Payment, and Conversion

The Company's shareholder services agent shall handle matters relating to principal repayment, interest payment, and conversion of the convertible bonds.

24. Book-Entry Delivery

The issuance of the convertible bonds shall be delivered via book-entry transfer in accordance with Article 8 of the Securities and Exchange Act; no physical certificates will be printed.

25. Governing Laws

Any matters not addressed in the issuance and conversion procedures of the convertible bonds shall be handled in accordance with relevant laws and regulations.

Elite Material Co., Ltd.

Domestic Sixth Unsecured Convertible Bond Issuance and Conversion Plan

1. Bond Name:

The 6th Unsecured Convertible Corporate Bond Issued Domestically by Elite Material Co., Ltd. (hereinafter referred to as the "Company") (hereinafter referred to as the "Convertible Bond").

2. Issue Date:

September 25, 2024 (Republic of China calendar year 113; same applies hereinafter) (hereinafter referred to as the "Issue Date").

3. Total Issue Amount and Denomination:

Each Convertible Bond has a face value of NT\$100,000. A total of 30,000 bonds will be issued, amounting to a total face value of NT\$3 billion. The bonds will be issued at 103% of their face value.

4. Bond Term:

The bond term is five years, from September 25, 2024, to September 25, 2029 (hereinafter referred to as the "Maturity Date").

5. Coupon Rate:

The annual coupon rate is 0%.

6. Repayment Date and Method:

Unless bondholders (hereinafter referred to as "Bondholders") convert the bonds into the Company's common shares in accordance with Article 10 of these terms, or the Company exercises its call option pursuant to Article 18, or redeems the bonds early under Article 17, or repurchases and cancels them through a securities broker, the Company shall repay the bonds in full in cash at face value upon maturity. The payment shall be made within ten (10) business days (inclusive of the 10th day) following the Maturity Date. If the mentioned date falls on a non-business day of the Taiwan Stock Exchange, it will be postponed to the next business day.

7. Guarantee Status:

The Convertible Bonds are unsecured. However, if the Company issues or privately places other secured convertible bonds or secured bonds with detachable warrants after the issuance of these bonds, then the same level of debt rights or pari passu collateral will be provided to the Convertible Bonds.

8. Conversion Target:

The bonds are convertible into the Company's common shares. The Company will fulfill its conversion obligations by issuing new shares, which will be delivered via book-entry transfer and will not be physically printed.

9. Conversion Period:

Bondholders may request conversion into the Company's common shares at any time from December 26, 2024 (the day after the third month following the Issue Date) until the Maturity Date (September 25, 2029), except during the following periods: (1) Periods when transfer of common shares is suspended according to law; (2) Fifteen (15) business days before the record date for stock dividends, cash dividends, or capital increase subscriptions, until the record date; (3) From the record date of a capital reduction until the day before the new shares from the reduction begin trading;

(4) From the start of suspension due to a change in share par value until the day before the new shares begin trading.

Conversion requests shall be handled in accordance with Articles 10, 11, 13, and 15 of these terms.

The start date for suspension of conversion due to a par value change is defined as the business day prior to the filing date with the Ministry of Economic Affairs. The Company will announce the suspension period four (4) business days prior to the suspension start date.

10. Conversion Request Procedure:

(1) Bondholders must complete the “Convertible Bond Book-Entry Conversion/Redemption/Sell-Back Application Form” (specifying "conversion") at their original brokerage firm. The brokerage firm will then submit the application to the Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC"). Upon acceptance of the application, the TDCC will electronically notify the Company's shareholder services agent. Once this notification is delivered, the conversion becomes effective and cannot be revoked. The conversion process will be completed within five business days from the date of notification, and the Company's common shares will be directly credited to the bondholder's TDCC account.

(2) For overseas Chinese and foreign investors requesting to convert their convertible bonds into the Company's common shares, all allocations shall be handled exclusively through TDCC using a book-entry system.

11. Conversion Price and Adjustment Mechanism:

(1) Determination of Conversion Price

The conversion price for this Convertible Bond is based on the reference date of September 16, 2024. The base price is selected from one of the following: the simple arithmetic average of the closing prices of the Company's common shares on the trading day immediately before the reference date, the three trading days before the reference date, or the five trading days before the reference date—whichever is chosen. The conversion price is then calculated as 130% of the base price (rounded to the nearest tenth of a New Taiwan Dollar). If an ex-rights or ex-dividend event occurs before the reference date, the closing prices used for sampling shall be adjusted to reflect the ex-rights/ex-dividend values. If such events occur between the determination and the issuance date, the conversion price shall be adjusted in accordance with subsection (2). Based on the above, the conversion price for this Convertible Bond is set at NT\$607.5 per share.

(2) Adjustment of Conversion Price

1. After the issuance of this Convertible Bond, if the Company issues (or privately places) common shares (excluding shares converted from or subscribed through existing convertible or warrant-attached securities, or new shares issued as employee compensation), and the total number of common shares increases (e.g., public/private capital increases, stock dividends, capital reserve transfers, mergers, acquisitions, stock splits, or overseas depository receipts involving capital raising), the conversion price shall be adjusted using the following formula. The result is rounded to the nearest tenth of a New Taiwan Dollar, with only downward adjustments made. The Company will notify the Taipei Exchange (TPEX) and the adjustment will take effect on the ex-rights date (Note 1) or other applicable dates as defined:

(1) For common share increases not due to par value change:

Adjusted Conversion Price =
Pre-adjustment Conversion Price ×
(Issued Shares (Note 2) +

$$\frac{[\text{Payment per New Share (Note 3)} \times \text{New Shares Issued or Privately Placed}]}{(\text{Issued Shares} + \text{New Shares Issued or Privately Placed})}$$
Based on market price per share (Note 4)

Note 1: Adjustments occur on:

- Stock split: split date
- Merger/acquisition: merger/acquisition base date
- Book building: date when payment is completed
- Private placement: date securities are delivered
- If share price changes after the ex-rights date, adjustment is based on the new issue price. If the recalculated conversion price is lower than the previously announced price, the Company will request a new TPEX announcement.

Note 2: Issued shares refer to all common shares issued (public and private), excluding treasury shares not yet canceled or transferred.

Note 3: If stock dividends or splits are involved, the payment per share is zero. For mergers, the amount is based on the net asset value per share of the absorbed company multiplied by the share exchange ratio. For acquisition of shares, it's based on the net asset value of the acquired company per share multiplied by the exchange ratio.

Note 4: Market price per share is determined as the simple average of the Company's closing prices for 1, 3, or 5 trading days before the applicable date (e.g., ex-rights date or delivery date of private placement securities).

(2) For increases due to change in par value:

Adjusted Conversion Price =

Pre-adjustment Conversion Price \times
Shares Outstanding Before Par Value Change \div
Shares Outstanding After Par Value Change

2. If the Company distributes cash dividends on common shares after bond issuance, the conversion price shall be adjusted downward on the ex-dividend date. The price is rounded to the nearest tenth of a New Taiwan Dollar and only adjusted downward. The TPEX will be notified for announcement. The new conversion price does not apply to bondholders who submitted a conversion request before the ex-dividend date (exclusive). Adjustment formula:

Adjusted Conversion Price =

Pre-adjustment Conversion Price \times
(1 - Cash Dividend per Share \div Market Price per Share (Note))

Note: Market price per share is the simple average of the closing prices for 1, 3, or 5 trading days before the ex-dividend announcement date.

3. If the Company issues (or privately places) any securities with conversion or warrant rights into common shares at a price **lower** than the current market price, the conversion price of this bond shall be adjusted using the formula below, with the result rounded to the nearest tenth of a New Taiwan Dollar and only downward. TPEX will be notified for announcement. The adjustment takes effect on the issue or delivery date of the securities:

Adjusted Conversion Price =

Pre-adjustment Conversion Price \times

(Issued Shares (Note 2) +
[Conversion/Warrant Price of New Securities × Number of Shares Convertible/ Subscribable]) ÷
(Issued Shares + Number of Shares Convertible/ Subscribable)
Based on Market Price per Share (Note 1)

Note 1: Market price per share is the simple average of the Company's closing prices for 1, 3, or 5 trading days before the pricing base date or the delivery date of privately placed securities. If any ex-rights or ex-dividend event occurred, prices must be adjusted accordingly.

Note 2: Issued shares refer to the total number of common shares issued (public and private), excluding treasury shares not yet canceled or transferred. If new securities are funded with treasury shares, subtract the number of shares from issued shares.

4. If, after bond issuance, the Company reduces its share capital not due to treasury stock cancellation and the number of common shares decreases, the conversion price shall be adjusted according to the following formulas (rounded to the nearest tenth of a New Taiwan Dollar) and announced by TPEX. If the decrease is due to a change in par value, adjustment occurs on the base date for new share replacement.

(1) For capital reduction to offset losses:

Adjusted Conversion Price =
Pre-adjustment Conversion Price ×
Shares Outstanding Before Capital Reduction ÷
Shares Outstanding After Capital Reduction

(2) For cash capital reduction:

Adjusted Conversion Price =
Pre-adjustment Conversion Price ×
(1 - Cash Return per Share ÷ Closing Price on Last Trading Day Before New Share Trading) ×
Shares Outstanding Before Reduction ÷
Shares Outstanding After Reduction

(3) For par value change causing a reduction in common shares:

Adjusted Conversion Price =
Pre-adjustment Conversion Price ×
Shares Outstanding Before Change ÷
Shares Outstanding After Change

Note: Shares outstanding refer to the total number of issued common shares (including public and private), excluding treasury shares not yet canceled or transferred.

12. Listing and Termination of Listing for the Convertible Bonds:

The Company will apply to the Taipei Exchange (TPEX) for the convertible bonds to be listed prior to the issuance date. Listing will be terminated once all bonds are either converted into common shares, repurchased by the Company, or fully redeemed. All such matters shall be publicly announced upon the Company's coordination and agreement with TPEX.

13. Listing of Shares Issued Upon Conversion:

Common shares issued upon conversion of the convertible bonds will be listed and traded on the Taiwan Stock Exchange Corporation (hereinafter referred to as "TWSE") starting from the date of delivery. This will be

publicly announced upon the Company's coordination and agreement with TWSE. The Company's common shares are issued in scripless form, and the shares resulting from conversion will also be listed in scripless form starting from the date of delivery.

14. Registration of Capital Changes:

The Company shall announce the number of common shares delivered due to conversion of the convertible bonds for the preceding quarter within fifteen (15) days after the end of each quarter. The Company shall apply to the competent authority for capital registration change at least once per quarter.

15. Handling of Fractional Shares upon Conversion:

If conversion results in a fractional share, the bondholder may not combine such fractions into whole shares. After deducting book-entry processing fees, the Company will pay the fractional value in **cash** (rounded to the nearest New Taiwan Dollar).

16. Entitlement to Dividends for the Conversion Year:

(1) Cash Dividends:

1. Bondholders who request conversion from January 1 of the year to fifteen business days (exclusive) before the Company halts share transfers for the cash dividend distribution are entitled to the cash dividends approved at the shareholders' meeting for the previous fiscal year.
2. From fifteen business days (inclusive) before the share transfer halt to the cash ex-dividend date (inclusive), conversion is suspended.
3. Bondholders who request conversion from the day after the cash ex-dividend date to December 31 (inclusive) of the same year must waive their right to the cash dividends for the previous fiscal year but may participate in the distribution of cash dividends for the current fiscal year as resolved in the following year's shareholders' meeting.

(2) Stock Dividends:

1. Bondholders who request conversion from January 1 of the year to fifteen business days (exclusive) before the Company halts share transfers for stock dividend distribution are entitled to stock dividends approved at the shareholders' meeting for the previous fiscal year.
2. From fifteen business days (inclusive) before the share transfer halt to the stock ex-rights date (inclusive), conversion is suspended.
3. Bondholders who request conversion from the day after the stock ex-rights date to December 31 (inclusive) of the same year must waive their right to the stock dividends for the previous fiscal year but may participate in the distribution of stock dividends for the current fiscal year as resolved in the following year's shareholders' meeting.

17. Company's Right of Early Redemption of the Convertible Bonds:

(1) From the day following three months after the issuance date (i.e., December 26, 2024) until forty days before the maturity date (i.e., August 16, 2029), if the closing price of the Company's common shares on the Taiwan Stock Exchange exceeds 130% of the then-effective conversion price for 30 consecutive trading days, the Company may, within 30 trading days thereafter, send a 30-day redemption notice to bondholders by registered mail (based on the bondholder register as of the 5th business day prior to mailing). For holders who acquired bonds afterward via trading or other means, a public notice will suffice. The Company will also notify the Taipei Exchange and redeem the bonds in cash at face value within 5 business days after the redemption date indicated in the notice. This redemption period must not fall within the conversion suspension period specified in Article 9.

(2) From December 26, 2024, to August 16, 2029, if the outstanding balance of the convertible bonds falls below 10% of the total original issuance, the Company may, at any time thereafter, send a 30-day redemption notice by registered mail to bondholders (again based on the register as of 5 business days prior), and announce it through the Taipei Exchange. The bonds will be redeemed at face value in cash within 5 business days following the redemption date.

(3) If a bondholder does not reply in writing to the Company's shareholder services agent before the redemption date indicated in the notice (postal date is valid for mailed replies), the Company will redeem the bonds in cash at face value within 5 business days after the redemption date.

(4) If the Company exercises the redemption option, the last date for bondholders to request conversion will be the second business day after the bond is delisted from the Taipei Exchange.

18. Bondholder's Put Right (Early Redemption Right):

The third anniversary of issuance (i.e., September 25, 2027) shall be the put date for bondholders to request early redemption. The Company shall notify bondholders by registered mail 30 days prior to this date (i.e., by August 26, 2027) using the bondholder register as of the 5th business day before mailing. For later-acquired bondholders, a public notice will suffice. The notice will also be filed with the Taipei Exchange.

Bondholders may exercise the put right by submitting written notice to the shareholder services agent within 30 days prior to the put date. The notice becomes effective upon delivery (or based on the postmark if mailed) and cannot be revoked. The Company will redeem the bonds at face value within 5 business days after the put date.

If the put date falls on a non-trading day, it will be postponed to the next business day.

19. Rights and Obligations After Conversion:

Unless otherwise specified herein, bondholders who convert will enjoy the same rights and obligations as existing shareholders of the Company from the effective date of conversion.

20. Cancellation of Redeemed, Repaid, or Converted Bonds:

All convertible bonds that are redeemed, repaid, or converted (including repurchased through brokerages) will be cancelled and may not be resold or reissued, and the attached conversion rights will also be terminated.

21. Registered Bonds and Applicable Rules:

Both the convertible bonds and the resulting common shares are registered securities. Transfers, changes, pledges, and loss of such securities shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Company Act, with tax matters governed by applicable tax laws at the time.

22. Trustee of Bondholders:

KGI Bank is appointed as the trustee for bondholders, authorized to inspect and supervise the Company's compliance with these convertible bond issuance terms. All bondholders, whether subscribing at issuance or acquiring afterward, agree to the terms of the trust agreement between the Company and the trustee and grant the trustee irrevocable authority to act on their behalf regarding trust matters. The trust agreement is available for inspection during business hours at the Company or trustee's offices.

23. Agent for Redemption and Conversion:

The Company's shareholder services agent shall handle all redemption, interest payments, and conversion procedures.

24. Book-Entry Delivery Only:

This issuance follows Article 8 of the Securities and Exchange Act, and all bonds will be delivered via book-entry through the centralized depository system. No physical bond certificates will be issued.

25. Governing Law and Supplementary Provisions:

Any matters not covered herein shall be handled in accordance with applicable laws and regulations.

Elite Material Co., Ltd.

Domestic Seventh Unsecured Convertible Bond Issuance and Conversion Plan

1. **Bond Name:**

Elite Material Co., Ltd. (hereinafter referred to as “the Company”) 7th Domestic Unsecured Convertible Bonds (hereinafter referred to as “the Convertible Bonds”).

2. **Issuance Date:**

October 9, 2024 (Republic of China calendar year 113; hereinafter referred to as the “Issue Date”).

3. **Total Issuance Amount:**

Each Convertible Bond has a face value of NT\$1,000,000. A total of 30,000 bonds have been issued, with an aggregate face value of NT\$3 billion. These Convertible Bonds are publicly underwritten through a competitive auction at 110.94% of the face value. The total actual issuance amount is NT\$3,328,253,350.

4. **Bond Term:**

The bonds have a five-year term, from October 9, 2024, to the maturity date on October 9, 2029 (Republic of China year 118; hereinafter referred to as the “Maturity Date”).

5. **Coupon Rate:**

The coupon interest rate is 0% per annum.

6. **Repayment Date and Method:**

Unless the bondholder (hereinafter referred to as the “Bondholder”) converts the bonds into the Company’s common shares as stipulated in Article 10, or unless the Company redeems them early pursuant to Article 18, or buys them back for cancellation through securities brokers, the Company will repay the bonds in full in cash based on the face value on the Maturity Date. Payment will be made within 10 business days (inclusive) following the Maturity Date. If this date falls on a non-trading day of the Taiwan Stock Exchange, the deadline will be postponed to the next business day.

7. **Collateral Status:**

These Convertible Bonds are unsecured. However, if after issuance, the Company issues or privately places any other secured convertible bonds or secured bonds with warrants, these Convertible Bonds will be granted pari passu rights or equal-ranking collateral accordingly.

8. **Conversion Target:**

The Company’s common shares. The Company will fulfill the conversion obligation by issuing new shares. The converted shares will be delivered through book-entry transfer and will not be issued in physical certificate form.

9. **Conversion Period:**

Bondholders may request conversion starting from the day following the third month after the issuance date (i.e., January 10, 2025) until the maturity date (October 9, 2029), except during the following periods:

- (1) During the legal suspension period for transferring common shares;
- (2) From 15 business days (inclusive) prior to the stop-transfer date for ex-dividend, ex-rights for cash capital increases, or stock dividend allocation, until the record date of such rights;
- (3) From the record date of a capital reduction to the day before the trading of new shares begins;
- (4) From the start date of conversion suspension due to par value change until the day before the trading of new shares begins.

During other times, bondholders may request conversion of their Convertible Bonds into common shares through securities brokers and Taiwan Depository & Clearing Corporation (TDCC), pursuant to Articles 10, 11, 13, and 15 of these rules.

The conversion suspension start date for par value changes refers to the business day before the application to the Ministry of Economic Affairs for registration of the change. The Company must announce the suspension period at least four business days before it begins.

10. Conversion Request Procedure:

(1) Bondholders must process the conversion via TDCC using book-entry transfer.

Bondholders shall fill out a “Convertible Bond Book-Entry Conversion/Redemption/Sell-Back Application Form” at their original brokerage (specifying “conversion”), and the broker will submit the application to TDCC. Upon acceptance, TDCC will electronically notify the Company’s stock affairs agent. The conversion becomes effective upon delivery and cannot be revoked. The agent will complete the conversion process within five business days, transferring the Company’s common shares directly into the bondholder’s TDCC account.

(2) Overseas Chinese and foreign nationals holding the Convertible Bonds must apply for conversion through TDCC, and the shares will be allocated by book-entry transfer only.

11. Conversion Price and Adjustments:

(1) Method for Determining the Conversion Price

The conversion price of these Convertible Bonds was determined using September 16, 2024, as the base date. The base price was calculated as the simple arithmetic average of the Company’s common stock closing prices for one, three, or five trading days prior to (but excluding) the base date. The conversion price was then set by applying a 105% conversion premium to the base price (rounded to the nearest tenth of a New Taiwan Dollar, with values less than five rounded down and five or more rounded up). If any ex-rights or ex-dividend adjustments occurred before the pricing base date, the sampled closing prices were adjusted to reflect the post-rights or post-dividend prices. If any ex-rights or ex-dividend actions occur between the determination and the actual issuance of the bonds, the conversion price shall be adjusted according to paragraph (2). The final conversion price is NT\$490.7 per share.

(2) Adjustments to the Conversion Price

1. After the issuance of these Convertible Bonds, if the Company increases its common shares (excluding new shares issued for employee compensation or through securities with conversion/subscription rights), whether through public or private placement—such as capital increases, earnings/capital surplus conversions, mergers, stock splits, or participation in overseas depository receipts—the conversion price shall be adjusted downward (rounded to the nearest tenth of a New Taiwan Dollar, downward only) according to the following formula and announced through the Taipei Exchange on the ex-rights base date (Note 1). For changes due to stock par value modification, adjustments will be made on the new share exchange base date. If payment is required, adjustment will occur on the payment completion date.

Adjusted Conversion Price =

Previous Conversion Price ×

$$\frac{[\text{Issued Shares (Note 2)} + (\text{Subscription Price per Share (Note 3)} \times \text{New Shares Issued})]}{[(\text{Market Price per Share (Note 4)}) \times (\text{Issued Shares} + \text{New Shares Issued})]}$$

• Note 1:

- For stock splits, use the split base date.
- For mergers or capital increases via acquisition, use the merger/acquisition base date.
- For capital increases via book-building or issuance of overseas depository receipts, use the payment date (no ex-rights base date).
- For private placements, use the delivery date.

- If the new share price is changed after the ex-rights base date, recalculate using the updated price. If the recalculated price is lower than the previously announced adjusted price, reannounce the new adjustment.
- **Note 2:**
 - Issued shares = Total issued common shares (public and private placements) minus treasury shares that are not yet cancelled or transferred.
- **Note 3:**
 - Subscription price = Zero for stock dividends or splits.
 - For mergers, use the net asset value per share (from the latest CPA-audited/reviewed financial statements) of the dissolved company multiplied by the share swap ratio.
 - For acquisitions, use the same net asset value method.
- **Note 4:**
 - Market price = The simple average closing price of the Company's common shares on one, three, or five trading days prior to the relevant base date.

In case of a change in par value:

Adjusted Conversion Price =

Previous Conversion Price \times (Pre-change Issued Shares / Post-change Issued Shares)

2. If the Company distributes cash dividends on common stock after the issuance of the Convertible Bonds, the conversion price shall be adjusted downward (rounded to the nearest tenth of a New Taiwan Dollar, downward only) on the ex-dividend base date and publicly announced through the Taipei Exchange. The adjustment does not apply to conversions already requested before (not including) the ex-dividend base date.

Adjusted Conversion Price =

Previous Conversion Price \times (1 – (Cash Dividend per Share / Market Price per Share (Note)))

- **Note:** Market price is the simple average of the closing price over one, three, or five trading days prior to the ex-dividend announcement.
3. If the Company issues (or privately places) new securities with conversion or warrant rights at a conversion/subscription price lower than the market price per share (Note 1), the conversion price of the Convertible Bonds will be adjusted downward (rounded to the nearest tenth of a New Taiwan Dollar, downward only) on the issue/delivery date of such securities and announced through the Taipei Exchange, using the following formula:

Adjusted Conversion Price =

Previous Conversion Price \times [Issued Shares (Note 2) + (New Security Price \times Convertible Shares)] / [Market Price per Share \times (Issued Shares + Convertible Shares)]

- **Note 1:** Market price is calculated based on the simple average of closing prices on one, three, or five trading days prior to the pricing base date.
 - **Note 2:** Issued shares = Total issued common shares (public and private placements) minus treasury shares not yet cancelled or transferred. If the new securities are funded by treasury shares, subtract those shares from the issued share count in the formula.
4. If the Company reduces capital (not involving cancellation of treasury shares) leading to a decrease in common shares after bond issuance, the conversion price shall be adjusted on the capital reduction base date (or on the new share exchange base date if due to par value change), based on the following formulas (rounded to the nearest tenth of a New Taiwan Dollar):

a. Capital reduction to offset losses:

Adjusted Conversion Price =

Previous Conversion Price \times (Pre-reduction Issued Shares / Post-reduction Issued Shares)

b. Cash capital reduction:

Adjusted Conversion Price =

[Previous Conversion Price \times (1 – (Cash Return per Share / Closing Price on Last Trading Day before New Share Issuance))] \times
(Pre-reduction Issued Shares / Post-reduction Issued Shares)

c. Change in par value:

Adjusted Conversion Price =

Previous Conversion Price \times (Pre-change Issued Shares / Post-change Issued Shares)

- **Note:** Issued shares = Total issued and privately placed shares minus treasury shares not yet cancelled or transferred.

12. Listing and Delisting of Convertible Bonds: The convertible bonds will be applied for listing on the GreTai Securities Market before the issuance date. The listing will be terminated when all the bonds are converted into common stock shares, repurchased by the company, or redeemed. These actions will be announced after the company consults with the GreTai Securities Market and receives approval.

13. Listing of New Shares After Conversion: The common stock resulting from the conversion of these bonds will be listed and traded on the Taiwan Stock Exchange (hereinafter referred to as the "TSE") starting from the date of delivery of the converted stock. This will be announced after the company consults with the TSE and receives approval. The company's common stock is issued in a non-physical form, and the converted shares will also be traded in a non-physical form on the TSE from the date of delivery.

14. Capital Change Registration: The company is required to announce the number of shares issued due to the conversion of the convertible bonds within 15 days after the end of each quarter. Additionally, the company must apply for capital change registration with the relevant regulatory authorities at least once per quarter.

15. Handling of Insufficient Shares for Conversion: If there is a fractional share amount during the conversion of the company's common stock, the bondholder cannot combine the fractional shares into a full share. Except for offsetting central deposit transfer fees, the company will compensate in cash (rounded to the nearest New Taiwan Dollar).

16. Entitlement to Cash Dividends and Stock Dividends for the Conversion Year:

(1) Cash Dividends:

1. A bondholder who requests conversion before 15 business days (excluding) prior to the date when the company stops the transfer of cash dividends for that year's annual meeting will be eligible to participate in the previous year's cash dividend distribution decided by the shareholders meeting.
2. The conversion will be suspended from the 15th business day (inclusive) before the cash dividend transfer stop date until the ex-dividend date.
3. Bondholders requesting conversion from the day after the ex-dividend date until December 31st of the same year will not be entitled to the previous year's cash dividend distribution but will be eligible to participate in the cash dividends to be decided at the next year's annual shareholders meeting.

(2) Stock Dividends:

1. A bondholder who requests conversion before 15 business days (excluding) prior to the date when the company stops the transfer of stock dividends for that year's annual meeting will be eligible to participate in the previous year's stock dividend distribution decided by the shareholders meeting.
2. The conversion will be suspended from the 15th business day (inclusive) before the stop date for the stock dividend transfer until the ex-dividend date for the stock dividend.
3. Bondholders requesting conversion from the day after the ex-dividend date until December 31st of the same year will not be entitled to the previous year's stock dividend distribution but will be eligible to participate in the stock dividends to be decided at the next year's annual shareholders meeting.

17. Rights and Obligations After Conversion:

The rights and obligations of bondholders for the common stock obtained after the conversion of bonds are the same as those of the common stock previously issued by the company.

18. Company's Right to Redeem Early:

(1) After the convertible bonds have been issued for three months, starting from January 10, 2025, and ending 40 days before the bond maturity date (August 30, 2029), if the closing price of the company's common stock on the Taiwan Stock Exchange exceeds the conversion price by 30% (inclusive) for 30 consecutive business days, the company may, within the next 30 business days, send a "Bond Redemption Notice" by registered mail, which will be effective after 30 days. This notice will be sent to the bondholders listed in the bondholder registry as of the fifth business day before the notice is mailed. For those who acquire the bonds later due to trading or other reasons, the notice will be made public. The redemption price is set at the face value of the convertible bonds, and the company will redeem all outstanding bonds in cash. The company will request the GreTai Securities Market to announce this redemption. The company must execute the redemption request within five business days after the redemption date by paying the face value of the bonds in cash.

(2) After the convertible bonds have been issued for three months, starting from January 10, 2025, and ending 40 days before the bond maturity date (August 30, 2029), if the remaining amount of outstanding convertible bonds is less than 10% of the total original issuance, the company may, at any time within the next 30 business days, send a "Bond Redemption Notice" by registered mail, effective after 30 days. This notice will be sent to bondholders listed in the bondholder registry as of the fifth business day before the notice is mailed. For those who acquire the bonds later due to trading or other reasons, the notice will be made public. The redemption price is set at the face value of the convertible bonds, and the company will redeem those bonds in cash. The company will request the GreTai Securities Market to announce this redemption. The company must execute the redemption request within five business days after the redemption date by paying the face value of the bonds in cash.

(3) If a bondholder does not respond in writing to the company's stock transfer agency (effective immediately upon delivery, and if mailed, based on the postmark date) by the bond redemption date as indicated in the "Bond Redemption Notice," the company will redeem the bondholder's convertible bonds in cash based on the face value within five business days after the redemption date.

(4) If the company executes the redemption request, the last date for bondholders to request conversion will be the second business day after the date the convertible bonds stop being traded on the GreTai Securities Market.

19. Cancellation of Redeemed, Repurchased, or Converted Bonds:

All redeemed (including those repurchased by securities firms), repaid, or converted convertible bonds will be canceled and cannot be resold or reissued. The attached conversion rights will also be extinguished.

20. Registration of Convertible Bonds and Common Stock:

Both the convertible bonds and the common stock issued after conversion are registered bonds and shares. The transfer, registration of changes, pledging, loss, and other related matters will be handled according to the "Guidelines for Shareholder Services of Public Companies" and the relevant provisions of the Company Act. Tax matters will be handled according to applicable tax laws at the time.

21. Trustee of the Convertible Bonds:

KGI Commercial Bank Co., Ltd. acts as the trustee for bondholders, exercising the rights and responsibilities to inspect and supervise the company's compliance with the issuance matters of the convertible bonds on behalf of the bondholders. All bondholders, regardless of whether they subscribed during the issuance or purchased the bonds later, agree to the terms of the trust agreement between the company and the trustee, including the rights and obligations of the trustee and the issuance and conversion rules, and grant the trustee full authority to act on all trustee matters. This authorization cannot be revoked midway. Bondholders may consult the trustee or the company during business hours regarding the contents of the trust agreement.

22. Handling of Repayment and Conversion:

The company's stock transfer agency will handle matters related to repayment and conversion of the convertible bonds.

23. Physical Bonds Not Issued:

In accordance with Article 8 of the Securities and Exchange Act, the convertible bonds will not be printed in physical form.

24. Other Matters:

Any matters not covered in this issuance and conversion method will be handled in accordance with the relevant laws and regulations.