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EZconn Corporation

2025 Annual Report

Date of Publication: March 30, 2025

I. EZconn's Spokesperson, Deputy Spokesperson, Name, Title, Contact Number and E-mail

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III. Name, Addresses, Website and Phone Number of Stock Transfer Agency

Name: Stock Affairs Agency Department of Taishin Securities

Address: B1, No. 96, Sec. 1, Jianguo N. Rd., Taipei City, Taiwan (R.O.C.)

Website: stocktransfer.tssco.com.tw

Tel.: (02)2504-8125

IV. Name, Accounting Firm, Address, Website and Phone Number of CPA(s) for the most recent FY

Certified Public Accountant: Chen, Chun-Hung; Chang, Cheng-Hsiu.

Accounting Firm(S): Deloitte & Touche

Address: 20F., No.100, Songren Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Website: www.deloitte.com.tw

Tel.: (02)2725-9988

V. Name(s) of the exchange(s) where our securities are traded offshore, and the method(s) with which the information of the offshore securities is accessed

None.

VI. EZconn Website

www.ezconn.com

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One. Letter to the Shareholders

Dear Shareholders:

Thank you for participating in the regular shareholders' meeting of EZconn in 2025.

We briefly present the operating status in 2024 and the operational plan for 2025 as follows:

I. Operating status in 2024

(I) Result of the operational plan implementation

The 2024 consolidated net operating income is NT\$ 6,410,405 thousand, a decrease of 145% from that in 2023; the consolidated gross operating profit margin is 55.62%, an increase of 56% from that in 2023; the consolidated net operating profit is NT\$ 1,294,608 thousand, and the consolidated after-tax net profit is NT\$ 1,055,455 thousand; The consolidated EPS is NT\$ 14.30 per share, while the net value per share is NT\$ 48.63

(II) Analysis of the financial expenses and receipts and profitability

1. Financial expenses and receipts

The 2024 net consolidated operating income is NT\$ 6,410,405 thousand; a decrease of NT\$ 2,617,385 thousand compared with NT\$ 3,793,020 thousand in 2023. In terms of earnings, the 2024 net consolidated profit after tax is NT\$ 1,055,455 thousand, a decrease of NT\$ 168,042 thousand compared with a NT\$ 887,413 thousand net consolidated profit after tax in 2023.

2. Analysis of profitability

Analysis Item			2023	2024
Analysis of profitability	Return on asset (%)		5.27%	20.61%
	Return on equity (%)		8.31%	36.81%
	Paid-in capital stock (%)	Operating profit	34.08%	170.34%
		Profit (loss) before tax	37.37%	187.14%
	Net profit margin (%)		6.42%	16.50%
	Basic Earnings per share (NTD)		2.53	14.30

Note: The calculation is based on the consolidated financial statements in 2024

(III) R&D Status:

1. The High-Frequency Connector Business Group

Most of the products developed and manufactured by the Company are categorized as high-frequency connectors, with stringent requirements for product stability and reliability. These products are primarily applied in the cable television and wired broadband industries. In response to the rapid development of the industry, our technology R&D team continuously enhances product design and development capabilities by leveraging internal resources and actively participating in technical seminars organized by various research institutions. Furthermore, to lead the industry and meet the evolving demands of global customers, the Company actively joins product standards associations to stay abreast of the latest specifications, systematically develops and improves various products, and obtains certifications from national safety standard organizations and customer approvals across different countries.

As for the aspect of product expansion, we deployed the products by adding new types of crimp coaxial connector, optoelectronic integrated product, high-frequency isolator, coaxial filter, high shielding jumper and new type of High-Frequency Connector for cell sites. Regarding the improvement of production efficiency, we promoted lean plans in all plants and introduced intelligent manufacturing and assembly to effectively improve the production efficiency and yield rate. As for the talent cultivation, we continued to implement the education training in each department to enhance the coherence and the multi-skill training of the employees.

2. Optical Communication

Our research and development mainly focused on three application markets of fixed broadband, data center and 5G fronthaul and backhaul. For the application of the fixed broadband, our developed products included the XG-PON BOSA on board program, XGS-PON ONU transceiver that entered mass production and 10G-EPON/XGS-PON OLT optical transceiver module that completed the sample submission. Products expected to be developed contain the combo PON to upgrade the coexistence flexibility of GPON /XG-PON and the XGS-PON ONU mini stick applied to the fiber to the home. This mini stick also applies to a wide range of scenarios in the industrial network connection.

For the application of the Data center, the development of QSFP-SR4 AOC was completed and introduced into production due to the new standard of increasing the 25Gps Ethernet interface to 50Gps and the demand of upgrading the data center from 100Gbps to 400Gbps. As for the R&D projects under planned, we had 400G QSFP-DD SR8 and SFP28-SR optical transceiver module.

For the 5G fronthaul and backhaul application, the related fronthaul products under developing were SFP28-LR and SFP28-BiDi optical transceiver module while backhaul product was the XGS-PON mini-ONU stick that applies to small cell backhaul. It enables the small cell to use existing passive optical network for backhaul.

Besides, to fasten the development of the aforementioned products, the R&D team constantly increases the capability of high-frequency circuit design, software and firmware integration and packaging and testing as well as the optimization of manpower to respond to the R&D demand and the challenges in the future.

II. The outline of the operational plan in 2025

(I) Business Policies

1. Stabilizing the basis of existing customers and developing new customers in the targeted industry to expand the market share.
2. Continuing to promote standardized products and increasing the commonality of each product to provide convenient designs that meet the cost benefit for customers.
3. Reinforcing human resource cultivation and implementing performance assessment.
4. Integrating the customer demand and the manufacturing technology of the critical part suppliers to shorten the R&D time and reduce the cost effectively during the R&D phase of new products.
5. Ensuring the product quality and promoting service satisfaction among the customers.
6. Continuing to introduce automated equipment into production to increase production efficiency and decrease human capital.

(II) Operational Objectives

1. The business group of High-Frequency Connector
The goal of the sales volume is estimated to be 67,062,540.
2. Optical communication
The goal of the sales volume is estimated to be 58,307,425.

(III) Core Policies on Production and Sales

1. Production policy: We continue to optimize the production process, increase the yield rate and shorten the product delivery time. We also form a manufacturing system with economies of scale and rationalized cost via vertical integration.
2. Sales policy: We actively establish strategic alliances for marketing or partnerships with key customers to promote our core products and plan marketing project management based on the customer-oriented demand. In addition, we fully grasp market pulse information and consumer trends to respond to customers' diverse and timely product needs.

III. The future development strategies of the Company

● The business group of High-Frequency Connector

Along with the ever-changing communication networks, and the launch of the new specs related to the new broadband cable TV DOCSIS 4.0, the new responding technologies are researched and developed to catch the opportunities early when the generations of DOCSIS are replaced by newer ones. Furthermore, regarding 5G mmWave and LEO satellites, the current technologies will be upgraded to the ultra-high frequency connectors and connecting cables for development, coping with the market of this communication field.

● Optical communication

In terms of long-term development strategy, the Company will improve internal technology in response to market and technology trends, develop vertical technology integration and diversify products for the market and closely follow market trends, such as the demand for applications to the high-speed optical transceiver modules, including high-speed optical receiver modules for 5G wireless access networks, data centers, cloud computing and edge computing applications.

Considering that future high-speed devices will be based on the PIC technology; the Company will focus its future technological development on the products and programs related to PIC packaging.

Also, the Company will extend the business opportunities of optoelectronic packaging technology in other application markets, such as laser scanning, the medical field, etc... The training and acquisition of new technology capabilities are through technical development cooperation with domestic and foreign customers and domestic industrial research institutions to establish stable and competitive product technologies. For technical R&D personnel and organization, in addition to continuously recruiting practiced R&D personnel in the market, the Company will also conduct comprehensive on-the-job training to strengthen the professional technology and project management capabilities of the current R&D personnel.

IV. Impact of the external competitive environment, regulation environment and the overall business environment

As the U.S.- China trade war continues to escalate, and although the COVID-19 global pandemic just overcome, the consumer market has ushered in a new era... As consumer behavior and supply chains are being reorganized across the globe, the global economic model has been fundamentally transformed. In addition, the vertical integration of some competitors has made the low-price war become increasingly fierce, and the Company will continue to face the costs of key material acquisition, inventory control, production efficiency and the severe challenge of product delivery. However, the Company's management team and all employees will still adhere to their unremitting spirit to break through the difficulties and adversity faced and make every effort to achieve the Company's annual growth goals and implementing ESG-friendly operations in order to create maximum profits for the shareholders and the Company.

I wish good health and all the best to every shareholder !

EZconn Corporation

Chairman: CHEN STEVE

Managerial Officer: Chang, Ying-Hua

Accounting Manager: Chuang, Kuo-An

Two Corporate Governance Report

I. Information about Directors, Supervisors, President, Vice President, Assistant Managers, and Supervisors of The Departments and Branches:

(I) Director Information:

March 20, 2025

Unit: Share; %

Title	Name	Nationality or country of registration	Gender Age	Appointment (Inauguration) Date	Term	First Appointment Date	Shares held at time of appointment		Current Shares Held		Current shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in the Company or other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship		
							No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %			Title	Name	Relation
Chairman	SHC CONSOLIDATED INVESTORS LLC	U.S.A	—	June 6, 2024	3 years	November 8, 2013	2,175,812	3.28%	2,166,812	2.85%	0	0	0	0	—	—	None	None	None
	Representative: Chen, Steve	R.O.C./ U.S.A	Male 61~70	—	—	—	0	0	0	0	0	0	0	0	J.D. of Harvard Law School, the United States	Chairman of the Company, Director of EZConn USA Inc., Chairman of eGtran Corp., Director of Spatial Digital Systems Inc., SHC Consolidated Investors LLC, a business partner and TriMax & Companies, LLC, a business partner, Chairman of Oak Analytics Inc., Director of StemBio Tech, Independent Director of Sercomm Corp. and Independent Director of Taishin Life Insurance Co., Ltd.	None	None	None
Director	eGtran Corporation	B.V.I.	—	June 6, 2024	3 years	June 22, 2017	3,565,741	5.38%	3,565,741	4.69%	0	0	0	0	—	—	None	None	None
	Representative: Chang Ying-Hua	R.O.C.	Female 61~70	—	—	—	0	0	82,472	0.11%	0	0	0	0	Department of Accounting, Hsing Wu University	President of the Company, Director of Guangsheng Technology (Ningbo) Co., Ltd., Director of EZConn USA Inc., Director of EZConn Technology Corporation	None	None	None
Director	Jia Jiu Investment Co., Ltd.	R.O.C.	—	June 6, 2024	3 years	June 22, 2017	840,000	1.27%	928,371	1.22%	0	0	0	0	—	—	None	None	None
	Representative: Pan, Po-Tsang	R.O.C.	Male 41~50	—	—	—	0	0	190,224	0.25%	0	0	0	0	Double bachelor's degree in finance & laws, Macquarie University, Australia Assistant Vice President of Virgin Islands E WAY Technology Co., LTD	Chairman of the Board of TRIS INTERNATIONAL LIMITED and Director of Town Health International Investments Limited, Xinqun Investment Co., Ltd., Top Powder Technologies Co., Ltd. and Taiwan Union Technology Corporation.	None	None	None
Director	Transnational Investment Limited	Anguilla (BOT)	—	June 6, 2024	3 years	June 30, 2014	1,562,602	2.36%	1,562,602	2.06%	0	0	0	0	—	—	None	None	None
	Representative: Lan Ching-Ying	R.O.C.	Male 41~50	—	—	—	0	0	1,126,457	1.48%	1,000	0.00%	0	0	Master Program of Optoelectronic Industry R&D, National Taipei University of Technology	OP Technical Marketing Director of the Company; Director of Zhao Heng Investment Co., Ltd., Director of Lian Guan Construction Co., Ltd., Director of AuthenX Inc.	None	None	None
Independent Director	Peng Hsieh-Ju	R.O.C.	Male 51~60	June 6, 2024	3 years	June 10, 2019	9,683	0.01%	10,701	0.01%	0	0	0	0	EMBA, National Chiao Tung University	Member of the Company's Compensation Committee, Director of Icometec Co., Ltd. and Independent Director of Wafer Works (Shanghai) Co., Ltd.	None	None	None
Independent Director	Chiu Er-De	R.O.C.	Male 71~80	June 6, 2024	3 years	June 24, 2020	0	0	0	0	0	0	0	0	PhD in physics, California Institute of Technology, Professor and Director of Institute of Biomedical Optoelectronics, National Yang-Ming Institute of Medical Optoelectronics	Compensation Committee of the Company; Honorary Professor and Adjunct Professor, National Yang Ming Chiao Tung University Professor at National Cheng Kung University; Adjunct Professor at National Taiwan Normal University	None	None	None
Independent Director	Huang Hui-Wen	R.O.C.	Female 51~60	June 6, 2024	3 years	June 24, 2020	0	0	0	0	0	0	0	0	EMBA, NTU, Business Manager of Career Development Department, Taipei Medical University, President of BeiYi Medical International Biotechnology Co., Ltd., Chairman of Jizhi Hospital Management Consulting Co., Ltd., and President of Lu Shin Business Co., Ltd.	Compensation Committee of the Company; President of Calgent Biotechnology Co., Ltd.; Chairman and President of Syngent Biomedical Inc.	None	None	None

1. Major shareholders of directors & supervisors acting as the corporate shareholders

Table 1: Major shareholders of the corporate shareholders

March 30, 2025

Name of Corporate Shareholders	Major shareholders of the corporate shareholders and Shareholding (%)
SHC Consolidated Investors LLC	Chen, Steve (100%)
Jia Jiu Investment Co., Ltd.	Pan Sheng-Li (100%)
Transnational Investment Limited	Lan Ching-Ying (40.00%), Lan Jian-yu (40.00%), Lan Qi-ren 20.00%)
eGtran Corporation	TMX Consolidated Partners LLC (8.76%) SHC Consolidated Investors LLC (4.24%) Lin Min-Hsiung (4.01%) Weng Sheng-Chia (3.50%) Andreas Bechtolsheim (3.07%) Pan Sheng-Li (3.06%) Transnational Investment Limited (3.05%) Hung Chieh-En (3.02%) Dural Holdings Limited (2.55%) Chien Feng-Yi (2.39%)

Table 2: Major shareholders of the juridical person acting as major shareholders in Table 1

March 30, 2025

Name of the juridical person	Major shareholders of the juridical person	Shareholding (%)
TMX Consolidated Partners LLC	(Note)	—
SHC Consolidated Investors LLC	Chen, Steve	100.00%
Transnational Investment Limited	Lan Ching-Ying	40.00%
	Lan Jian-yu	40.00%
	Lan Qi-ren	20.00%
Dural Holdings Limited	Lan Ching-Ying	40.00%
	Lan Jian-yu	40.00%
	Lan Qi-ren	20.00%

Note: This means the trustee of the ultimate shareholder or beneficiary.

2. Disclosure of information on the professional qualifications of directors and the independence of Independent Directors

Qualifications Name	Professional Qualifications and Experience	Independence Situation	Number of other public companies where the member also serves as an Independent Director
Chairman Chen, Steve	Juris Doctor from Harvard Law School, currently serving as the Chairman of the Company, with lawyer related and more than five years of work experience in business, legal and corporate business, and none of the situations in Article 30 of the Company Act.	Not Applicable.	2
Director Chang Ying-Hua	Accounting and Statistics Department, Hsing Wu Commercial College, currently serving as the President of the Company, with more than five years of work experience in business, finance, accounting and corporate business, and none of the situations in Article 30 of the Company Act.		None
Director Pan, Po-Tsang	Double bachelor's degree in finance and laws, Macquarie University, Australia, possess more than five years of experience in business, legal affairs, and company operation, and not subject to any of the circumstances set out in Article 30 of the Companies Act.		None
Director Lan Ching-Ying	Industrial R&D Master's Program of the Taipei University of Technology's Optoelectronics Group; currently serving as the Company's Technology Director with more than five years of work experience in corporate business and has none of the conditions in Article 30 of the Company Act.		None
Independent Director Peng Hsieh-Ju	EMBA degree from Chiao Tung University, with more than five years of work experience in business, finance, accounting and corporate business, and none of the situations in Article 30 of the Company Act.	1. Comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 1). 2. The amount of remuneration obtained from providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.	2
Independent Director Chiu, Er-De	PhD in Physics from California Institute of Technology, currently a professor at the National Yang Ming Chiao Tung University, with more than five years of work experience in public and private colleges and universities in relevant departments and the required work experience and none of the situations in Article 30 of the Company Act.	1. Comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 1). 2. The person (or in the name of others), his/her spouse and minor children do not hold shares in the Company.	None
Independent Director Huang, Hui-Wen	Accounting and Statistics Department of Hsing Wu Commercial College; currently serving as the President of the Company with more than five years of work experience in business, accounting and corporate business, and has none of the conditions in Article 30 of the Company Act.	3. The amount of remuneration received from providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.	None

Note 1

1. Not the government agencies, legal persons or their representatives specified in Article 27 of the Company Act.
2. Concurrently serve as the Independent Director of other public offering companies, but no more than three.
3. There is none of the following situations in the two years before the election and during the term of office:
 - (1) An employee of the Company or its affiliates.
 - (2) A director or supervisor of the Company or its affiliates.
 - (3) The person and his/her spouse and minor children hold more than 1% of the total issued shares of the Company in the names of themselves or others, or are top ten natural person shareholders.
 - (4) A manager listed in (1), or the spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship of the persons listed in (2) and (3).
 - (5) A director, supervisor or employee of a corporate shareholder which directly holds 5% or more of the Company's total issued shares, a top five shareholder, or which appoints a representative to serve as a company director in accordance with Article 27 of the Company Act.
 - (6) A director, supervisor or employee of another company which is a director of the Company or controlled by the same person with more than half of the voting shares of the Company.
 - (7) A director, supervisor or employee of another company or institution who is the same person or spouse as the Company's Chairman, President or equivalent.
 - (8) A director, supervisor or manager or shareholder holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the Company.
 - (9) A professional, business owner, partner, director, supervisor, manager or the spouse of a sole proprietorship, partnership, company or institution which provides to the Company or its affiliates audit services or business, legal, financial, accounting or other related services with less than NT\$500,000 cumulative remuneration in the past two years. However, it is not limited to those who serve as members of the Company's Remuneration Committee.

3. Diversity and Independence of the Board of Directors

(1) Board Member Diversification Policy

According to Article 20 of the Company's Corporate Governance Best Practice Principles, diversification shall be taken into consideration for the composition of the Board. Directors who are concurrently managers of the Company shall not exceed one-third of all Directors, and an appropriate diversification policy shall be formulated based on the Board's operations, operating patterns, and development requirements, which should include but not limited to the standards of the following two aspects:

- I. Basic qualification and value: Gender, age, nationality, and culture; the ratio of female Directors shall reach one-third of all Directors.
- II. Professional knowledge and skills: Professional background (i.e., laws, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members shall generally possess knowledge, skills, and literacy required for the execution of their duties. To achieve the ideal target of corporate governance, the overall Board shall possess abilities as follows:

- I. Operational Judgment.
- II. Accounting and Financial Analysis Ability.
- III. Operation and Management Ability.
- IV. Crisis Management Ability.
- V. Industrial Knowledge.
- VI. International Market View.
- VII. Leadership.
- VIII. Decision Making Ability.

(2) Implementation of Board member diversification

Currently, the Board of Directors of the Company consists of 7 board members, including 3 Independent Directors, 2 female directors, and 2 directors serving as an employee (accounting for 43%, 28%, and 29% of the board members, respectively); the board members have a wide variety of expertise in finance and accounting, law, optoelectronics, biomedicine, etc., which meets the requirement pertaining to the composition diversity of the Board of Directors and the professional competency. The Company focuses on gender equality in Board composition and adopts improving the proportion of female Directors to one-third (i.e., 35%) or above as the target. In the future, it will make efforts to increase the number of female Directors to achieve the target.

At present, the board of directors of the Company has seven directors, including three Independent Directors, two female directors and two directors with employee status (accounting for 43%, 28% and 29% of all directors respectively). The professional fields of the members of the board of directors include finance and accounting, law, electronics and electrical machinery and optoelectronics which are in line with the diversification of the composition of the board of directors and the professional abilities for performing their duties.

Substantial management targets and achievements of the diversification policy of the Company are as follows:

Management Target	Achievement
Have at least one Independent Director with the expertise of accounting, finance, or business management	Achieved
Directors who are concurrently managers of the Company shall not exceed one-third of all Directors	Achieved
The ratio of female Directors shall reach one-third of all Directors	Not Achieved

Where the number of directors of either gender does not reach one-third of the board, the reasons and measures to improve gender diversity among directors are as follows:

I. Explanation of Reasons:

The Company has established seven directorships in accordance with the Articles of Incorporation. The current directors were elected at the shareholders' meeting held on June 30, 2023. Although the composition complies with the relevant regulations in effect at the time of election, the proportion of directors of either gender has not yet reached one-third. This is primarily due to the characteristics of the industry in which the Company operates, where sourcing suitable candidates is challenging within a short period of time.

II. Measures to Be Taken:

Prior to the expiration of the current board's term and the next election, the Company will actively seek talent recommendations through various channels, including the industry and academic institutions, to enhance corporate governance effectiveness and implement the policy of board member diversity.

		Gender	Part time employee of the Company	Basic Composition							Professional Background	Operational Judgment Ability	Accounting And Financial Ability	Management Ability	Crisis Management Ability	Industrial Knowledge	International Market View	Leadership	Decision Making Ability	
				Age						Term of office and seniority of Independent Directors										
				41 to 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old	81 to 90 years old	Less than 2 years	2 to 4 years										
Director	CHEN STEVE	Male			✓						Law	✓	✓	✓	✓	✓	✓	✓		
	Chang Ying-Hua	Female	✓		✓						AF	✓	✓	✓	✓	✓	✓	✓		
	Pan, Po-Tsang	Male		✓							FL	✓	✓	✓	✓		✓	✓		
	Lan Ching-Ying	Male	✓	✓							NetCom				✓	✓	✓	✓		
Independent Director	Peng Hsieh-Ju	Male			✓					✓	AF	✓	✓	✓	✓		✓	✓		
	Chiu, Er-De	Male					✓			✓	BMO	✓		✓		✓	✓	✓		
	Huang, Hui-Wen	Female			✓					✓	BioMed	✓	✓	✓	✓		✓	✓		

(3) The Board regularly conducts performance evaluations on a yearly basis and confirms the diversification background and competence of its members.

(4) Independence of the board of directors:

The board of directors of the Company is composed of seven directors, including three Independent Directors. The number of Independent Directors accounts for 43% of all directors; no more than two directors have spouse or second-tier relative relationship, and there are no circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The primary responsibility of the board of directors of the Company is to supervise the Company's legal compliance, financial transparency, and timely disclosure of important information, and to make objective and independent judgments on the Company's financial business. They have met the requirements of the laws and regulations at the time of being elected.

(II) Information of the President, Vice President, Assistant Manager, and Supervisors of departments and branches:

March 30, 2025 Unit: Share; %

Title	Name	Nationality	Gender	Inauguration Date	No. of Shares Held		Shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %			Title	Name	Relation	
President	Chang Ying-Hua	R.O.C.	Female	April 1, 2019	82,472	0.11%	0	0	0	0	Department of Accounting, Hsing Wu University; Director & Executive Vice President of Light Master Technology Inc.	Director of Light Master Technology (Ningbo) Inc. Director of EZConn USA Inc. Director of EZconn Technology Corporation	None	None	None	None
Director of Manufacturing Division	Kao Yueh-Hui	R.O.C.	Female	May 1, 2007	8,000	0.01%	0	0	0	0	Shixin High School Tatung Electronics & Philco Electronics	None	None	None	None	None
Director of Research & Sales Division	Chien Ming-Feng	R.O.C.	Male	June 1, 2011	0	0	0	0	0	0	Mechanical & Electro-Mechanical Engineering, Tamkeng University; R & D Engineer of Sun Race Sturmey-Archer Inc.	None	None	None	None	None
OP Technical Marketing Director	Lan Ching-Ying	R.O.C.	Male	March 9, 2018	1,126,457	1.48%	1,000	0.00%	0	0	R & D Graduate Program in Electro-Optional Engineering, NTU of Science & Technology, Department of Engineering and IT, University of Sydney	None	None	None	None	None
Business Manager	Lo Sheng-Hsin	R.O.C.	Male	February 1, 2023	15,000	0.02%	151	0.00%	0	0	National Taipei University of Technology	Director and President of EZconn Technology Corporation	None	None	None	None
Director of Quality Control Division	Li Yung-Chuan	R.O.C.	Male	October 20, 2010	116	0.00%	0	0	0	0	M.B.A., Department of Mechanical Engineering, NTU	None	None	None	None	None
Director of Management Division	Kuo Mei-Lan	R.O.C.	Female	February 1, 2023	36,417	0.05%	0	0	0	0	Special Assistant to the President of the Company	None	None	None	None	None
Chief Financial Officer	Chuang Kuo-An	R.O.C.	Male	August 14, 2014	10,000	0.01%	0	0	0	0	M.B.A., EMBA, NCCU CFO of Universal Vision Biotechnology Assistant Manager of Audit Division, Ernst & Young/Diwan & Company	Supervisor of MIA Intelligent Biotechnology Co., Ltd.; Supervisor of Xi Yue Biomedicine Inc.; Independent Director of Motion Technology Electric & Machinery Co., Ltd.; Supervisor of Light Master Technology (Ningbo) Inc.; Director of EZConn USA Inc.; Director of EZconn Technology Corporation; Supervisor of AuthenX Inc.	None	None	None	None
Senior Manager	Chen Suu-Ming	R.O.C.	Male	May 7, 2020	0	0	0	0	0	0	Institute of Mechanical Engineering, Tatung University	Vice President of Light Master Technology (Ningbo) Inc.	None	None	None	None
Chief Auditor	Huang Ssu-Fen	R.O.C.	Female	March 20, 2020	12,000	0.02%	0	0	0	0	B.B.A. in Business Administration, St. John's University	None	None	None	None	None

II. Remuneration for directors, supervisors, President and Vice President in the most recent year:

(I) Remuneration for directors

Units: NTD 1,000; %

Title	Name	Remuneration								The total amount of A, B, C, D and in net income after tax (%) (Note 10)		Remuneration for part-time employees								Total amount of items A, B, C, D, E, F and G and their proportion to the net profit after tax(Note 10)		Remuneration from invested businesses other than subsidiaries or the parent company (Note 11) Director remuneration (C) (Note 3)
		Remuneration (A) (Note 2)		Remuneration (A) (Note 2)		Remuneration (A) (Note 2)		Remuneration (A) (Note 2)				Salary, bonus and special allowance (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (Note 6)						
		EZconn	All companies in financial report (Note 7)	EZconn	All companies in financial report (Note 7)	EZconn	All companies in financial report (Note 7)	EZconn	All companies in financial report (Note 7)			EZconn	All companies in financial report (Note 7)	EZconn	All companies in financial report (Note 7)	EZconn	All companies in financial report (Note 7)	EZconn				
										Cash amount	Share amount							Cash amount	Share amount			
Chairman	SHC Consolidated Investors LLC	960	960	0	0	23,941	23,941	216	216	25,117 2.37%	25,117 2.37%	28,686	28,686	0	0	28,250	0	28,250	0	82,053 7.77%	82,053 7.77%	None
Chairman’s representative	SHC Consolidated Investors LLC Representative: Chen, Steve																					
Director	eGtran Corporation																					
Director’s Representative	eGtran Corporation Representative: Chang Ying-Hua																					
Director	Jia Jiu Investment Co., Ltd.																					
Director’s Representative	Jia Jiu Investment Representative: Pan, Po-Tsang																					
Director	Transnational Investment Limited																					
Director’s Representative	Transnational Representative: Lan Ching-Ying																					
Independent Director	Peng Hsieh-Ju	720	720	0	0	13,059	13,059	160	160	13,939 1.32%	13,939 1.32%	0	0	0	0	0	0	0	0	13,939 1.32%	13,939 1.32%	None
Independent Director	Chiu Er-De																					
Independent Director	Huang Hui-Wen																					

Note:

- The Board approved the remuneration of Directors and employees for distribution on March 7, 2025; however, the distribution has not been made, and the amounts presented are the amounts *proposed*.
- Regarding the policy, system, standards, and structure for the payment of the remuneration of Independent Directors, the correlation with the amount of remuneration paid is described based on the duties assumed, risks, time invested, and other factors: The remuneration of the Company's Independent Directors is subject to the Articles of Incorporation, and the Remuneration Committee regularly examines the remuneration system based on the level of contribution of individual Directors to the Board and the Company's operations.
- Except for the disclosures made in the table above, remuneration received by the Directors for providing services (i.e., being a non-employee consultant) to all companies within the financial statements in the most recent year: None.

Remuneration Range Table

Remuneration Range for Directors of EZconn	Name of Director			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	EZconn (Note 8)	All companies in financial report (Note 9) H	EZconn (Note 8)	All companies in financial report (Note 9) I
Under NT\$1,000,000	eGtran Corporation SHC Consolidated Investors LLC Jia Jiu Investment Co., Ltd. Transnational Investment Limited Chen, Steve Chang Ying-Hua Pan, Po-Tsang Lan Ching-Ying Peng Hsieh-Ju Chiu Er-De Huang Hui-Wen	eGtran Corporation SHC Consolidated Investors LLC Jia Jiu Investment Co., Ltd. Transnational Investment Limited Chen, Steve Chang Ying-Hua Pan, Po-Tsang Lan Ching-Ying Peng Hsieh-Ju Chiu Er-De Huang Hui-Wen	eGtran Corporation SHC Consolidated Investors LLC Jia Jiu Investment Co., Ltd. Transnational Investment Limited Chen, Steve Pan, Po-Tsang Peng Hsieh-Ju Chiu Er-De Huang Hui-Wen	eGtran Corporation SHC Consolidated Investors LLC Jia Jiu Investment Co., Ltd. Transnational Investment Limited Chen, Steve Pan, Po-Tsang Peng Hsieh-Ju Chiu Er-De Huang Hui-Wen
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	—	—		
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	—	—	Lan Ching-Ying	Lan Ching-Ying
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	—	—	—	—
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	—	—	—	—
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	—	—	—	—
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	—	—	—	—
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	—	—	Chang Ying-Hua	Chang Ying-Hua
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	11	11	11	11

Note 1: The names of the directors must be listed receptively (for the corporate shareholders, their names and the representatives must be receptively listed), directors and Independent Directors shall be listed separately and each payment amount must be disclosed by summarization.

Note 2: This refers to the remuneration for the directors in the most recent year (including the directors' salary, differential pay, severance pay, various bonuses and incentive payment).

Note 3: This refers to the distribution of remuneration for directors approved by the Board of Directors in the most recent year.

Note 4: This refers to the related business execution fee of the directors in the most recent year (including traveling expenses, special allowance, various allowances and dormitories and cars in kind). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If the driver is also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration.

Note 5: This refers to the remuneration for directors serving as the part-time employees (including part-time president, vice president, other managerial officers and employees) in the most recent year, including the salary, differential pay, severance pay, various bonuses, incentive payment, traveling expenses, special allowance, various allowances and dormitories and cars in kind. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If the driver is also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

- Note 6: This means the directors serving as the part-time employees (including part-time president, vice president, other managerial officers and employees) and receiving the employee remuneration (including shares and cash) must disclose the distribution amount of remuneration for employees approved by the Board of Directors. If the amount cannot be estimated, the proposed distribution amount of this year should be calculated based on the actual distribution ratio last year.
- Note 7: The total amount of each remuneration paid by all companies (including EZconn) to the Company's directors in the consolidated report must be disclosed.
- Note 8: Regarding the total amount of each remuneration paid by EZconn to each director, the names of the paid directors must be disclosed based on the remuneration range in which the remuneration belongs.
- Note 9: The total amount of each remuneration paid by all companies (including EZconn) to each director of the Company in the consolidated report must be disclosed. The names of the paid directors must be disclosed based on the remuneration ranges in which the remuneration belongs.
- Note 10: The net income after tax refers to the net income after tax of EZconn or individual financial reports in the most recent year.
- Note 11: a. This column must clearly specify the related remuneration amount paid to the Company's directors from invested businesses other than subsidiaries or the parent company. (If none, please fill in "None.")
- b. The directors of the Company who receive Parent related remuneration from invested businesses other than subsidiaries or the parent company must include the remuneration acquired from such businesses to column I in the remuneration range table and the name of this column should be change to "The parent company and all invested businesses."
- c. The remuneration refers to the received remuneration (including the remuneration of employees, directors, and supervisors) of the Company's directors serving as the directors, supervisors or managerial officers in the invested businesses other than subsidiaries or the parent company and the related remuneration of the business execution fee.
- ※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. Therefore, this table is used for information disclosure instead of taxation.

(II) Remuneration for supervisors: The Company has set up an Audit Committee, so there is no remuneration for supervisors.

(III) Remuneration for President and Vice President

Units: NTD 1,000; %

Title	Name	Remuneration (A)		Retirement pension (B)		Bonus and special allowance (C)		Employee remuneration (D)				The total amount of A, B, C, D and in net income after tax (%)		Remuneration from invested businesses other than the subsidiaries or the parent company
		EZconn	All companies in financial report	EZconn	All companies in financial report	EZconn	All companies in financial report	EZconn		All companies in financial report		EZconn	All companies in financial report	
								Cash amount	Share amount	Cash amount	Share amount			
President	Chang Ying-Hua	3,983	3,983	0	0	21,300	21,300	23,937 (Note 1)	0	23,937 (Note 1)	0	49,220 4.66%	49,220 4.66%	None

Note 1: On March 7, 2025; the board meeting approved the proposed amount of remuneration for directors and employees, which has not yet been distributed; the proposed amount is therefore filled in.

Note 2: The Company only has one President, and there are no other equivalent positions.

Remuneration Range Table

Remuneration range for the President and Vice President of EZconn	President and Vice President name	
	EZconn	All companies in financial report
Under NT\$1,000,000	—	—
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	—	—
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	—	—
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	—	—
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	—	—
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	—	—
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	—	—
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	Chang Ying-Hua	Chang Ying-Hua
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	—	—
Over NT\$100,000,000	—	—
Total	1	1

(IV) Remuneration paid to each of the top five management personnel

Units: NTD 1,000; %

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Remuneration to employees (D)				The total amount of A, B, C, D and in net income after tax (%)		Remuneration from invested businesses other than the subsidiaries or the parent company
		EZconn	All companies in financial report	EZconn	All companies in financial report	EZconn	All companies in financial report	EZconn		All companies in financial report		EZconn	All companies included into the financial statement.	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
President	Chang Ying-Hua	9,773	9,773	0	0	44,662	44,662	38,187 (Note 1)	0	38,187 (Note 1)	0	92,622 8.78%	92,622 8.78%	None
OP Technology Marketing Director	Lan Ching-Ying													
Senior Manager	Chen Suu-Ming													
Business Manager	Sheng-Shin Luo													
Chief Financial Officer	Chuang Kuo-An													

Note 1: On March 7, 2025; the board meeting approved the proposed amount of remuneration for directors and employees, which has not yet been distributed; the proposed amount is therefore filled in.

(V) Names of the managerial officers distributing employee remunerations and the distributing status

Units: NTD 1,000; %

	Title	Name	Share amount	Cash amount	Total	Proportion of total amount to net profit after tax (%)
Managerial officer	President	Chang Ying-Hua	0	55,000	55,000	5.21%
	OP Technology Marketing Director	Lan Ching-Ying				
	Director of Research & Sales Division	Chien Ming-Feng				
	Business Manager	Luo Sheng-Shin				
	Chief Financial Officer	Chuang Kuo-An				
	Associate	Chen, Ssu-Ming				
	Director of Manufacturing Division	Kao Yueh-Hui				
	Director of Quality Control Division	Li Yung-Chuan				
	Director of Management Division	Kuo, Mei-Lan				
	Chief Auditor	Huang, Si-Fen				

Note 1: On March 7, 2025, the board meet

(VI) Comparison and analysis of the total remuneration as a percentage of net income stated in the financial report of EZconn or individual financial reports and paid by EZconn and all the companies in the consolidated report to each of EZconn's directors, supervisors, President, and Vice President in the most recent 2 fiscal years, and description of the policies, standards, and portfolios for payment of the remuneration, the procedures for determining the remuneration, and the association with the operation performance and future risk exposure

- (1) Analysis of the total remuneration as a percentage of net income paid by EZconn and all the companies in the consolidated report to each of EZconn's directors, supervisors, President, and Vice President in the most recent 2 fiscal years:

Title	Proportion of total remuneration to net profit after tax (%) in 2025		Proportion of total remuneration to net profit after tax (%) in 2024	
	EZconn	All companies in the consolidated report	EZconn	All companies in the consolidated report
Director	9.09%	9.09%	14.91%	14.91%
Supervisor	0	0	0	0
President and Vice President	4.66%	4.66%	8.36%	8.36%

- (2) The policies, standards, and portfolios for payment of the remuneration, the procedures for determining the remuneration, and the association with the operation performance and future risk exposure of EZconn and all the companies in the consolidated report:

- (a) The presidents and vice presidents are appropriated pursuant to our personnel regulations.
- (b) Remuneration for the directors and supervisors is based on regulations set forth in our articles of incorporation.
- (c) The Company's remuneration policy is stipulated in the Company's Articles of Association. From the Company's annual pre-tax net profit before employees' and directors' remuneration, no less than 5% should be allocated as employees' remuneration and no more than 5% as director's remuneration. However, when the Company still has a cumulative loss, it should reserve the amount to make up for the loss in advance; the procedures for the directors' and managers' remuneration of the Company are based on the regulations on the management of directors and managers' remuneration and other regulations as the basis for evaluation.

The appointment, dismissal and remuneration of managers are handled in accordance with the Company's regulations and approved by the board meeting. The overall remuneration package mainly includes the salary, bonus, employee remuneration and benefits, which are based on the manager's participation in the Company's operations and the value of contribution and work goals. According to the salary level of the same industry, the manager's salary is paid to maintain the overall competitiveness of human assets and ensure the Company's operational performance.

In order to encourage managerial personnel to place greater emphasis on long-term synergy and achieve sustainable development. As from 2024, the Company plans to incorporate sustainability performance indicators into the annual goal-setting process for managers. Performance will be evaluated in accordance with the Company's Performance Evaluation Management Guidelines, with the achievement rate of sustainability indicators included in the evaluation scope. The Compensation Committee and the Board of Directors will conduct periodic annual reviews and assessments, aligning variable compensation of managerial personnel with sustainability performance outcomes.

The Company has set up a compensation and remuneration committee. The performance appraisal of directors and managers and the rationality of their compensation are regularly reviewed and evaluated by the Remuneration Committee, and are adjusted in a timely manner according to the operating conditions and relevant laws and regulations. The amount of remuneration distribution for directors and managers in 2024 was decided by the board meeting after deliberation by the Remuneration Committee.

III. Corporate Governance:

(I) Operation status of the Board of Directors:

1. Six (A) board meetings were held in the most recent year (2024), and the status of attendance of directors is as follows:

Title	Name	Number of presence (attendance) (B)	Number of meetings presented by proxy	Actual presence (attendance) rate (%) [B/A]	Remarks
Chairman	SHC Consolidated Investors LLC Representative: Chen, Steve	6	0	100%	None
Director	eGtran Corporation Representative: Chang Ying-Hua	6	0	100%	None
Director	Jia Jiu Investment Co., Ltd. Representative: Pan, Po-Tsang	6	0	100%	None
Director	Transnational Investment Limited Representative: Lan Ching-Ying	6	0	100%	None
Independent Director	Peng Hsieh-Ju	6	0	100%	None
Independent Director	Chiu Er-De	6	0	100%	None
Independent Director	Huang Hui-Wen	6	0	100%	None

Other matters to be recorded:

I. Where any of the following circumstances occurs to the meeting of the Board of Directors, the date, term and proposal of the meeting as well as the opinions of all the Independent Directors and EZconn's action on these opinions shall be described:

(I) The matters referred to in Article 14-3 of the Securities and Exchange Act:
Not applicable. The Company has established the Audit Committee and thus the provisions in Article 14-3 of the Securities and Exchange Act are not applicable. For the explanation regarding Article 14-5 of the Securities and Exchange Act, please refer to Pages 24-27 of the Annual Report for the operations of the Audit Committee

II. Where the implementation status of recusal bearing on the interest of a director is involved, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described:

Date	Director name	Proposal	Reason for the recusal	Voting participation
January 11, 2024 The first meeting	Chang Ying-Hua Lan Ching-Ying	Proposal for the capital increase in cash through the issuance of new shares for employees to subscribe in 2023.	The director also served as the managerial officer	Not participating in discussions and voting
March 14, 2024 The second meeting	Chang Ying-Hua Lan Ching-Ying	Proposal for the distribution of remuneration of employees and Directors in 2023. Proposal for the remuneration of Directors and managers.	The director also served as the managerial officer	Not participating in discussions and voting
September 20, 2024 The fifth meeting	Chang Ying-Hua Lan Ching-Ying	Proposal for the issuance of the restricted stock awards and amendments to the "Regulations for the Issuance of Restricted Stock Awards in 2024."	The director also served as the managerial officer	Not participating in discussions and voting
November 7, 2024 The sixth meeting	Chang Ying-Hua Lan Ching-Ying	Proposal for the planning of the remuneration and year-end bonuses of managers.	The director also served as the managerial officer	Not participating in discussions and voting

III. A listed or OTC company shall disclose the evaluation cycle, period, scope and method and the content of the board of directors' self- (or peer) evaluation.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2024 ~ December 31, 2024	1. Board of directors 2. Individual directors 3. Functional committees	Self-evaluation	Detailed in note 1

IV. Evaluation of the goal (such as the establishment of the Audit Committee and promotion of the information transparency) and implementation status with respect to enhancement of the function of the Board of Directors in the current and most recent years:

1. EZconn continued to implement further education for directors and passed related proposals of “Corporate Governance Best Practice Principles”, “Rules Governing the Scope of Responsibilities of Independent Directors,” and “Code of Ethical Conduct for the Directors and Managerial Officers” to enhance the function of the Board of Directors.
2. The Company established the Investor Section on the official website, providing financial and corporate governance information, to offer the information of concern to the investors through the Internet.
3. The Company, upon the approval of the board of directors on November 11, 2023, to establish the Corporate Governance Officer to take charge of the operations related to the corporate governance, assisted the directors to execute the business for supervision. Meanwhile, regulations such as the “Corporate Governance Best Practice Principles,” the “Ethical Corporate Management Best Practice Principles,” and the “Rules for Performance Evaluation of Board of Directors” were established upon the approval of the board of directors.
4. The Company established the Audit Committee in June 2020.

Note 1:

Performance evaluation results of the board of directors for 2024

The performance evaluation of the Company's board of directors in 2024 covers the performance evaluation of the overall board of directors, individual directors and functional committees

The evaluation report is as follows:

Evaluation period: January 1, 2024 to December 31, 2024.

(I) Self-evaluation of Board performance:

The indicators of Board performance evaluation include five major aspects, with a total of 45 indicators, and the overall evaluation result was 4.99/5.00. The evaluation results of the five major aspects are set out in the following table: The evaluation results show that the Board duly fulfills its responsibilities for guiding and supervising corporate strategies, material businesses, and risk management and is able to establish an appropriate internal control system with comprehensive operations in general that complies with the corporate governance requirements.

Five major aspects for self-evaluation	Evaluation item	Score
A. Level of participation in the Company's operations	12 items	4.98
B. Improving the decision-making quality of the Board	12 items	5.00

C. Board composition and structure	7 items	4.98
D. Election and continuing education of Directors	7 items	4.98
E. Internal control	7 items	5.00

(II) Self-evaluation of Board members:

The indicators of Board member performance evaluation include six major aspects, with a total of 23 indicators, and the overall evaluation result was 4.99/5.00. The evaluation results of the six major aspects are set out in the following table: The evaluation results show that the Directors have positive ratings in terms of the efficiency and effects of operations of various indicators.

Six major aspects for self-evaluation	Evaluation item	Score
A. Comprehension of targets and missions of the Company	3 items	5.00
B. Awareness of the Directors' duties	3 items	4.95
C. Level of participation in the Company's operations	8 items	4.98
D. Internal relationship management and communication	3 items	5.00
E. Professionalism and continuing education of Directors	3 items	5.00
F. Internal control	3 items	5.00

(III) Self-evaluation of the Audit Committee

The indicators of the Audit Committee performance evaluation include five major aspects, with a total of 24 indicators, and the overall evaluation result was 4.97/5.00. The evaluation results of the five major aspects are set out in the following table: The results show that the overall operation of the Audit Committee was comprehensive and complied with the corporate governance requirements, which effectively improved the functions of the Board.

Five major aspects for self-evaluation	Evaluation item	Score
A. Level of participation in the Company's operations	4 items	5.00
B. Awareness of the functional committee's duties	7 items	5.00
C. Improving the decision-making quality of the functional committee	7 items	4.95
D. Composition of the functional committee and member election	3 items	4.89
E. Internal control	3 items	5.00

(IV) Self-evaluation of the Remuneration Committee

The indicators of the Remuneration Committee performance evaluation include five major aspects,

with a total of 24 indicators, and the overall evaluation result was 4.98/5.00. The evaluation results of the five major aspects are set out in the following table: The results show that the overall operation of the Remuneration Committee was comprehensive and complied with the corporate governance requirements, which effectively improved the functions of the Board.

Five major aspects for self-evaluation	Evaluation item	Score
A. Level of participation in the Company's operations	4 items	5.00
B. Awareness of the functional committee's duties	7 items	4.96
C. Improving the decision-making quality of the functional committee	7 items	4.96
D. Composition of the functional committee and member election	3 items	5.00
E. Internal control	3 items	5.00

(V) The performance evaluation results in 2024 are as follows:

The rating for the evaluation items of the Board performance evaluation was 4.97/5 or above, and there was no material item that required improvement. The evaluation results were reported to the Directors at the 2nd Board meeting in 2025, and they serve as the reference for the performance, remuneration, and nomination for re-appointment of the Board and functional committees.

(II) Operation status of the Audit Committee:

1. Operation status of the Audit Committee:

(1) The Audit Committee held 5 meetings (A) in the most recent (2024) year, and the attendance of the Independent Directors is as follows:

Position	Name	Actual attendance (B)	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Peng Hsieh-Ju	5	100%	None
Independent Director	Chiu Er-De	5	100%	None
Independent Director	Huang Hui-Wen	5	100%	None
Other items needed to be recorded:				
I. If the operation of the Audit Committee falls under any of the following circumstances, state the Audit Committee date, period, contents of the proposals, the results of the Audit Committee's resolutions, and the Company's handling of the Audit Committee's opinions:				
(I) Matters listed in Article 14-5 of the Securities and Exchange Act: The Independent Directors of the Company have no circumstances of objections or reservations.				
Date	Proposal	Opinions of all Independent Directors and the Company's handling of opinions of Independent Directors		
March 14, 2024 The first meeting	<ol style="list-style-type: none"> The 2023 business plan, parent-only financial statements, and consolidated financial statements. Proposal for the appointment of CPAs in 2024 and evaluation of the CPAs' independence and competence. Proposal for the change of the CPA for the Company's financial statements. Proposal for the intended private placement of ordinary shares or private placement of domestic convertible corporate bonds (including secured or unsecured corporate bonds). The company's 2023 "Statement of the Internal Control System." Proposal for the Company's participation in the cash capital increase of AuthenX Inc, Ltd., with an investment amount of up to NT\$40 million. 	<ol style="list-style-type: none"> Approved with no objection from any of the Audit Committee members present. The Company's handling of the opinions of Audit Committee members: There was no objection or reservation. 		
May 8, 2024 The second meeting	<ol style="list-style-type: none"> The consolidated financial statements, Q1 2024. Proposal to distribute the 2023 earnings and cash dividends. Reconfirmation of proposal for the "General Policies on Pre-approval of Non-assurance Services" of the Company Proposal for the establishment of a subsidiary in the Philippines. Proposal for the issuance of Restricted Stock Awards. 			
August 6, 2024 The third meeting	<ol style="list-style-type: none"> The consolidated financial statements, Q2 2024. Proposal for the establishment of two new subsidiaries in Taiwan. 			

September 20, 2024 The fourth meeting	1. Proposal for the fundraising and first domestic issuance of unsecured convertible bonds by the Company 2. Proposal for the approval of the issuance of Restricted Stock Awards to employees and the amendment of the “Regulations for the Issuance of Restricted Stock Awards to Employees for the Year 2024.” 3. Proposal for the amendment to partial provisions of the “General Rules for the Internal Control System.”	
November 7, 2024 The fifth meeting	1. The consolidated financial statements, Q3 2024. 2. Proposal for the Company's participation in the cash capital increase of an unlisted company 3. Proposal for the 2025 audit plan.	

(II) Except for the matters previously mentioned, other matters that have not been approved by the Audit Committee but approved by more than two thirds of all directors: None.

II. On the implementation of avoidance by Independent Directors on proposals with personal interests, state the names of the Independent Directors, proposal contents, reasons for avoidance and status of participation in the voting conditions: None.

III. Communication between Independent Directors and head of audit and accountants (state the major matters, methods and results of the communication on the finance and business conditions of the Company):

- After the audit report and follow-up report are reviewed, the audit supervisor of the Company will deliver the audit report and follow-up report to the Independent Directors before the end of the month following the completion of the audit project, and submit the audit report and follow-up report to the Independent Directors and report at the meeting of the Audit Committee. The two sides communicated smoothly. The Company's audit supervisor and the CPA also maintain a smooth communication channel, and in accordance with the regulations of the competent authority, the implementation of the audit plan for the next year and the annual audit plan for the previous year, as well as the improvement of the annual internal control deficiencies and abnormal matters, have been completed. After completing the reporting, a copy will be sent to the CPA for inspection.
- The CPAs report to the Independent Directors on the financial statement review or audit results, key audit matters, amendments to the IFRSs bulletin or the impact of other laws and regulations on the Company every quarter; the CPAs may directly contact the Independent Directors; the communications are good.

Communication date	Attendees	Matters communicated	Communication results
March 14, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Accountant Chen, Jun-Hong	1. Audit of the financial report. 2. Amendments to laws and regulations and important issues.	Passed without objection
May 8, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Accountant Chen, Jun-Hong	1. Audit of the financial report. 2. Amendments to laws and regulations and important issues.	

	Jun-Hong		
August 6, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Accountant Chen, Jun-Hong	1. Financial report review situation. 2. Amendments to laws and regulations and important issues.	Passed without objection
November 7, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Accountant Chen, Jun-Hong	1. Financial report review situation. 2. Updates on laws and regulations and important issues.	Passed without objection
November 7, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Accountant Chen, Jun-Hong	1. The 2024 AQL. 2. Updates on laws and regulations and important issues.	Individual seminar

3. The audit unit of the Company shall regularly send all internal audit reports to the Independent Directors, and shall meet with the Audit Committee members at least once a quarter and report the resolutions at the board meeting:

Communication date	Attendees	Matters communicated	Communication results
March 14, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang, Si-Fen	1. Performance status of audit. 2. 2023 "Statement of Internal Control System."	Passed without objection
May 8, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang, Si-Fen	1. Performance status of audit	Passed without objection
August 6, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang,	1. Performance status of audit	Passed without objection

		Si-Fen		
	September 20, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang, Si-Fen	1. Proposal for the partial provisions of the "General Rules for the Internal Control System." 2. Addition of the "Procedures for the Preparation and Assurance of the Sustainability Report."	Passed without objection
	November 7, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang, Si-Fen	1. Proposal for the establishment of the "Sustainability information management system." 2. Proposal for the establishment of the "Sustainability Committee Charter"	Passed without objection
	November 7, 2024	Independent Director Peng, Hsieh-Ju Independent Director Chiu, Er-De Independent Director Huang, Hui-Wen Chief Auditor Huang, Si-Fen	1. Results of risk assessment for the internal control system. 2. Improvements for abnormalities/deficiencies of 2024	Individual seminar

(III) Corporate governance and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company establish and disclose the corporate governance practices pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the board meeting has formulated the Company's "Corporate Governance Best Practice Principles", and disclosed it on the Company's website.	In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure and shareholder's equity	✓			
(I) Does the Company have an internal procedure and act accordingly for handling of the suggestions, doubts, disputes, and lawsuits of the shareholders?			(I) EZconn have a spokesperson, a deputy spokesperson and the shareholder service agent is responsible for managing the problems of the shareholders. In addition, EZconn's website has the "Stakeholder Relations" and the "Investor Relations" area to disclose the contact number and e-mail of the spokesperson, the deputy spokesperson and the shareholder service agent.	(I) No material differences. We will review and establish related procedure in the future.
(II) Does the Company have the lists of major shareholders who actually control the company and the ultimate controller list of major shareholders?			(II) EZconn has the roster of shareholders provided by the shareholder service agent and regularly discloses major shareholders and the ultimate controller list of major shareholders in accordance with the laws.	(II) In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the Company establish and implement a firewall mechanism to control the risks between the Company and the affiliates?			(III) For affiliates having a business relationship with EZconn, we have the price terms and payment based on the principles of fairness and reasonableness and established the "Regulations Governing the Supervision and Management of Subsidiaries" to control all the trading with the affiliates.	(III) In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Does the Company have internal regulations to prohibit insiders from using undisclosed information in the market for securities trading?			(IV) The Company has established its "Operational Procedures for Internal Significant Information Processing", "Ethical Corporate Management Best Practice Principles" and "Management Measures for	(IV) In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Prevention of Insider Trading" which expressly forbids company insiders to use information unpublished on the market to buy and sell securities for personal gain.	Listed Companies.
III. Responsibilities of the Board of Directors and its formation	✓			
(I) Has the board of directors formulated diversification policies on the composition of members and specific management objectives, and implemented them?			<p>(I) The Company has a diverse members of the Board. The members generally possess the knowledge, skills and profession necessary to perform their duties. It is stipulated in the company's "Corporate Governance Code" that the Board shall disclose the diversified policies on the composition of its members on the Company's website and MOPS.</p> <p>There are currently 7 members in the Board:</p> <ol style="list-style-type: none"> 1. Three of the Independent Directors have majors in business, finance, science and technology and biotechnology, with the professional background, professional skills and industrial experience of EMBA of National Chiao Tung University and Taiwan University and PhD. in physics of California Institute of technology. 2. Four of the general board members have the academic background of PhD. in Law, Harvard University of Law and Master's Program of Optoelectronic Industry R&D, National Taipei University of Technology. 3. The Company has always paid attention to gender equality among board members. At this stage, there are two female directors (including one Independent Director) and the ratio is over 28%. 	(I) No material differences. We will review and establish related procedure in the future.
(II) Does the Company voluntarily form other functional committees similar to the Remuneration Committee and Audit Committee set up pursuant to relevant laws and regulations?			(II) The Company, in addition to the Remuneration Committee and Audit Committee set up according to law, has not set up other functional committees.	(II) We will establish the committees according to the needs of corporate governance in the future.

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? Are the results of the evaluation reported at the Board Meeting and used as reference for remuneration and the nomination for re-election?			(III) The Company's board meeting has passed the "Board Performance Evaluation Measures", and since 2020, all directors started evaluating the overall operation of the board of directors as well as individual directors. The Company completed the board evaluation at the end of 2024, and the evaluation results were reported at the board meeting in March 2025.	(III) No material differences.
(IV) Does the Company assess the CPAs for their independence on a regular basis?			(IV) The Audit Committee evaluates the independence and competence of CPAs annually. Except for requesting the CPAs to provide their "statement of independence" and "AQIs," it carries out evaluations based on the standards in Note 2 and 13 AQIs. As confirmed, except for the expenses for certification and taxation, there are no other financial benefits, or business relationships between the CPAs and the Company, and family members of the CPAs do not violate the independence requirements. Based on the Qis, it is confirmed that the CPAs and the CPA's firm are more favorable than the average standards within their line of business in terms of auditing experience and training hours. In addition, digital audit tools will continue to be introduced in the following three years to improve audit quality. The evaluation results for the most recent year were discussed and approved by the Audit Committee on March 14, 2025, and reported to the Board on March 14, 2025, and the Board resolved to approve the evaluation of the independence and competence of the CPAs. The Company's Audit Committee evaluates the independence and suitability of the certifying CPAs annually. In addition to requiring the CPAs to provide a "Declaration of Detached	(IV) No material differences.

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Independence", an evaluation is carried out according to the standards in Note 2. After confirming that the CPAs have no other financial interests or business relationship with the Company except for certification and tax case fees and that the CPAs' family members have not violated the independence requirements, the assessment results of the most recent year were issued on March 7, 2025, after discussion and approval by the Audit Committee, and was submitted to the board meeting on March 7, 2025, for approval on the independent assessment of CPAs.	
IV. Does the TWSE/TPEX listed company set up a full/part-time corporate governance unit or personnel to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	✓		<p>On November 11, 2023, the Company's board meeting approved the appointment of Chief Financial Officer Chuang, Guo-An as the Corporate Governance Manager, and the top executive in charge of corporate governance-related matters.</p> <p>The businesses executed in 2024 are as follows:</p> <ol style="list-style-type: none"> 1. Assisted Independent Directors and general directors to perform their duties, provided required information and arranged for directors to study. 2. Responsible for reviewing the release of major information of important resolutions of the board meeting to ensure the legality and correctness of the information content, so as to ensure the equivalence of investors' transaction information. 3. The board members have completed at least 6 credits of refresher courses. 4. The Company took out liability insurance for each director and reported to the board meeting after the renewal of the insurance. 5. In 2024, a total of 6 board meetings, 5 audit committees and 1 general meeting of shareholders were held. 	No material differences.

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
V. Does the Company establish channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), design special web pages for the stakeholders on the website, and appropriately respond to important CSR issues concerned about by the stakeholders?	✓		EZconn has established service line for customers and suppliers and the employee complaint system and spokesperson system as the channels of communication. We have Stakeholder Relations area on the company website with contact method for the stakeholders to keep contact with the Company at all times and have CSR area on the website.	No material differences.
VI. Does the Company commission a professional registrar to deal with the affairs of the shareholders' meeting?	✓		The Company has entrusted the Stock Affairs Agency Department of Taishin Securities as the agent to handle shareholders' meeting affairs.	In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VII. Information disclosure (I) Does the Company have a website to disclose the financial and corporate governance information of the Company? (II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating a person for collection and disclosure of information, implementing a spokesperson system, and publishing the process of investor conferences on the website)? (III) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?	✓		(I) EZconn has established a Company website and designated personnel for maintenance to disclose the financial and corporate governance information of the Company. EZconn's website: http://www.ezconn.com . (II) EZconn has established the spokesperson and deputy spokesperson system and designated personnel for the regular and irregular reporting of each financial information on the Market Observation Post System. (III) The Company announced and reported the annual financial report after the end of the fiscal year, and announced and reported Q1, Q2, Q3 financial reports and the operating status of each month before prescribed deadline. Please inquire the relevant information on MOPS of TWSE, at: https://mops.twse.com.tw/mops/web/index	(I) In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. (II) In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. (III) No material differences.

Item for evaluation	Status of implementation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the rights and care of employees, investor relationship, supplier relationship, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and measurement criteria, implementation of customer policies and liability insurance coverage for directors and supervisors)?	✓		<p>1.EZconn has good employee welfare to ensure the employee's rights, provide regular health examinations at each plant and the Head Office every year and hold family day activities and employee travels to promote the physical and mental health of the employees. We observe the principle of equal employment opportunity and recognized the contribution of diverse talents to the corporate culture and innovative spirit. We recruit talents through an open selection process and designated them to the appropriate position.</p> <p>2.The directors of EZconn all have professional background and actively finished related advanced studies (Note 1).</p> <p>3.EZconn has good performance in the director attendance at the meeting.</p> <p>4.EZconn has established units designated for the implementation of risk management policies and risk assessment standards.</p> <p>5.EZconn has good performance in maintaining smooth communication channels with our customers.</p> <p>6.The directors of EZconn all complied with the laws and regulations and avoid participation in the discussion and voting of proposals due to personal interest.</p> <p>7. EZconn has liability insurance coverage for directors.</p>	In compliance with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
<p>IX. On the basis of the result of corporate governance evaluation released by TWSE's Corporate Governance Center in the most recent year, please describe the matters to which improvements have been made. Regarding the matters to which improvements have yet to be made, please list those which have been selected as priorities and the measures to be taken (Companies not listed in the evaluation do not have to answer this part):</p> <p>The matters strengthened and measures in 2024 are as follows:</p> <ol style="list-style-type: none"> 1. Performance evaluation of the board of directors: The Company regularly conducts the performance evaluation of the board of directors every year since 2020. 2. The Company continues strengthen the structure and operation of the board of directors and enhance the information transparency in the governance evaluation indicator category, so as to improve the corporate governance evaluation results year by year. 				

Note 1: Status of director's further study in 2024:

Professional title	Name	Date of further studies	Hours	Continuing institution training	Course Title
Chairman	CHEN STEVE	October 7, 2024	3	Chinese National Association of Industry and Commerce	Corporate Directors and Supervisors Training - 2024 Taishin Net Zero Summit Forum
Chairman	CHEN STEVE	November 7, 2024 ~ December 7, 2024	3	Taiwan Academy of Banking and Finance	International Trade Financing, Money Laundering Prevention, Counter-Terrorism, and Economic Sanctions E-Course (Statutory Certification)
Chairman	CHEN STEVE	December 2, 2024	3	Taipei Foundation of Finance	Corporate Governance - Fair Customer Treatment Principles in the Financial Services Industry
Chairman	CHEN STEVE	December 10, 2024	3	Taiwan Corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence
Independent Director	Peng Hsieh-Ju	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Independent Director	Peng Hsieh-Ju	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection
Independent Director	Chiu, Er-De	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Independent Director	Chiu, Er-De	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection
Independent Director	Huang, Hui-Wen	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Independent Director	Huang, Hui-Wen	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection
Corporate Director	Chang Ying-Hua	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Corporate Director	Chang Ying-Hua	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection
Corporate Director	Pan, Po-Tsang	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Corporate Director	Pan, Po-Tsang	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection
Corporate Director	Lan Ching-Ying	November 29, 2024	3	Taiwan Corporate Governance Association	Integrity Management, Anti-Corruption, and Corporate Governance
Corporate Director	Lan Ching-Ying	November 29, 2024	3	Taiwan Corporate Governance Association	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection

Note 2: CPA Independence assessment items

Item	Independence assessment items	Yes	No
1	There is no direct or significant indirect financial interest relationship between the certified public accountants and the Company.	V	
2	There is no significant close commercial relationship between the certified public accountants and the Company.	V	
3	There is no potential employment relationship between the certified accountants and the Company.	V	
4	The certified public accountants shall ensure integrity, impartiality and independence of their assistants.	V	
5	The certified public accountants did not accept any present or gift of great value from the Company or the Company's directors, supervisors and managers (the value of which did not exceed the standard of general social etiquette).	V	
6	The certified public accountants have never had any financial loan with the Company.	V	
7	The certified public accountants do not concurrently operate other businesses that may cause them to lose their independence.	V	
8	The certified public accountants did not receive any business-related commissions.	V	
9	The certified public accountants do not hold any shares of the Company.	V	
10	The certified public accountants do not have regular concurrent work in the Company to receive fixed salaries.	V	
11	The certified public accountants have no joint investment or interest-sharing relationship with the Company.	V	
12	The certified public accountants are not involved in the management function of the Company's decision-making.	V	
13	The certified public accountants have not held any position as directors, supervisors or managers or positions with significant influence on the audit case of the Company at present or in the last two years; it is also confirmed that they will not hold the aforesaid positions during the future audit period.	V	
14	During the audit period, the certified public accountants and their spouses or dependent relatives do not hold any positions of directors, supervisors or managers or positions with direct and significant influence on the audit work of the Company.	V	
15	The certified public accountants shall issue a "Declaration of Transcendental Independence".	V	

(IV) If the company has a remuneration committee, the composition, responsibilities and operation of the committee shall be disclosed:

1. Information of the members of the Remuneration Committee

Qualifications Member type Name		Professional qualifications and experience (note 2)	Independence situation (note 3)	Number of other public companies where the member also serves in a remuneration committee
Independent Director convener	Peng Hsieh-Ju	Please refer to “2. Disclosure of professional qualifications of directors and the independence of Independent Directors” on page 17	(1) Not an employee of the Company or its affiliates. (2) Not a director or supervisor of the Company or its affiliates. (3) Does not hold more than 1% of the total issued shares of the Company in his/her or his/her spouse's or minor children's or in another person's name, or is not a top ten individual shareholder.	2
Independent Director	Chiu, Er-De		(4) Not a manager in (1), nor the spouse, second-tier relative or third-tier relative of the persons listed in (2) or (3). (5) Not a director, supervisor or employee of a corporate shareholder which directly holds more than 5% of the total issued shares of the Company, or a top five shareholder, or which appoints him/her as its representative to serve as the Company's director or supervisor in accordance with paragraph 1 or 2 of Article 27 of the Company Act	None
Independent Director	Huang, Hui-Wen		(6) Not a director, supervisor or employee of another company which has a seat on the Company's board of directors, or more than half of its shares with voting rights are controlled by the same owner of the Company. (7) Not a director, supervisor or employee of another company or institution who is the same person or spouse as the Chairman, President or an equivalent position of the Company.	None
Others	Tsai Hsing-Chuan		(8) Not a director, supervisor or manager of another company or institution which has financial or business dealings with the Company, or is a shareholder holding more than 5% of the shares of the Company. (9) Not a professional, sole proprietor, partner, business owner or partner, or a director, supervisor, manager or the spouse of the above of a company or institution which provides audit services to the Company or its affiliated enterprises, or the cumulative remuneration amount of which in the past two years exceeds NT\$500,000 for business, legal affairs, finance or accounting related services. (10) Does not have any of the conditions in Article 30 of the Company Act.	None

2. Remuneration Committee's Responsibilities

The Remuneration Committee shall, with the attention of good managers, faithfully perform the following functions and powers, and submit the recommendations to the board meeting for discussion. Its main responsibilities are as follows:

- (1) Formulate and review the policies, systems, standards and structures of the performance evaluation and remunerations of directors and managers of the Company at least once every three years.
- (2) Evaluate the remunerations of directors and managers of the Company at least once a year.

3. Remuneration Committee Operation

- (1) There are four members of the Remuneration Committee of the Company.
- (2) The term of office of the current term of committee members: The fifth term is from August 14, 2024 to June 5, 2026.
- (3) In the most recent year (2024), the Remuneration Committee held four meetings in total. The qualifications and attendance of the members are as follows:

Title	Name	Number of actual attendance (B)	Number of meetings presented by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Peng Hsieh-Ju	4	0	100%	None
Member	Chiu Er-De	4	0	100%	None
Member	Huang Hui-Wen	4	0	100%	None
Member	Tsai Hsing-Chuan	4	0	100%	None
Other matters to be recorded:					
I. If the Board of the Directors does not adopt or revise the suggestions of the Remuneration Committee, the decision must indicate the date of Board of the Directors meeting, term, contents of the proposal, Board of the Directors resolution and how the Company handle the Committee's opinions (if the amount of remuneration approved by the Board of the Directors is higher than that suggested by the Committee, the differences and reasons must be indicated): None.					
II. In the event that any member of the Remuneration Committee has expressed dissent or reservation over the Committee's decisions, and that the dissent or reservation has been recorded or delivered in writing, the decision shall indicate the date of the Committee's meeting, term, contents of the proposal, opinions of all the members, and how the opinions of a member is handled: None.					
III. Causes of discussions by the Remuneration Committee, resolution results, and the Company's treatment to the members' opinions.					
Date	Proposal	Resolution		Opinions of all Independent Directors and the Company's handling of opinions of Independent Directors	
January 11, 2024 The first meeting	1. Proposal for the capital increase in cash through the issuance of new shares for employees to subscribe in 2023.	Approved with no objection from any of the Remuneration Committee members present.		It was proposed to the board meeting and approved by all directors present.	
March 14, 2024 The second meeting	1. 2023 remuneration for directors and managerial officers of the Company. 2. Proposal for the continuous application of the prevailing remuneration structure for current managers of the company. 3. Proposal for the remuneration of Directors and managers.	Approved with no objection from any of the Remuneration Committee members present.		It was proposed to the board meeting and approved by all directors present.	
September 20, 2024 The third meeting	1. Proposal for the issuance of the restricted stock awards and the amendments to the "Regulations for the Issuance of Restricted Stock Awards in 2024"	Approved with no objection from any of the Remuneration Committee members present.		It was proposed to the board meeting and approved by all directors present.	
November 7, 2024 The fourth meeting	1. Proposal for the amendments to the "Regulations for the Distribution of Remuneration of Employees." 2. Proposal for the remuneration and year-end bonus plan for managers.	Approved with no objection from any of the Remuneration Committee members present.		It was proposed to the board meeting and approved by all directors present.	

(V) The implementation of promoting sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Promoted item	Execution status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:
	Yes	No	Summary	
I. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development? Is the senior management authorized by the board meeting to handle it, and what is the supervision status of the board meeting?	✓		The Company establishes the Sustainable Development Committee, which is authorized by the Board of Directors to take charge of the overall planning about the corporate governance, economic, environmental and social issues, and report the implementation status to the the Board of Directors regularly.	No material differences.
II. Has the company conducted risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	✓		At the beginning of each year, the Company determines the major risks related to environmental safety and health issues; the President approves the annual strategic goals of the relevant environmental safety and health issues, and develops specific and feasible work goals to have them implemented accordingly. Environmental management policy: 1. Observe and comply with the requirements of environmental protection regulations 2. Implement the operation of the environmental management system 3. Full-participation in seeking low-pollution environments 4. Promote environmental management circulation and continuous improvement Environmental objectives and targets: Product: 1. New products in compliance with the HSF requirements: The monthly achievement rate of RF and optical communication of 100%. 2. No order for HSF level D suppliers: The monthly achievement rate of RF and optical communication of 100%. Operating activities: 1. Waste reduction: Regarding the average control for the monthly business waste (excluding recoverable resource wastes) per working hour, it is 0.08 kg/working hour for Shangda Plant (excluding wood chips). 2. CO2 emission intensity: Regarding the control for the CO2 emission per capital calculated based on the monthly power consumption, it is 2.4kg-CO2e/working hour and 1.8kg-CO2e/working hour for Shangda Plant and Honshulin Plant, respectively. The Company has prepared its own Corporate Sustainability Reports, and has formulated relevant major issues such as environmental, social and corporate governance (refer to pages 47~58 of the Company's 2024 Corporate Sustainability Reports)	No material differences.
III. Environmental issues				No material differences.
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		1. EZconn has passed ISO 14001 Environmental Management System certification and continued our improvement. The latest certificate is valid from July 1, 2024 to June 30, 2027. 2. The Company obtained the ISO 14064-1 carbon inventory verification in 2024 (2023/1/1-2023/12/31).	No material differences.
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		The company continues to promote the replacement of outdated box-type air conditioners and production equipment, install smart meters to monitor energy consumption, and implement zoned management for compressed air systems to enhance energy efficiency. Continue sorts and recycles resources to reduce waste and reduce the impact on the environment.	No material differences.

Promoted item	Execution status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:															
	Yes	No	Summary																
(III) Has the company assessed the current and future potential risks and opportunities of climate change, and taken relevant countermeasures?	✓		EZconn has control over the light wattage and the temperature of air conditioning for energy saving and carbon reduction. The management unit gathers statistics every month for the analysis and review of the electricity and water consumption and uses it as the basis of improvement. Furthermore, we promote and enhance the employees' awareness of environmental protection and energy savings. The specific evidence is as follows:	No material differences.															
(IV) Does the company have statistics on the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and has it formulated policies for greenhouse gas reduction, water reduction or other waste management?	✓		<p>1.The Company considers the effects of its operations on the ecological benefits, promotes the philosophy of sustainable consumption, and adopts domestic/foreign standards or guidelines that are commonly used to carry out its corporate GHG inventory for disclosures. It also formulated energy-saving, carbon reduction, and GHG emission reduction strategies based on the operating status and GHG inventory results. The definition of the organizational boundary for the GHG inventory of the Company referred to the standards under WBCSD/WRI and ISO 14064-1: 2018. The geographical boundary of the Company is adopted as the scope, and the organizational boundary was established based on the "method of business control." At present, the scope covers four plants of EZconn in Taiwan.</p> <p>2023 is the base year, and the GHG emission inventory was established for GHG emission inventory and GHG emission follow-ups. The GHG emissions of the Company are primarily from CO₂ generated from purchased electricity required for operations during the course of power generation. The emission source accounts for 93.88 % of the overall emissions in 2024 or above. The GHG emission inventory results in 2024 are compiled as follows: In response to the requirements under ISO 14064-1 and GHG Protocol, the Company aims to reduce the GHG emission progressively year by year since 2024 as the record year. Since 2024 as the record year, the Company has established a list of GHG emissions to take an inventory of GHG emissions and follow up on them. In 2024, the Company's Scope 1 and Scope 2 GHG emissions totaled 1951.423 tCO₂e, including the emission under Scope 1, 31.8353 tCO₂e (about 1.62% of the total weights of both scopes), and the emission under Scope 2, 1919.5877 tCO₂e (about 98.38% of the total weights of both scopes). The main source of the Company's GHG emissions is the CO₂ generated in the process of power generation purchased by the Company from others to satisfy its business needs. The source accounted for about 92% of the Company's total emissions in 2024. The GHG accounting results for 2024 are summarized as follows:</p> <table border="1"> <thead> <tr> <th colspan="5">2024 GHG accounting results ISO 14064-1</th></tr> <tr> <th>Scope 1 Direct emission</th><th>GHG</th><th>Scope 2 Indirect emission energy</th><th>GHG from</th><th>Scope 3 Employee business trip</th></tr> </thead> <tbody> <tr> <td>104.4428 CO₂e</td><td>tons</td><td>1.601.2727 CO₂e</td><td>tons</td><td>65.6952 tons CO₂e</td></tr> </tbody> </table>	2024 GHG accounting results ISO 14064-1					Scope 1 Direct emission	GHG	Scope 2 Indirect emission energy	GHG from	Scope 3 Employee business trip	104.4428 CO ₂ e	tons	1.601.2727 CO ₂ e	tons	65.6952 tons CO ₂ e	No material differences.
2024 GHG accounting results ISO 14064-1																			
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Promoted item	Execution status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:																																																																		
	Yes	No	Summary																																																																			
			<p>2. The Company records the total weight of waste and the intensity of carbon dioxide emissions on a monthly basis and reviews at the “Quality and Environment Committee Meeting” whether the target has been achieved on a quarterly basis, in its aim to achieve our waste, energy and carbon reduction goals. The carbon emission target in 2024 was 2,000,000kg, the actual carbon emission was 1,951,423kg, and the carbon reduction target was achieved in 2024. In 2024, the carbon emission target for the Hongshulin Plant and Shangda Plant was <2.0 kg-CO2e/working hour and <3.0 kg-CO2e/working hour, respectively, and the actual carbon emissions were approximately 1.8 kg-CO2e/working hour and 2.4kg-CO2e/working hour, respectively; the carbon reduction target was achieved in 2024.</p> <p>◆Power Consumption Statistics Table</p> <table><tr><th>Year</th><th colspan="2">2024</th><th colspan="2">2023</th></tr><tr><td>Power consumption (unit: degree)</td><td colspan="2">3,203,495</td><td colspan="2">3,238,712</td></tr><tr><td>Energy consumption (Unit: megajoule)</td><td colspan="2">11,532,583</td><td colspan="2">11,695,364</td></tr><tr><td rowspan="6">Carbon emission(kg)</td><td colspan="2">Scope 1</td><td colspan="2">Scope 1</td></tr><tr><td>153.0142</td><td>tons</td><td>128.5707</td><td>tons</td></tr><tr><td colspan="2">CO2e</td><td colspan="2">CO2e</td></tr><tr><td colspan="2">Scope 2</td><td colspan="2">Scope 2</td></tr><tr><td>1582.5266</td><td>tons</td><td>1,599.9239</td><td>tons</td></tr><tr><td colspan="2">CO2e</td><td colspan="2">CO2e</td></tr><tr><td colspan="2"></td><td>Scope 3</td><td>Scope 3</td><td></td><td></td></tr><tr><td colspan="2"></td><td>65.6952</td><td>tons</td><td>49.5489</td><td>tons</td></tr><tr><td colspan="2"></td><td colspan="2">CO2e</td><td colspan="2">CO2e</td></tr></table> <p>3. The waste of the Company is divided into process waste and domestic waste</p> <p>(1) Process waste: The process of the Company does not generate hazardous business waste. The Company has set a monthly control emission target per capital for business wastes. The target was 0.08Kg/working hour (excluding wood chips) for Shangda Plant, and Shangda Plant complied with the expected target. There was no material waste or chemical substance leakage during the storage, clearing, and processing course, and there was no violation of environmental laws and regulations that resulted in massive fines. All manufacturing/production activities comply with local environmental protection regulations.</p> <p>(2) Domestic waste: After garbage classification, recoverable wastes (i.e., paper and bottles) are donated to a neighboring public welfare group, Tzu Chi Foundation, and the Company selects waste processing companies permitted by the Environmental Protection Administration of the Executive Yuan to clear and process non-recoverable wastes according to the waste clearing plan.</p> <p>4. None of the product manufacturing process of Company consumes water resources. Therefore, the water consumption refers only to the general water consumption that is managed under ISO14001 system for the implementation of water conservation measures.</p> <p>Water consumption in the past 2 years:</p> <table><tr><td>Year</td><td>2024</td><td>2023</td></tr><tr><td>Meter Reading</td><td>12,280</td><td>8,768</td></tr><tr><td>Water Consumption Intensity</td><td>1.92</td><td>3.35</td></tr></table> <p>Note: Water Consumption Intensity = Total Water Consumption/Operating Revenue (NTD Million)</p>	Year	2024		2023		Power consumption (unit: degree)	3,203,495		3,238,712		Energy consumption (Unit: megajoule)	11,532,583		11,695,364		Carbon emission(kg)	Scope 1		Scope 1		153.0142	tons	128.5707	tons	CO2e		CO2e		Scope 2		Scope 2		1582.5266	tons	1,599.9239	tons	CO2e		CO2e				Scope 3	Scope 3					65.6952	tons	49.5489	tons			CO2e		CO2e		Year	2024	2023	Meter Reading	12,280	8,768	Water Consumption Intensity	1.92	3.35
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Promoted item	Execution status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:
	Yes	No	Summary	
IV. Social Issues				
(I) Does the Company have management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		<p>Pursuant to the international human right standards, including the “International Code of Human Rights,” the “International Labor Organization-Declaration on Fundamental Principles and Rights at Work,” the “Ten Principles of the United Nations Global Compact,” and the “Code of Conduct for Responsible Business Alliances,” in the working rules approved by the competent authority, the human right policies are established, with the relevant management regulations. The implementation guidelines are as follows:</p> <ol style="list-style-type: none"> 1. Free choice of occupation, respect for employee freedom, and prohibition of any form of forced labor. 2. Prohibition of child labor. 3. Humane treatment. 4. Anti-discrimination. 5. Workplace safety. 6. Salary and benefits. 7. Working hours. 8. Freedom of assembly. 9. Grievance protection. 10. Ethical management. 11. No undue advantage. 12. Labor-management harmony. <p>The Company respects the employees’ freedom of association. Other than holding the regular management-labor meetings and publicizing the meeting minutes, the Company also listens to the opinions and advice from employees through diverse communication channels, and responds immediately to ensure the management-labor harmony. When accepting the assessments from customers in 2024, there was no relevant major defects found.</p>	No material differences.
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.) and appropriately reflect the results of operating performance in employee compensation?	✓		<p>The Company values the rights and interests of employees and implements the corporate social responsibility, to ensure the recruitment, retention, and incentives for human resource, and achieve the goal of sustainable operations.</p> <p>The regulations of compensation management are established. The compensations are determined based on the nature of job, working conditions, working environment, and different required skills, while referring to the compensation market conditions and structures. Based on the Company’s operations and referring to the movement of compensations in the market, macro economy, the changes in prosperity of the industry, and the governmental regulations, compensations may be adjusted.</p> <p>The employee bonus distribution management measures are formulated in order to motivate employees' morale, motivate outstanding talents, enhance labor-capital harmony, share profits and allow labor-capital joint participation in enterprise operations. In addition, business performance and peer standards are also considered, and year-end bonuses are allocated according to the performance of individual employees in accordance with the performance appraisal management regulations. According to the abovementioned policy, the year-end bonus, bonuses, employee bonuses, and other rewards distributed in 2024 were over five months of salaries of employees per person on average. Meanwhile, it promotes the employee stock ownership trust and retains 15% of the number of issuance of new shares under the capital increase in cash for employees to subscribe.</p>	No material differences.
(III) Does the Company provide a safe and healthy work environment to its employees? Does the Company regularly provide safety and health education for the employees?	✓		<p>The Company’s workplace complies with the occupational safety and health standards. It established workplace safety policies and regularly organized in-service labor safety training and employee health inspections. (Note 1)</p>	No material differences.

Promoted item	Execution status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:
	Yes	No	Summary	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		EZconn holds regular employee education training to cultivate employees' multiple talents.	No material differences.
(V) Regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services, has the company followed relevant regulations and international standards, and formulated relevant policies and appeal procedures for the protection of consumers or customers' rights and interests?	✓		The marketing and labeling of EZconn's products and services all conforms to relevant regulations and international ISO standards. We voluntarily provide satisfaction survey for the customers. When customers have complaints about the products, the sales and quality control unit will handle the complaint immediately.	No material differences.
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		When EZconn signs contracts with main suppliers, the compliance with each parties' CSR policy shall be specified in the contract. For example, the suppliers shall not bribe the employees of EZconn for expected promises and the Company may cancel the contract at any time if any violation is discovered. Besides, the suppliers shall comply with related environmental protection laws. If the suppliers violate related regulations, the Company may make a claim for damage compensation.	No material differences.
V. Does the company refer to the internationally accepted report preparation standards or guidelines to prepare reports that disclose non-financial information of the company, such as the sustainability report? Has any confirmation or assurance opinion of a third-party verification unit obtained for the disclosure reports above?	✓		The Company has voluntarily prepared a Corporate Sustainability Reports (2023). Not yet verified by third parties.	No material differences.
VI. If the company has set its own best practice principles for sustainable development in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the difference between its operation and the set provisions: There is no major difference.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: <ol style="list-style-type: none"> 1. EZconn's related regulations and systems not only complied with the laws and regulations but also treated the employees as equal and protected their rights regardless of nationality. 2. We established the "Working Regulations of Safety and Health" to protect the safety and health of our employees in accordance with the Occupational Safety and Health Act. 3. The Company has passed the ISO14001:2015 environmental management system verification, and continues to promote environmental improvement. 4. Quality Management System: ISO9001:2015 5. Occupational Safety and Health Management System: CNS45001:2018 6. To realize the diversification of labor composition and gender equality and improve female employees' authority and capacities, the Company provides equal and fair working environments in terms of recruitment, employment, training, rewards, promotion, termination, retirement, and other employment conditions without discrimination or differentiated treatment for employees due to gender, sexual orientation, age, ethnicity, color, nationality, disability, pregnancy, religion, political party, group member status, martial status, or other circumstances protected by laws. As of December 31, 2024, there are 38 male supervisors, accounting for 22%, 22 female supervisors, accounting for 9%, and employees aged 51 and above, accounting for 14%. 7. The Company values its effects on the community and prioritizes local laborers for employment to improve community recognition. It invests resources in organizations that solve social or environmental issues through business models or relevant activities organized by civil organizations, charitable/public welfare groups, and governmental institutions that participate in community development and community education to facilitate community development. There are 209 persons with household registrations within the neighboring communities, accounting for 66% of all employees, showing that EZconn's operating activities drive the local economic prosperity and employment opportunities. In addition, the ratio of the senior management being local residents in Taiwan is 100%. EZconn's selection of senior management personnel complies with the local employment principle. A localized management team also reinforces its human resource capital and improves the quality of local talents. 8. To fulfill the company's sustainability development goals and enhance sustainability governance, the board of directors approved the organizational regulations for the sustainability development committee, the procedures for the preparation and assurance of the sustainability report, and the planning for sustainability information management. Relevant sustainability initiatives are being implemented, and the company discloses their operation and performance accordingly. 				

Note 1:

Workplace safety policy:

The Company respects the human rights of employees and bans brutal and unethical treatment of employees, including sexual harassment, sexual abuse, physical punishments, threats, exploitation, mental or physical pressure, or verbal abuse in any form, and threats to engage in any of such acts are prohibited. Meanwhile, it provides safe and healthy working environments, protects employees' health and physical safety, reduces injuries and diseases, and prevents occupational disasters.

Occupational safety and health management system:

To protect the safety and health of employees and workers, the Company has set up an occupational safety and health management department, personnel, labor health nursing practitioners, and labor health service physicians according to the Occupational Safety and Health Act to implement occupational safety and health, health management, and health improvement.

In 2014, the Company introduced the occupational safety and health system, which passed the on-site audit and verification of BSI, a just third-party department, and obtained the verification certificate of OHSAS 18001 and TOSHMS systems, and occupational safety and health work formally entered the era of systematic management.

Subsequently, the version renewal was completed in 2019, and certificates for ISO 45001, CNS 45001, and TOSHMS systems were obtained. The current valid period is from June 12, 2023 to June 11, 2026.

Protective measures:

Under the promotion of ISO 45001, CNS 45001, and TOSHMS systems, plants continued to improve and optimize work safety, discovered potential hazards, risks, and opportunities with respect to operations, environments, institutions and systems to take preventive measures and formulated preventive or improvement measures.

We improved employees' health and reinforced compliance with regulations by eliminating and substituting unsafe/healthy machines, equipment, and operations, enriching education and training, and enhancing operational control.

Meanwhile, combined with the promotion of 5S, QCC, proposal improvement, hazard identification, risk assessment and other systems, we invest resources in areas that shall be improved first (i.e., ergonomic hazards, repetitive musculoskeletal disorders, and injuries arising from shifting, working at night/for long hours or other risks of overworking and pressure) to minimize occupational safety and health.

I. Occupational safety and health facilities:

The improvement plans in 2024 are as follows, and improvements have been completed.

Prevention item	Name
Machinery and equipment hazards	Safety protection for manual and electric stamping presses and safety protection of traditional lathes
Chemical hazards	Reduction in oil tank and leakage prevention of oil storage areas
Falling hazards	Installed additional safety brakes on the roof
Noise hazards	Isolate the noises of circular saws

II. Occupational safety and health management:

Internal and external audits:

The Company and its plants introduced the ISO/CNS 45001:2018 occupational safety and health management system to effectively monitor the operation and implementation performance of the management system through the audit function annually. In 2024, the audit was completed, and relevant improvement opportunities for improvement have been improved.

Risk assessment and identification:

In 2024, our plants and departments have completed and confirmed the inventory and assessment of the following five items.

Item	Hazard identification	Environmental considerations	Operation inventory	Chemicals	Automatic inspections
No.	769	426	470	96	216

III. Occupational safety and health education and training:

To build awareness of workplace safety and safety culture, EZconn continuously organizes plant-wide occupational safety and health education and training each year.(Including subcontractors)

In 2024, the implementation is as follows:

New employee occupational safety and health training, HSF (RoHS) hazardous substance training, sexual harassment, ethical corporate management, unjust benefits, anti-terrorism training, workplace illegal infringement training, emergency response drills (fire control drills), general in-service occupational safety and health training, Ergonomic Hazard and Excessive Workload-Induced Illness Prevention Training ,chemical general knowledge education and training, hearing protection education and training, special equipment training, and project training (class A occupational safety and health supervisors, B occupational safety and health managers, and fire control managers).

To allow employees to pay attention to health issues, we organized the first annual health planning activity to promote a series of annual health activities (i.e., slogan competition, drawing competition, daily steps, health lectures, family day walking activity, and health passport) in the hope of encouraging employees to actively participate in sports and activities, maintain their health, and improve the health awareness and living quality of employees. In addition, to improve employees' health awareness and safety concepts, the occupational nursery practitioners regularly send health service newsletters for health promotion and have meetings with the HR department to care for and provide recommendations and assistance to employees with high risks of health.

IV. Health management and health improvement

The Company implements health inspections each year. The occupational nursing practitioners arrange for physicians to have interviews during on-site services based on the health data of employees to provide relevant health education recommendations, track improvements, and actively care for the physical and mental health of employees. It also complied with the Regulations of the Labor Health Protection to arrange for physicians to conduct on-site services based on the number of persons and the operating nature of the plants.

To create a safe and healthy workplace environment, the Company prepared sufficient first-aid medicine and equipment based on the size, distribution, dangerous conditions, and number of laborers of workplaces and have first aid personnel in place for emergency relief according to the Regulations of the Labor Health Protection. There shall be at least one first aid personnel for each shift, and one more first aid personnel shall be added for the increase of every 50 persons when the number of laborers of each shift exceeds 50 persons.

The Company formulated the terms of use for infirmaries and set up infirmaries to serve as the place for a short break due to feeling unwell or treatment for injuries of employees, visitors, contractors, and other personnel. Infirmaries have first-aid kits and other public properties. Apart from infirmaries, first aid kits are also available at other operating sites in plants. The medicine and equipment in first aid kits are evaluated and prepared by physicians or nursing practitioners, and the inspection personnel regularly check and apply for change and supplementation with the Occupational Safety and Health Office at any time regarding items in shortage, polluted, or invalid. In addition, to improve employees' health awareness and safety concepts, occupational nursing practitioners regularly send e-newsletters for health services to carry out health promotions and have meetings with the HR department to care for, provide recommendations to, and assist employees with high health risks.

While seeking long-term development of its main business and sustainable development, the Company not only cares for its own but also fulfills social responsibility with its efforts. To improve care for employees, the Company expands the scope to cover their health, mentality, and spirit, and advocates that health improvement activities are necessary in the hope of creating a more friendly and healthy workplace environment, establishing healthy lifestyles, facilitating the work-life balance, improving the physical, mental, and spiritual literacy of employees through a series of systematic, sequential, and planned, active and still activities to create a happy enterprise.

Climate Information

1. Implementation of Climate Information

Items	Implementation																
1. Specify the supervision and governance measures taken by the Board of Directors and the management against the climate-related risks and opportunities.	The Board of Directors is the executive governance unit responsible for the guidance, supervision, and management of climate-related issues. The Board of Directors shall formulate policies to strengthen risk management and establish measures to ensure rapid response to the challenge posed by climate change. The Company has constituted a sustainable development committee to assess the risks and opportunities in relation to climate change. The committee shall report to the Board of Directors on the implementation of the relevant risk management to facilitate the operational decisions-making process.																
2. Specify how the identified climate-related risks and opportunities affect the Company in terms of operation, strategy, and finance (short-term, medium-term, long-term).	The Company has not completed the identification of climate risks and opportunities as of the date of the annual report. The relevant content will be disclosed on the Company's website upon completion.																
3. Specify the impact of extreme climate events and transformation actions on finance.	The Company has not completed the assessment of the financial impact of extreme climate events and transformation actions on finance as of the date of the annual report. The relevant content will be disclosed on the Company's website upon completion.																
4. Specify how the climate risk identification, assessment, and management processes are integrated into the risk management system.	The Company has not completed the identification, assessment, and management process of climate risks as of the date of the annual report. The relevant content will be disclosed on the Company's website upon completion.																
5. Where Scenario Planning is used to assess the resilience against climate change risks, the scenarios used, parameters, assumptions, planning factors, and main financial impacts shall be specified.	Under assessment.																
6. In the case of a transformation plan to manage climate-related risks, the content of the plan, the indicators and goals used to identify and manage physical risks and transformation risks shall be specified.	Under assessment.																
7. Where Internal Carbon Pricing is used in the process as a planning tool, the basis for setting the price should be specified.	Under assessment.																
8. For the established climate-related goals, if any, the activities involved, the category of greenhouse gas emission, the timetable, and the expected annual achievements shall be stated; if Carbon Offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and number of carbon reduction credits or the number of RECs shall be specified.	<p>The greenhouse gas emissions of the Company are mainly from the purchased electricity required for the plant operation (Category 2), which account for more than 82% of total emissions. To attain energy costs reduction, carbon footprint reduction, and other goals, we will continue to upgrade our equipment (such as replacing old box-type air conditioners and production equipment, installing smart meters to monitor energy consumption, and implement partitioned management of the air compressor system to enhance energy efficiency., etc.), and implement a night shift alternative lights-out program to reduce power consumption and to achieve the goal set for greenhouse gas emissions reduction. The statistics in 2024 show that, during the reporting period, the emissions from Category 1 indirect energy consumption totaled approximately 153.0142 metric tons of carbon dioxide and the emissions from Category 2 indirect energy consumption totaled approximately 1,582.5266 metric tons of carbon dioxide, Category 3 indirect energy emissions totaled approximately 65.6952. In addition, during the reporting period, the average carbon emissions per working hour of the Hongshulin plant, Shangda plant, and Lide plant are approximately 1.8kg-CO2e/working hour, 2.4kg-CO2e/working hour, and 2.4kg-CO2e/working hour respectively, all the data met the expected targets.</p> <table><tr><th>Plant</th><th>Target for year 2024 (kg- CO2e /working hour)</th><th>Performance in year 2024 (kg- CO2e / working hour)</th><th>Whether the targets are achieved?</th></tr><tr><td>Hongshulin plant</td><td><2.0</td><td>1.8</td><td>Yes</td></tr><tr><td>Shangda plant</td><td><3.0</td><td>2.4</td><td>Yes</td></tr><tr><td>Lide plant</td><td><3.0</td><td>2.4</td><td>Yes</td></tr></table>	Plant	Target for year 2024 (kg- CO2e /working hour)	Performance in year 2024 (kg- CO2e / working hour)	Whether the targets are achieved?	Hongshulin plant	<2.0	1.8	Yes	Shangda plant	<3.0	2.4	Yes	Lide plant	<3.0	2.4	Yes
Plant	Target for year 2024 (kg- CO2e /working hour)	Performance in year 2024 (kg- CO2e / working hour)	Whether the targets are achieved?														
Hongshulin plant	<2.0	1.8	Yes														
Shangda plant	<3.0	2.4	Yes														
Lide plant	<3.0	2.4	Yes														
9. Greenhouse gas inventories and assurance engagements, carbon	Refer to the following explanation.																

reduction goals, strategies, and specific action plans (fill in 1-1 and 1-2).	
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1-1 Greenhouse gas inventories and assurance carried out by the Company in the past two years

1-1-1 Greenhouse gas inventories information

Specify the greenhouse gas emission volume (metric tons, CO ₂ e), intensity (metric tons CO ₂ e/million dollars) and data coverage in the past two years.					
The Company		2024		2023	
		Emission volume (tons, CO ₂ e)	Intensity (tons, CO ₂ e /Revenue - NT\$ million dollars)	Emission volume (tons, CO ₂ e)	Intensity (tons, CO ₂ e /Revenue - NT\$ million dollars)
	Category 1 Direct greenhouse gas emissions	153.0142		128.5707	
	Category 2 Indirect greenhouse gas emissions	1,582.5266		1,599.9239	
	Category 3 indirect emissions Employee business trip	65.6952		49.5489	
	Total	1,801.2360	0.2810	1,778.0435	0.6794

1-1-2 Greenhouse Gas Assurance Information

Specify the assurance status in the last two years prior to the date of the annual report, including the scope of the assurance, the assurance organization, the standards on assurance, and the opinion on the assurance.			
Scope of Assurance		Emissions in Year 2023	Emissions in Year 2024
The Company (only the parent company's emissions)	Category 1 Direct greenhouse gas emissions	153.0142	128.5707
	Category 2 Indirect greenhouse gas emissions	1,582.5266	1,599.9239
	Category 3 indirect emissions Employee business trip	65.6952	49.5489
	Total	1,801.2360	1,778.0435
	Assurance organization	Under assessment	BSI
Assurance status			Standards on Assurance Engagements No. 3410 ISO 14064 11:2018 and ISO 14064-3:2019 Reasonable Assurance
Opinion on assurance/Opinion		—	Unqualified opinion

(VI) The Company's performance of ethical management and the reasons for the difference with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Item for evaluation	Description			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
I. Development of ethical management policies and programs				
(I) Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the senior management team demonstrated their commitments to implement the policies?	✓		EZconn has established the Ethical Corporate Management Best Practice Principles as a basic premise to implement the ethical management. We also complied with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, related regulations for TWSE/GTSM listed companies or other laws related to business activity	No material differences.
(II) Has the Company established an evaluation mechanism for the risk of dishonesty behaviors? Does the Company regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty behaviors, which at least covers Paragraph 2 of Article 7 in Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓			
(III) Has the Company established relevant policies for preventing any unethical conduct? Are the implementation and reviews of the relevant procedures, guidelines and training mechanism provided in the policies?	✓			
II. Implementation of ethical management				
(I) Does the Company assess the past records of the counterparties regarding ethics? Do contracts between the Company and the counterparties include clear clauses governing ethical conduct?	✓		(I) EZconn has established the internal control for sales and receipts, procurement and payment to conduct the business activities in a fair and transparent way. If the counterparties or manufacturers with strategic alliance violate the ethical conduct, the Company must terminate its business relationship immediately to implement the ethical management principles. (II) Prior to any commercial transactions, EZconn has taken into consideration and has credit checks for the legality of the agents, suppliers, clients, or other trading counterparts and whether any of them are involved in unethical conduct to avoid any dealings with persons so involved. The contract signed with the counterparts shall include the compliance with the ethical management policy. If the trading counterpart involves in any unethical conduct, the Company may terminate or cancel the contract. The Company reported to the board meeting on November 7,	No material differences.
(II) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and report to the Board about any operation policies. And plans and supervision on honesty and integrity and prevention of dishonesty on a regular basis (at least once a year)?	✓			

<p>(III) Does the Company have policies against conflicts of interest and provide proper channels through which explanations may be given? Has the Company implemented them? ✓</p> <p>(IV) Has the Company established effective accounting and internal control systems for the implementation of policies, prepared audit plans according to the evaluation result of dishonesty risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance? ✓</p> <p>(V) Does the Company regularly hold internal and external education training regarding ethical management? ✓</p>			<p>2024 the "Ethical Corporate Management Best Practice Principles and Prevention Plan".</p> <p>(III) EZconn has not established a special unit or designated an existing unit as subordinate for the implementation of corporate ethical management. However, the auditing unit regularly or irregularly conducts business activity audits and the commodity transaction matters are submitted to the Board of Directors for discussion and approval according to the laws and regulations.</p> <p>(IV) To implement the ethical management, EZconn has established effective systems for accounting and internal control to effectively review and audit related operation.</p> <p>(V) The Company regularly organizes training, and conveys the concept of ethical corporate management through different themes; in 2024, the education of ethical management was conducted to the employees under the name of "Education of Corporate Ethical Management" for total 419 attendees and total 419 hours trained.</p>	
<p>III. Functioning of whistleblowing systems</p>				
<p>(I) Does the Company have concrete systems for whistleblowing and rewards? Does the Company have convenient channels in place for whistleblowing and has it appointed appropriate personnel to deal with the persons who are the subject of whistleblowing? ✓</p> <p>(II) Has the Company established standard operating procedures for investigations on reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? ✓</p> <p>(III) Does the Company take any measures to protect whistleblowers from improper treatment as a result of their whistleblowing? ✓</p>			<p>The Company has established a clear reporting channel for internal (external) personnel to report unethical or improper conducts; the Company will handle the relevant whistle-blowing process, and report to the board meeting about the reported situation, the handling method and the follow-up review and improvement measures.</p>	<p>No material differences.</p>
<p>IV. Increasing disclosure of information</p>				
<p>Does the Company disclose the contents of its ethical management principles and outcome of implementation on its website and the Market Observation Post System? ✓</p>			<p>The internal website of EZconn timely discloses information of the contents and handling in relation to the violation.</p>	<p>No material differences.</p>

V.	In the event the Company has established its own ethical management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the differences between the implementation of ethical management and the Company’s own ethical management best practice principles: No material differences.
VI.	Other important information helpful for understanding the implementation of the Company’s ethical management: (such as review and amendment of the Company’s own ethical management best practice principles): None.

(VII) Other important information helpful for increasing understanding of the company’s corporate governance may be disclosed along with the above information:

1. Interests and care of employees

EZconn beholds the principle that talents are the most valuable asset and the foundation of the Company to establish comprehensive measures of welfare and education training along with the updating of the occupational safety software and hardware equipment for the employees. Please refer to section 5. Labor relations on Page 106-110 of the annual report.

2. Relationship of investors and suppliers and rights of stakeholders

EZconn has set up a Chinese and English website and various business contact windows to provide channels for investors, suppliers and stakeholders to communicate and exchange opinions.

3. Liability insurance coverage for directors, supervisors and managerial officers of the Company

The Company has purchased liability insurance for all directors, Remuneration Committee members and managers since September 1, 2015. The latest insurance coverage is as follows:

Insured	Insurer	Insured amount	Insurance coverage period (Note 1)
All Directors, Remuneration Committee members and managers.	AIG Taiwan	USD3,000,000	From September 1, 2024 to August 31, 2025

Note 1: Since the insurance period is one year, the previous insurance period was September 1, 2023 ~ August 31, 2024, and the disclosed insurance period is the renewed period in 2025.

4. Continuing education participation of the accounting officer, corporate governance officer and internal chief auditor in 2024:

Title/Name	Date of course	Hour(s) of course taken	Course title	Institution
Accounting Officer Chuang Kuo-An	October 28, 2024 ~ October 29, 2024	12 hours	Continuing education program for accounting officers of issuers, securities firms, and securities exchanges	Accounting Research and Development Foundation
Corporate Governance Officer Chuang Kuo-An	March 01, 2024	3 hours	How should the audit committee interpret and use Audit Quality Indicators (AQIs)?	Taiwan Corporate Governance Association
	March 08, 2024	3 hours	Crisis Management and Communication Strategies in Corporations	Taiwan Corporate Governance Association
	April 26, 2024	3 hours	Understanding Financial Statements: A Lesson for Board Directors and Supervisors Without a Financial Background	Taiwan Corporate Governance Association
	April 30, 2024	3 hours	Sustainability Committee (Chief Sustainability Officer, Task Force) Operations Practice	Taiwan Corporate Governance Association
	July 03, 2024	6 hours	2024 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange
	October 01, 2024	3 hours	[ESG Sustainability Forum] 2024 Win-Win for Environment and Economy: The Road to ESG Practice in Taiwan	Independent Director Association Taiwan
	November 29, 2024	3 hours	Integrity Management, Anti-Corruption, and Corporate Governance	Taiwan Corporate Governance Association
	November 29, 2024	3 hours	Intellectual Property Protection and Corporate Governance - Focusing on Trade Secret Protection	Taiwan Corporate Governance Association
Chief Auditor Huang Ssu-Fen	August 22, 2024	6 hours	Corporate Implementation of "ESG" and "Internal Audit and Internal Control Integration" Applications and Examples	The Institute of Internal Auditors-Chinese Taiwan
	September 27, 2024	6 hours	Latest Regulations on Information Security and Internal Audit Practice	Taiwan Development & Research

			Seminar	Academia Economic Technology	of &
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(VIII) The status of the implementation of internal control systems shall include the disclosure of the following matter(s):

1. Declaration on the Internal Control System: Please refer to Page 129.
2. If review of the internal control system has been conducted by entrusted CPAs, the CPAs' review report must be disclosed: None.

(IX) Important resolutions of the Shareholders' Meeting and Board of Directors' meetings during the most recent FY as of the date on which the annual report was printed:

1. Important resolutions of the Shareholders' Meeting:

Date of meeting	Important resolutions
June 06, 2024	<p>(1) The Company's 2023 business report, individual financial statements and consolidated financial statements. Implementation: resolved to approve.</p> <p>(2) The Company's 2023 earnings distribution proposal. Implementation: July 31, 2024 is set as the ex-date of stock (cash) dividend distribution, and August 21, 2024 is the date of cash dividend distribution. (cash dividend of NT\$2.10 per share).</p> <p>(3) Proposal for the private placement of common stock, preferred stock, or domestic convertible bonds (Including secured or unsecured convertible bonds): Implementation: As of the date of the preparation of this annual report, the execution has not yet taken place.</p> <p>(4) Proposal for the issuance of restricted stock awards. Implementation: To set October 2, 2024 as the record date for the issuance of new shares.</p>

2. Important resolutions of the Board of Directors' meetings:

Date of meeting	Important resolutions
January 11, 2024	(1) Approved the proposal for the capital increase in cash through the issuance of new shares for employees to subscribe in 2023.
March 14, 2024	(1) Approved the 2023 business report, parent company only financial statements, and consolidated financial statements. (2) Approved the proposal for the remuneration of employees and Directors in 2023. (3) Approved the proposal for the appointment of CPAs and the evaluation of the independence and competence of CPAs in 2024. (4) Approved the proposal for the change in the CPAs for financial statements. (5) Approved the proposal for the private placement of ordinary shares or preferred shares or the private placement of domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds). (6) Approved the proposal for the 2023 "Statement of the Internal Control System." (7) Approved the proposal for the continuous application of the prevailing remuneration structure for managers. (8) Approved the proposal for the remuneration of Directors and managers. (9) Approved the proposal for the bank credit limits and financial product trading limit for 2024. (10) Approved the proposal for participation in investing the capital increase in cash of AuthenX Inc. within the limit of NT\$40 million. (11) Approved the proposal for convening the 2024 annual shareholders' meeting.
May 8, 2024	(1) Approved the 2024 Q1 consolidated financial statements. (2) Approved the proposal for earning distribution and cash dividend distribution for 2023. (3) Approved the proposal of discontinuation of the private placement of ordinary shares or preferred shares or the private placements of domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds) that is approved by the 2023 annual shareholders' meeting within the remaining period (4) Approved the proposal for re-confirming the "general policy for the pre-approved non-assurance services" of the Company. (5) Approved the proposal for the amendments to the "Rules of Procedure for Board Meetings." (6) Approved the proposal for the establishment of a subsidiary in the Philippines. (7) Approved the proposal for the issuance of restricted stock awards. (8) Approved the proposal for convening the 2024 annual shareholders' meeting (additional proposal).
August 6, 2024	(1) Approved the 2024 Q2 consolidated financial statements. (2) Approved the proposal for the new establishment of two subsidiaries in Taiwan.
September 20, 2024	(1) Approved the proposal for the fundraising and issuance of the first domestic unsecured corporate bonds. (2) Approved the proposal for the issuance of the restricted stock awards and the amendments to the "Regulations for the Issuance of Restricted Stock Awards in 2024." (3) Approved the proposal for the amendments to the "General Principles

	<p>of the Internal Control System.”</p> <p>(4) Approved the proposal for the amendments to the “Procedures for the Preparation and Assurance of the Sustainability Report.”</p>
November 7, 2024	<p>(1) Approved the 2024 Q3 consolidated financial statements.</p> <p>(2) Approved the 2025 business plan and budgets.</p> <p>(3) Approved the proposal for participation in the capital increase in cash of an unlisted company.</p> <p>(4) Approved the 2023 Sustainability Report.</p> <p>(5) Approved the 2025 annual audit plan.</p> <p>(6) Approved the proposal for the establishment of the “Sustainability Committee Charter” and the sustainability information management system.</p> <p>(7) Approved the amendments to the “Regulations for the Distribution of Remuneration of Employees.</p> <p>(8) Approved the proposal for the remuneration and year-end bonus planning for managers.</p>
January 16, 2025	<p>(1) Approved the proposal for providing endorsement and guarantee to a subsidiary.</p> <p>(2) Approved the proposal for investing in unsecured convertible corporate bonds under a private placement issued by an unlisted company.</p>
March 7, 2025	<p>(1) Approved the 2024 business report, parent company only financial statements, and consolidated financial statements.</p> <p>(2) Approved the proposal for the remuneration of employees and Directors in 2024.</p> <p>(3) Approved the proposal for earning distribution and cash dividend distribution.</p> <p>(4) Approved the proposal for the appointment of CPAs and the evaluation of the independence and competence of CPAs in 2025.</p> <p>(5) Approved the proposal for the private placement of ordinary shares or preferred shares or the private placement of domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds).</p> <p>(6) Approved the proposal for the 2024 “Statement of the Internal Control System.”</p> <p>(7) Approved the proposal for the continuous application of the prevailing remuneration structure for managers.</p> <p>(8) Approved the proposal for the remuneration of Directors and managers.</p> <p>(9) Approved the proposal for the bank credit limits and financial product trading limit for 2025.</p> <p>(10) Approved the proposal for the amendments to the “Audit Committee Charter.”</p> <p>(11) Approved the proposal for the amendment to some of the provisions of the "Articles of Incorporation" of the Company.</p> <p>(12) Approved the proposal for convening the 2025 annual shareholders' meeting.</p>

- (X) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions adopted at the Board of Directors’ meeting during the most recent FY as of the date on which the annual report was printed, and that the opinion was recorded or delivered in writing, please describe its main content: None.

IV. Information on professional fees for CPAs:

Unit: NTD thousands

Name of Accounting Firm	Name of CPA	Audit Period	Audit Professional Fees	Non-Audit Professional Fees	Total	Remark
Deloitte Taiwan	Chen, Jun-Hong Chang, Cheng-Hsiu	2024	4,000	0	4,000	—
	Hsu, Ying-Ying Chen, Chun-Hung	2024	0	590	590	Tax services, corporate/business services, fundraising-related services, etc..

- (I) In the event the amount of non-audit professional fees paid to a CPA, the CPA's firm and any of its affiliates is at least 25% of that of audit professional fees, the amounts of audit and non-audit professional fees and the contents of non-audit service must be disclosed: None.
- (II) In the event that the accounting firm has been changed and that the amount of audit professional fees paid during the FY when the change occurs is lower than that paid during the previous FY, the amounts before and after the change and the reasons must be disclosed: None.
- (III) If the audit fee is reduced by more than 10% compared with that in the previous year, the amount, proportion and reason for the reduction of the audit fee shall be disclosed: None.

V. Information on the change of accountant:

(I) Former CPAs

Replacement Date	March 14, 2025		
Replacement Reason and Description	To maintain the independence of CPAs, Deloitte & Touche conducted an internal rotation. Starting from 2025 Q1, the CPAs for the Company's financial statements changed from CPAs Jeff Chen and Kathy Huang to CPAs Jeff Chen and Chang Cheng-Shuh.		
Specify Whether the Consignor Terminates or The CPA Refuses to Accept the Appointment	Parties involved	CPA	Consignor
	Circumstances	Not applicable	
	Active termination of the appointment		
	Refuse to accept (continue) the appointment		
Opinions Other Than Unqualified Opinions for The Audit of Reports in The Most Recent Two Years and Reasons	None		
Whether There Is Any Opinion Different from The Issuer	Yes		Accounting principles or practices
			Disclosures in the financial statements
			Auditing scope or steps
			Others
	No	V	
	Description		
Other Disclosures (Disclosures Under Item 1-4 To Item 1-7, Subparagraph 6, Article 10 Of the Standards)	None		

(II) Succeeding CPAs

CPA's firm	Deloitte & Touche
CPAs	CPAs Jeff Chen and Chang Cheng-Shuh
Appointment date	March 14, 2025
Consultation of accounting treatments or accounting principles for particular transactions and possible opinions to be issued for the financial statements before the appointment and results	Not applicable
Written opinions for matters that the succeeding CPAs have different from the opinions of the former CPAs	Not applicable

(III) Reply from the former accountant on the matters set out in Items 1, 2, and 3, Subsection 6, Article 10 of the Regulations: None.

VI. The company's chairman, president, or financial/accounting manager served in the CPAs' firm(s) or any affiliate during the most recent year: None.

VII. Change of shares transferred and pledged for directors, supervisors, managerial officers and any shareholder holding more than 10% of the Company's shares during the most recent FY until the date on which the annual report was printed:

(I) Change of shares for directors, supervisors, managerial officers and major shareholders:

Title	Name	2024		As of March 30, 2025	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Chairman	SHC Consolidated Investors LLC	(5,000)	0	(4,000)	0
Chairman's representative	Chen, Steve	0	0	0	0
Director	eGtran Corporation	0	0	0	0
Representative of corporate director, President	Chang Ying-Hua	36,623	0	0	0
Director	Jia Jiu Investment Co., Ltd.	88,371	0	0	0
Representative of corporate director, President	Pan, Po-Tsang	(56,088)	0	0	0
Director	Transnational Investment Limited	0	0	0	0
Representative of corporate director, OP Technical Marketing Director	Lan Ching-Ying	134,371	0	0	0
Independent Director	Peng Hsieh-Ju	1,018	0	0	0
Independent Director	Chiu Er-De	0	0	0	0
Independent Director	Huang Hui-Wen	0	0	0	0
Director of Manufacturing Division	Kao Yueh-Hui	1,935	0	0	0
RF Technical Marketing Director	Chien Ming-Feng	(899)	0	0	0
Sales Director	Lo Sheng-Shin	15,000	0	0	0
Director of Quality Control Division	Li Yung-Chuan	0	0	0	0
Director of Management Division	Mei-Lan Kuo	35,134	0	0	0
Chief Financial Officer	Chuang Kuo-An	10,000	0	0	0
Senior Manager	Chen Suu-Ming	0	0	0	0
Chief Auditor	Huang Ssu-Fen	12,000	0	0	0

(II) Information on the counterparty as related party in shares transfer for directors, supervisors, managerial officers and shareholders holding more than 10 percent of the shareholdings: none.

(III) Information on the counterparty as related party in the pledge of shares for directors, supervisors, managerial officers and shareholders holding more than 10 percent of the shareholdings: none.

XIII.Information on the top-10 shareholders who are related parties to each other:

March 30, 2025 Unit: Share ; %

Name (Note 1)	Shares held by the shareholder		Shares held by spouse or minor children		Shares held in the name of others		The title or name and relation in case of the top-10 shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relation	
Special Investment Account of Chinatrust Commercial Bank as Custodian for Carter Bell Ltd.	6,295,555	8.28%	0	0	0	0	eGtran Corporation	Parent company and its subsidiary	None
eGtran Corporation	3,565,741	4.69%	0	0	0	0	CabTel Corporation	Parent company and its subsidiary	None
Representative: Chen, Steve	0	0	0	0	0	0	SHC Consolidated Investors LLC	The representative is the same person	
Chia Ho Co., Ltd.	2,785,623	3.67%	0	0	0	0	None	None	None
TMX LLC Investment Accounts commissioned to CTBC Bank	2,703,828	3.56%	0	0	0	0	None	None	None
Fiduciary investment account of Morgan Stanley International Co., Ltd. entrusted to HSBC Bank (Taiwan) Limited.	2,379,957	3.13%	0	0	0	0	無	無	None
SHC Consolidated Investors LLC	2,166,812	2.85%	0	0	0	0	無	無	None
Representative: Chen, Steve	0	0	0	0	0	0	eGTran Corporation	The representative is the same person	
Huang,Wei-Chieh	2,095,000	2.76%	0	0	0	0	None	None	None
Transnational Investment Limited	1,562,602	2.06%	0	0	0	0	None	None	None
Hung, Chieh-En	1,548,221	2.04%	0	0	0	0	None	None	None
DURAL HOLDING LIMITED	1,308,701	1.72%	0	0	0	0	None	None	None

IX. The total number of shares held in the same invested business by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company, and the calculation of the combined shareholding ratio:

March 30, 2025 Unit: NTD/foreign currency thousands; thousand shares

Invested business (Note)	Company's investment		Investments of directors, supervisors, managerial officers and directly or indirectly controlled business		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
EC-Link Technology Inc.	21,417	100%	—	0%	21,417	100%
EZconn Europe GmbH	- (Note 1)	100%	- (Note 1)	0%	- (Note 1)	100%
Light-Master Techonology Inc.	—	0%	15,050	100%	15,050	100%
EZconn Czech a.s.	- (Note 2)	0%	- (Note 2)	100%	- (Note 2)	100%
EZconn Technologies CZ s.r.o.	- (Note 1)	0%	- (Note 1)	100%	- (Note 1)	100%
Light Master Technology (Ningbo) Inc.	- (Note 1)	0%	- (Note 1)	100%	- (Note 1)	100%
EZConn USA Inc,	800	80%	—	0%	800	80%
EZconn Technology Corporation	172,499,995	100%	5	0%	172,500,500	100%

Note: These are the investments made by the Company via the equity method.

Note 1: No shares are held by these limited liability companies.

Note 2: Since all previous capital increase shares had different par value when issued, the number of shares cannot be listed.

Three. Offering Status

I. Capital and shares:

(I) Source of capital stock:

1. Capital Sources

March 30, 2025; Unit: thousand shares/ thousands

Year	Month	Issued price (dollar)	Authorized capital stock		Paid-in capital stock		Remarks		
			Number of shares	Amount	Number of shares	Amount	Capital sources	Property other than cash as substitute for share price	Others
1996	9	NT\$10	2,500	25,000	2,500	25,000	Cash establishment	None	Note 1
2003	1	NT\$10	30,000	300,000	30,000	300,000	Cash capital increase	None	Note 2
2003	12	NT\$10	39,000	390,000	39,000	390,000	Capital surplus	Capital surplus	Note 3
2004	8	NT\$10	50,000	500,000	50,000	500,000	Cash capital increase	None	Note 4
2005	9	NT\$10	54,000	540,000	54,000	540,000	Cash capital increase	None	Note 5
2012	12	NT\$10	100,000	1,000,000	54,000	540,000	None	None	Note 6
2014	9	NT\$10	100,000	1,000,000	60,000	600,000	Capital surplus	Capital surplus	Note 7
2015	8	NT\$10	100,000	1,000,000	66,000	660,000	Cash capital increase	None	Note 8
2019	8	NT\$10	100,000	1,000,000	69,300	693,000	Capital surplus	Capital surplus	Note 9
2022	8	NT\$10	180,000	1,800,000	69,300	693,000	None	None	Note 10
2023	4	NT\$10	180,000	1,800,000	66,300	66,300	Cancellation of treasury shares	None	Note 11
2024	3	NT\$10	180,000	1,800,000	75,600	75,600	Cash capital increase	None	Note 12
2024	10	NT\$10	180,000	1,800,000	76,000	76,000	Cash capital increase	None	Note 13

Note 1: Jian-Yi-Zi No. 85333456 on September 4, 1996

Note 2: Jing-Shou-Shang-Zi No. 09201013670 on January 16, 2003

Note 3: Fu-Jian-Shang-Zi No. 09226463220 on December 30, 2003

Note 4: Jing-Shou-Shang-Zi No. 09301159300 on August 31, 2004

Note 5: Jing-Shou-Shang-Zi No. 09401185040 on September 21, 2005

Note 6: Jing-Shou-Shang-Zi No. 10101256670 on December 18, 2012

Note 7: Jing-Shou-Shang-Zi No. 10301202620 on September 23, 2014

Note 8: Jing-Shou-Shang-Zi No. 10401156730 on August 11, 2015

Note 9: Jing-Shou-Shang-Zi No. 10801108530 on August 6, 2019.

Note 10: Jing-Shou-Shang-Zi No. 11101125640 on August 5, 2022.

Note 11: Jing-Shou-Shang-Zi No. 11230055840 on April 14, 2023.

Note 12: Jing-Shou-Shang-Zi No. 11330042430 on March 29, 2024.

Note 13: Jing-Shou-Shang-Zi No. 11330183910 on October 28, 2024.

2. Type of shares

March 30, 2025; Unit: Share

Type	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	76,000,000	104,000,000	180,000,000	Shares of listed companies

(II) Major Shareholders

March 30, 2025 Unit: Share; %

March 30, 2025 Unit: Share, %

<div>Shares</div> <div>Name of major shareholder</div>	No. of shares held	Shareholding ratio (%)
CabTel Corporation Investment Accounts commissioned to CTBC Bank	6,295,555	8.28%
eGTran Corporation	3,565,741	4.69%
CHIA HO Co., Ltd.	2,785,623	3.67%
TMX LLC Investment Accounts commissioned to CTBC Bank	2,703,828	3.56%
Fiduciary investment account of Morgan Stanley International Co., Ltd. entrusted to HSBC Bank (Taiwan) Limited.	2,379,957	3.13%
SHC Consolidated Investors LLC	2,166,812	2.85%
Huang, Wei-Chieh	2,095,000	2.76%
Transnational Investment Limited	1,562,602	2.06%
Hung, Chieh-En	1,548,221	2.04%
DURAL HOLDINGS LIMITED	1,308,701	1.72%

(III) Dividend policy of the company and implementation status

1. Regulations of EZconn's Articles of Incorporation:

According to Article 24 of the Articles of Incorporation, EZconn's dividends policy is specified as follows:

If there is profit in the annual final accounts of the Company, no less than 5% shall be first allocated as employees' remuneration and no more than 5% as director's remuneration. After the board resolution on the distribution of the above and payment of taxes in accordance with the law, 10% shall be set aside as the legal reserve, but when the legal reserve has reached the total paid-in capital of the Company, then no more allocation may be made. After the provision or reversal of the special reserve according to laws or regulations of the competent authority, the board meeting shall formulate an earnings distribution proposal based on the balance plus the accumulated undistributed earnings as the distributable earnings applicable to distribution of dividends to the shareholders of common stock and preferred stock, and submit it to the shareholders' meeting for resolution to distribute or retain it.

If the company has a cumulative loss in previous years, it shall make up for the loss before allocating the remuneration of employees and directors, and the balance shall then be allocated according to the proportion in the preceding paragraph. When the employees' remuneration is paid in shares or cash, the objects of the distribution shall include employees of subordinate companies who meet certain conditions.

The dividend policy of the Company shall be based on the shareholder's equity and then consider the present and future industrial status, stages of development, future financial plans, capital needs and satisfaction of the shareholders' cash plans. According to the principle of dividend balancing, the cash dividend for shareholders must not be less than 10% of the total

dividends for shareholders and the actual amount distributed shall be based on the amount approved at the shareholder's meeting. Notwithstanding, the total dividends distributed in the current year shall be no less than 10% of the earnings after tax for the current year.

2. Dividend distribution status:

The Company's 2024 earnings distribution has been resolved by the board meeting on March 7, 2025 to distribute cash dividends of NT\$653,601,746 (at NT\$8.60 per share), and the earnings distribution status of cash dividends was reported at the general shareholders' meeting on May 28, 2025.

3. Description of any material changes in the expected dividend policy: None.

(IV) The influence of the bonus shares issuance proposed at the current shareholders' meeting on the operation performance and EPS of the Company: N/A

(V) Remuneration for employees, directors and supervisors

1. Percentages or ranges with respect to employee, director, and supervisor remuneration according to the Articles of Incorporation

If there is profit in the annual final accounts of the Company, no less than 5% shall be first allocated as employees' remuneration and no more than 5% as director's remuneration. After the board resolution on the distribution of the above and payment of taxes in accordance with the law, 10% shall be set aside as the legal reserve, but when the legal reserve has reached the total paid-in capital of the Company, then no more allocation may be made. After the provision or reversal of the special reserve according to laws or regulations of the competent authority, the board meeting shall formulate an earnings distribution proposal based on the balance plus the accumulated undistributed earnings as the distributable earnings applicable to distribution of dividends to the shareholders of common stock and preferred stock, and submit it to the shareholders' meeting for resolution to distribute or retain it.

2. The basis for the estimate of the amount of remuneration of employees and directors for the current period, the basis for the calculation of the number of shares for the remuneration of employees and directors distributed by shares, and the accounting treatment when the actual distribution amount is different from the estimated amount:

On the estimated amount of employees' and directors' remuneration, if the board meeting resolves at the end of the year to allocate remuneration to employees and directors, the amount will be recognized as an expense for the current year. When there is a discrepancy between the actually allocated amount and the estimated amount, the discrepancy will be adjusted according to the changes in accounting estimates, and recognized as the annual expense of 2025.

3. Status of the distribution of remuneration approved by the Board of Directors

The Company's distribution of employees' and directors' remuneration for 2024 was approved by the board meeting on March 07, 2025. It is proposed to distribute NT\$113,000,000 of employee remuneration and NT\$37,000,000 of directors' remuneration in cash, which are the same as the estimated amounts, Therefore, there was no expense recognition discrepancy.

4. The actual distribution of remunerations for employee, directors and supervisors in the previous year (including the distributed number of shares, amount and share price). If there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, please describe the discrepancy, cause, and management.

The Board of Directors resolved on March 14, 2024 to distribute the 2023 earnings in cash, for NT\$18,000,000 as the employee remuneration and NT\$5,500,000 as the director remuneration, same as the estimated amount, so there was no difference from the recognized expenses.

(VI) The Company's repurchase of its shares: None

II. Status of corporate bonds:

Corporate Bond Issuance Status

Category of Corporate Bonds		The 1st Unsecured Domestic Convertible Corporate Bond Issuance in 2024
Issuance (Organization) Date		November 11, 2024
Par Value		NT\$100,000 [<i>One Hundred Thousand Dollars Only</i>]
Issuance & Trading Place (Note 3)		Taipei Stock Exchange
Issuance Price		Issue based on the 100.50% of the par value
Total		NT\$1.005 billion
Interest Rate		0%
Period		3-year corporate bond; Maturity Date: November 11, 2027
Guarantee Institution		None
Trustee		Taishin International Bank Co., Ltd.
Underwriter		Taishin Securities Co., Ltd.
Certified Attorney		N/A
CPA		N/A
Repayment Method		For details, please refer to Article 6 of the “Regulations for the Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds.” (Appendix 1)
Unpaid Principal		NT\$999.9 million
Redemption or early settlement terms		For details, please refer to Article 18 of the “Regulations for the Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds.” (Appendix 1)
Restrictive Covenants (Note 4)		For details, please refer to Article 18 of the “Regulations for the Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds.” (Appendix 1)
Name of the credit rating institution, rating date, and corporate bond rating results		N/A
Other Rights Attached	Amount Converted (Exchanged or Subscribed) into Common Shares, Overseas Depositary Receipts, or Other Securities as of the Date of Annual Report Publication	NT\$100,000
	Issuance and conversion (exchange or subscription) regulations	Please refer to Appendix 1 for details
Impacts of issuance and conversion, exchange, or subscription regulations and issuance conditions on the possible dilution of equity and rights and interests of existing shareholders		N/A
Name of the consigned custody institution of the exchange target		N/A

Data on Convertible Corporate Bonds

Category of Corporate Bonds		The 1st Unsecured Domestic Convertible Corporate Bond Issuance in 2024	
		2025	As of March 31, 2025 of the year
Market price of the convertible corporate bonds	Highest	135.00	108.55
	Lowest	110.55	108.00
	Average	118.33	108.35
Conversion price		-	491.30
Issuance (organization) date & conversion upon issuance		November 11, 2024 NT\$491.30	
Method to perform the conversion obligations		Pay by way of the issuance of new shares	

III. Status of preferred shares: None.

IV. Status of overseas depositary receipts: None.

V. Status of employee stock option certificates: None.

VI. Status of employee restricted stock:

(I) Status of restricted stock awards not fully vested and the impacts on the rights and interests of shareholders as of the publication date of the annual report

March 30, 2025

Category of restricted stock awards	2024 restricted stock awards
Date reported for effectiveness and total number of shares	August 09, 2024; 400,000 shares
Issuance date	October 02, 2024
Number of issued restricted stock awards	400,000 shares
Number of restricted stock awards available for issuance	0 shares
Issuance price	NT\$10
Ratio of the number of issued restricted stock awards to the total number of issued shares	0.53%
Vesting conditions of restricted stock awards	<p>After one year from the subscription of restricted stock awards, the employees remain in service upon the expiry of each vesting condition period, have annual personal performance evaluation results above B (inclusive), comply with the code of services, have not violated the labor contract or working rules of the Company, and comply with the overall performance indicator of the Company.</p> <p>The performance indicators of the Company are the net sales and net profit margin in the preceding year that are audited and certified by CPAs before the estimated vesting day of each year for restricted stock awards reaching NT\$3.2 billion and 12%, respectively.</p> <p>The share ratio achieved in the vesting conditions is as follows:</p> <p>Work one year after the subscription: 30%</p> <p>Work two years after the subscription: 30%</p> <p>Work three years after the subscription: 30%</p>
Restricted rights of restricted stock awards	<ol style="list-style-type: none"> 1. Before fulfilling the vesting condition, restricted stock awards shall be fully delivered to the institution designated by the Company for trust custody, and restricted stock awards may not be sold, mortgaged, transferred, gifted, pledged, or disposed of through other means. 2. The rights to attend, propose motions, speak, and vote at the shareholders' meeting shall all be exercised by the entrusted custodian institution in accordance with the terms of the trust agreement. 3. Except for the abovementioned restrictions, other rights before fulfilling the vesting conditions after employees subscribed to restricted stock awards, including but not limited to dividends, bonuses, the capital reserve ownership, and subscription option for capital increase in cash, are equivalent to the issued ordinary shares of the Company.
Custody of restricted stock awards	The restricted stock awards issued by the Company shall be kept by trust custody of stocks, and the Company or a proxy designated by the Company shall enter into and amend trust-related contracts on behalf of all subscribed employees.

Treatment for the failure to fulfill the vesting conditions after employees received or subscribed restricted stock awards	<ol style="list-style-type: none"> 1. When employees who subscribed to the restricted stock awards fail to fulfill the vesting conditions, the Company will repurchase their shares at the issuance price and cancel the shares; however, the share dividends and dividends for the subscription during the vesting period are not required to be returned or repaid. 2. If an employee has a general resignation (voluntary resignations, dismissals, lay-offs, retirement, and death) during the vesting period, he/she loses his/her vesting rights on the day of occurrence, and the Company will repurchase the unvested shares subscribed previously at the issuance price and cancel the shares. 3. During the vesting period, if the Company approves the leave without pay of an employee, the calculation for restricted stock awards that have not achieved the vesting period shall be suspended on the effective day of the leave without pay, and the calculation shall be continued on the reinstatement day. The timetable in subparagraph 2 of this article shall be postponed based on this. However, if the employee fails to be reinstated upon the expiry of the leave without pay, it shall be deemed voluntary resignation, and arrangements will be made accordingly. 4. If an employee is unable to continue to work due to physical disabilities resulting from occupational disasters during the vesting period (including death due to official business), unvested restricted stock awards shall achieve the vesting conditions based on the ratio of the vesting conditions in this article on the effective day of the employee's resignation. 5. If an employee requests to be transferred to an affiliate or other companies (except for subsidiaries), the restricted stock awards shall be treated according to the method in "general resignation" in (II) of this article. However, for an employee who is appointed by the Company as the employee of an affiliate or other company due to operational requirements, his/her restricted stock awards are not affected by the transfer.
Number of restricted stock awards recovered or purchased	None
Number of restricted stock awards released	None
Number of restricted stock awards not released	400,000 shares
Ratio of the number of restricted stock awards not released to the total number of issued shares (%)	0.53%
Impacts on the rights and interests of shareholders	The dilution of earnings per share of the Company is limited; therefore, there is no material impact on the rights and interests of shareholders.

(II) Names and acquisition details of managers who received restricted stock awards and the top ten employees by number of shares acquired

March 30, 2025

2024 restricted stock awards												
Title		Name	Quantity of restricted stock awards obtained (share)	Ratio of number of restricted stock awards to the total number of issued shares (%)	With the restricted rights released				With the restricted rights not released			
					Number of shares with restrictions released (share)	Issuance price (NT\$)	Issuance amount (NT\$ 1,000)	Ratio of the number of shares with restrictions released to the total number of issued shares (%)	Number of shares with restrictions not released (share)	Issuance price (NT\$)	Issuance amount (NT\$ 1,000)	Ratio of the number of shares with restrictions not released to the total number of issued shares (%)
Manager	President	Chang Ying-Hua	276,000	0.36%	0	10	0	0	276,000	10	2,760	0.36%
	CMO of OP Technologies	Lan Ching-Ying										
	CMO of RF Technologies	Chien Ming-Feng										
	CBO	Luo Sheng-Shin										
	CFO	Chuang Kuo-An										
	Assistant Vice President	Chen, Ssu-Ming										
	Director of the Manufacturing Department	Kao Yueh-Hui										
	Director of the QC Department	Li Yung-Chuan										
	Director of the Management Department	Kuo, Mei-Lan										
	Chief Audit Officer	Huang, Si-Fen										

VII. Status of new shares issuance in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Status of capital allocation plans and implementation:

(I) Issuance of ordinary shares under the capital increase in cash in 2024

1. Fund usage and utilization plan: Repayment of bank borrowings.
2. Approval date and document No.: Jin-Guan-Zheng-Fa-Zi No. 1120364551 dated December 22, 2024.
3. Total fund required for the plan: NT\$534,750 thousand.
4. Source of fund: Issuance of 9,300 thousand ordinary shares under the capital increase in cash with an issuance price of NT\$57 per share; the total fundraising amount is NT\$530,100 thousand.
5. Fund usage and utilization progress:

Unit: NT\$ thousand

Plan Item	Estimated Completion Date	Total Fund Required	Estimated Fund Utilization Progress
			2024 Q4
Repayment of bank borrowings	2024 Q1	534,750	534,750

Note: The amount raised is NT\$530,100 thousand, and the difference of NT\$4,650 thousand will be set off with the self-owned fund.

6. Benefits generated: The repayment of bank borrowings helps reduce the interest expenses required to be paid by the Company to financial institutions for borrowings, reduces the reliance on banks and interest rate fluctuation risks, and, in turn, improves the fund allocation flexibility.
7. Implementation of fund utilization: For the issuance of ordinary shares under the capital increase in cash in 2024, the total fundraising amount is NT\$530,100 thousand, and the share payments were fully collected on March 5, 2025. The repayment of bank borrowings of NT\$534,750 thousand was made based on the initial plan and progress in 2025 Q1, and the fund utilization plan is fully implemented.

(II) The 1st Unsecured Domestic Convertible Corporate Bond Issuance in 2024

1. Fund usage and utilization plan: Repay bank borrowings and enrich working capital.
2. Approval date and document No.: Jin-Guan-Zheng-Fa-Zi No. 1130359265 dated October 22, 2024.
3. Total fund required for the plan: NT\$1,005,000 thousand.
4. Fund source: Issue 10,000 units of convertible corporate bonds with a par value of NT\$100,000 per unit, and the total issuance par value is NT\$1 billion. The bonds are issued at 100.5% of the par value, and the issuance amount is NT\$1,005,000 thousand.
5. Table of fund usage and utilization progress:

Unit: NT\$ thousand

Plan Item	Estimated Completion Date	Total Fund Required	Estimated fund utilization progress	
			2024	2025
			Q4	Q4
Repayment of bank borrowings	2024 Q4	618,000	618,000	–
To strengthen working capital	2025 Q1	387,000	350,000	37,000
Total		1,005,000	968,000	37,000

6. Benefits generated: The Company issued the first domestic unsecured convertible corporate bonds to raise a total amount of NT\$1,005,000 thousand. NT\$387,000 thousand is planned to be used to enrich its working capital to allow healthy finance and improve the flexibility of capital allocation in response to the funds required for the expansion of future operating scale and performance growth, and, in turn, minimizing the corporate management risks and improving the long-term capital stability mid-to-long-term competitiveness of the Company. The remaining NT\$618,000 thousand is planned to be used to repay bank borrowings to reduce capital expenditures and the dependence on bank borrowings. Calculating based on the interest rates of bank borrowings that the Company intends to repay, it is estimated to save NT\$1,006 thousand of interest expenditures and can save NT\$12,071 thousand of interest expenditures for each subsequent year; in the future, it will adequately reduce the Company's financial liabilities and improve the Company's solvency.
7. Implementation status of fund utilization: The fund for the fundraising was raised on November 7, 2024. According to the fund utilization plan, NT\$618,000 thousand in fundraising is used to repay bank borrowings, which was implemented in 2024 Q4. Furthermore, the NT\$387,000 thousand in fundraising is used to enrich working capital; NT\$350,000 was implemented in Q4 2024, and the remaining NT\$37,000 thousand is estimated to be implemented in Q1 2025. The Company has made implementations based on the initial fund utilization progress to achieve the benefits of saving interest expenditures and enriching working capital; therefore, the estimated benefits and the achievements are not significantly different.

(III) The issuance plan of each of the previous securities issuance plans of the Company had been implemented, and all

Four. Overview of business operation

I. Business activities

(I) Business scope

1. The major business of the Company:

- (1) Designing, developing, manufacturing and selling of relevant electronic devices like the RF connectors and filters.
- (2) Designing, developing, manufacturing and selling of optical transceiver modules and optical transceiver modules related to optical fiber communication products.
- (3) Designing, developing, manufacturing and selling to increase the vertical integration from LiDAR and packaging of measurement micro-electromachines to optical machinery.
- (4) Provide necessary assistance and services for the inspection, maintenance, processing and installation of the products and related businesses mentioned in the preceding paragraph.
- (5) Provide manufacturability design and mass production services for biomedical product design.
- (6) Agency, trade and investment of the aforementioned products and related businesses.

2. Operating proportion:

Unit: NTD thousands

Department/Product Type	2023		2024	
	Operating Revenue	Operating Proportion	Operating Revenue	Operating Proportion
RF connectors	595,492	23%	508,670	8%
Optical Communication Products	2,021,893	77%	5,901,735	92%
Total	2,617,385	100%	6,410,405	100%

3. Current products (services) of the Company

- (1) Designing of RF connectors and the designing and processing of precision machinery for manufacturers' products.
- (2) Designing, processing and production of precision molds and jigs.
- (3) The supplier of active components and modules (TO-CAN packing, OSA, transceiver and AOC), photoelectric passive components (optical couplers and splitters, connectors, patch-cord and adapters) and the agency of related fiber optics communication equipment.
- (4) Most of our customers are manufactures that designs and manufactures optical communication equipment like transceivers. They directly provide products for the companies of system production or operation. Considering factors of the product technology upgrade and cost reduction, we excelled among the competitors to directly sell the optical transceiver sub-assemblies to manufacturers of communication device, causing this model to become the mainstream in the market. The customers of our photoelectric passive components mostly are manufacturers for the connection equipment of the communication network.
- (5) Packaging of mirror scanning micro-electromachines and laser scanning micro-electromechanical module of various bands.

- (6) Obtained GMP certification and extended the optical, institutional and high-quality mass production capabilities accumulated in optical communications to biomedical products.
4. New products planned for development

RF connectors

Type of plan	Product name
Short-term development plan	1. Develop new DOCSIS 4.0 High-Frequency Connectors
	2. Develop new DOCSIS 4.0 high-frequency cable assemblies
	3. Develop mmWave connectors
	4. Develop mmWave high-frequency cable assemblies
	5. Develop parts for the aerospace industry
Long-term development plan	1. Develop military connectors for national defense
	2. Develop RFOF photoelectric integrated products

Optical communication products

Type of plan	Product name
Short-term development plan	1. 25G PON ONU Sticks optical module
	2. 50G PON optical module
	3. POF optical module and connectors for FTTH
	4. Satellite signal triband optical sub-module
Long-term development plan	1. PIC optical module and connectors
	2. High-resolution spectral analysis module
	3. 100G C-PON optical module
	4. 1.6T OSFP-XD optical module

(II) Overview of the industry

1. Current status and development of the industry

The main products of EZconn has two major categories, one is related to the radio frequency coaxial connector (hereinafter abbreviated as “RF connectors”) and the other is the receiver and component in relation to OP (Optical fiber component, hereinafter abbreviated as optical communication). The following will separately analyze the current status of the industries related to each product.

RF connectors

The RF connectors of EZconn is a niche product that have seldom manufacturers in Taiwan. Therefore, we briefly introduce this product in the following paragraphs. RF is the abbreviation of Radio Frequency. According to the electronics, a magnetic field appears around the conductor when the current passes the conductor while an alternating electromagnetic field appears around the conductor when the alternating current passes the conductor. This electromagnetic field is named the electromagnetic wave. When the frequency of the electromagnetic wave is lower than 100khz, it will be absorbed into the surface of the earth without forming an effective transmission. Nevertheless, when the frequency is higher than 100khz, the electromagnetic wave can travel through air. RF refers to the radio frequency electromagnetic wave with long distance transmission ability. Besides being widely used in the field of wireless communication, the radio frequency technology is also used in the cable television system via the utilization of the RF transmission.

RF connector is a component installed on the coaxial cables or instrument to enable the connection or disconnection of cable electric. It is classified as a product of mechatronics. The coaxial cables offer a closed medium with controllable resistance to enable the transmission of the RF energy. In addition, it is equipped with good electric property in RF environment to provide inherent EMI control and shielding. The RF connector is designed to preserve the performance advantages mentioned above and can be used in any fields involving in RF transmission and any interface with compact electric contact.

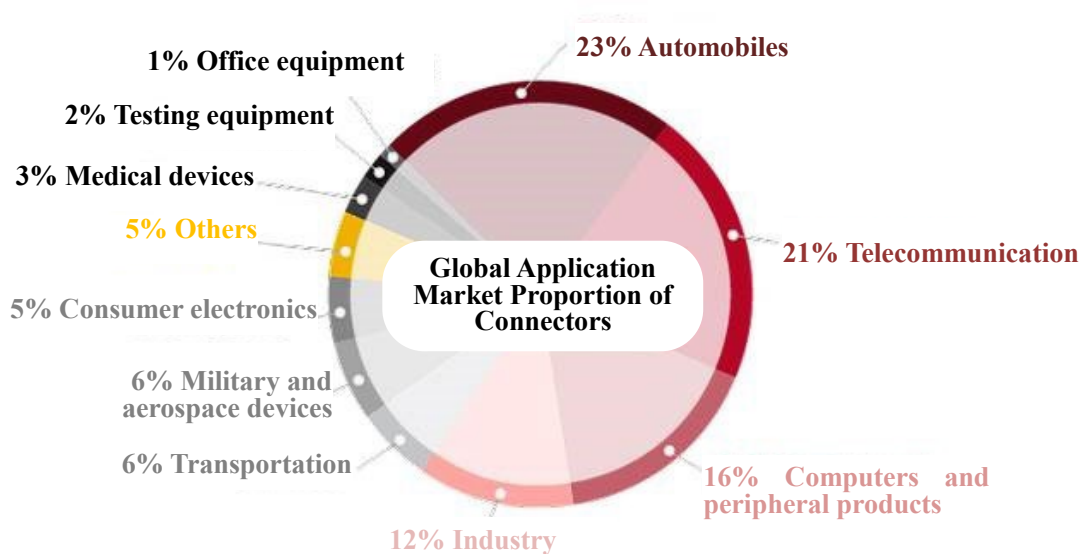
Most of the major connector manufacturers were mold manufacturers that gone through transformation in the early days. Since the mold technique is the mother of manufacturing, our country has a good foundation for the development of connector industry. In 1975, E. I. du Pont de Nemours and Company of the United States established plants to manufacture connectors in Taiwan. The company not only introduced more advanced machinery equipment and a production system with a certain scale but also became the pioneer of Taiwan connector industry. In the 1980s, the rise of personal computer industry drove the establishment of a complete computer industrial chain in Taiwan. The domestic connection industry benefited from the clustering effect of the computer industry and rose quickly in the international market. Though the domestic connector manufacturers occupied certain position in the computer related applications, they gradually applied the diversification strategy to operate their business in consideration of the risk of single application products. Currently, the network, communication and consumer electronic products are the main development directions. The domestic connector industry structure roughly remained the same even if the development directions were different. The mold technology of domestic manufacturers were recognized by overseas connector manufacturers in the early days. They received great amount of

OEM orders for molds that indirectly integrated the front-end mold designing and main process of the domestic connector industry. However, the connector manufacturers in Taiwan adopted low price to expand their share in the market in the past, causing a lower common requirement in the quality of the connector. To adjust to the international requirement of the quality, the back-end testing was gradually emphasized by the manufacturers.

The main process of the connector generally comprised three sub-processes of metal stamping, plastic injection and plating. Considering the problems of the technology and the cost, domestic connector industry in the early days used to outsource some sub-process to professional OEM. To meet the demand of international delivery within a short period, domestic manufacturers continued to perform the vertical integration of the main process by setting up departments of metal stamping, plastic injection and plating or investing in professional plants to shorten the transportation and inspection time between professional plants.

The PC model change trend is still ongoing. Apple launched its new iPhone and iPad products. The IoT, cloud computing and relative intelligent application industries rise abruptly. All the events contribute to the need for all kinds of connectors. Besides, the manufactures continue to put efforts in the non 3C application markets. Moreover, we are hoping this would bring us the continuous growth of production value. In addition to being widely used in the cable television system, radio frequency transmission is used in other wired or wireless transmission field. The details of its application field distribution is in the figure below.

Application area distribution of the RF connectors



Source of information: Bishop & Associates, Inc.

From the figure above, we can learn that one of the main application areas for RF connectors is the telecommunication. With the rapid development of science and technology, the frequency of communication network upgrades in countries around the world is getting faster and faster. Taking Taiwan for example, in July 2020, it officially entered the 5G era. In half a year, the scale of more than one million users has been achieved and the 5G network speed ranks fourth among the 12 countries. Looking forward to the new year, the five major telecommunications companies will continue to grow 5G users and accelerate the construction of base stations.

For the prospect of the communication industry in 2025, IEK stated that it is estimated that the communication production value in Taiwan in the following year can reach NT\$1.294 trillion, representing a growth of 1.2% from 2024, due to the end of the inventory adjustments of networking devices and the drivers provided by requirements for cloud computing and infrastructures.

According to Chen, Jia Ying, manager of IEK and the Research Department of the AIoT system, the communication industry is experiencing eye-catching revolutions and innovations. The 5G technology is popularized progressively, and the 6G technology is ready to shine. The development prospects and application scenarios of 6G have been rolled out. The combination of low-earth orbits, cloud computing, AI, IoT, and other technologies allows the global networking industry to enter a faster and stabler era.

According to IEK, after the end of the inventory adjustments of networking products in the second half of 2024, it is estimated that the demand in the global networking industry will return to the general level in 2025. Together with the continued requirements for cloud and communication infrastructures from 2024, the continuous imports of the high-speed fiber-optic receipt equipment, DOCSIS 3.x Cable products, Wi-Fi 6/6E equipment, 5G FWA equipment, and 5G small cell base stations are driven.

Low-earth orbits have become the global communication technology. According to IEK, the global satellite network scale in 2023 was approximately US\$4.01 billion, and the industry turned to multi-orbit resource integration and communication resilience. The user control end will expand to the system integration companies from orbit operators, and carrier manufacturers may even participate in the rights to control.

In 2024, the economy and domestic demand in Taiwan remained stable. The private final consumption expenditure recorded a growth of 4.1%, 2.8%, and 1.9% for the first three quarters, respectively, and export sales also maintained their growing momentum with the help of information and communication products. However, the performance of non-information and communication products recorded poor performance in the first half of the year due to the over-production in Mainland China and the depreciation in JPY, and only resumed growth in Q3. With the expansion of exports, the growth rate of private investments has become more favorable on a quarterly basis. The fixed capital formation in Q1 declined by 5% and resumed a positive growth of 6.6% in Q2. The economy in Taiwan maintained its growth due to stable domestic demand and the recovery of foreign trade. The growth rate in the first three quarters was 6.6%, 5.1%, and 4.0%, respectively, and the growth rate throughout the year is likely to exceed 4%.

For the prospect of the economy in Taiwan in 2025, despite consumption, investments, and unfavorable disturbances faced by the U.S. and Mainland China, two major economies, the performance of other main economies (Europe and Japan) is likely to recover. The economic performance of emerging markets and developing economies, including Southeast Asia, South Asia, Africa, and Latin America, is more favorable than in 2024; therefore, a main international forecast institution considers that the global economic growth speed in 2025 is the same as in 2024. In particular, the global trade growth rate is likely to increase from 2024, which is beneficial for the export sales performance of Taiwan.

In general, the global economy is resilient. Together with the U.S. and Europe entering the interest rate reduction cycle, it is likely to stimulate consumption and investments. The continuous expansion of global trade is beneficial for domestic output and private investment performances; together with the stable growing momentum for private final consumption expenditure, it is expected that the economic growth in Taiwan in 2025 will rely on the support of domestic demand, and the contributions of pure foreign demand are likely to recover. The overall performance is stable domestically and mild overseas; however, affected by the high base period, the economic growth range throughout 2025 is lower than in 2024. According to the latest forecast published by the Taiwan Institute of Economics Research, the GDP growth rate in 2025 is 3.15%, representing a reduction of 0.88% from the updated 4.03% in 2024.

The following is the market trend description of the RF connector end application relative to EZconn:

(1) Cable television market

RF connectors are used on cable televisions in the North America market. Since each cable television Multiple system operator (MSO) uses a different connector, end customers have to change all RF connectors when they use products from different system operators. Besides, human resource costs in the area are higher; thus, system operators usually will change all connectors in a house during establishment or repair. The transmission amount from a local family is not high, so most system operators lay coaxial cables to save the costs. All the factors above contribute to a stable demand of RF connectors from the system operators in the North America every year.

For long distance cabling, fiber optics has more advantages compared with coaxial cables. Usually, lots of information is gathered together for long distance transmission, resulting in a large transmission amount. Signals fade away with distance becomes longer, and fiber optics adoption allows higher transmission amount and decreasing signal decay. Yet for short distance transmission, cable extension or shifting is often needed; thus, coaxial cables have more advantages compared with fiber optics due to the price. Coaxial cables are thus laid in most applications. The main stream in the cable television and network around the world is to adopt the Hybrid Fiber and Coaxial (HFC). It combines the advantages of fiber optics and coaxial cables, use fiber optics as the backbone to provide high speed connection to fiber nodes. The optical receiver then turns the optical signal into TV signal and coaxial cables will send the signal to the users' ends. Recently, most countries have been actively laying fiber optics. The use of RF connectors grow stably with its complement to the fiber optics.

(2) Cable broadband market/communication application

Cable broadband service is mainly provided by cable television system operators. Countries in the emerging markets mainly use fiber optics for network establishment, resulting in the abrupt rise of optical communication. While in the developed countries in the North America, the structure of the network foundation is cable broadband. Therefore, the need for RF connectors

is still stable. Wireless transmission and fiber optics transmission both use connectors connected to the antennas of the data modems or mobile networking devices of the client. The connector is a kind of RF connectors. The RF connector field can thus grow for its complement to optical communication field. The trend of optical communication and wireless transmission will not decrease the need of RF connectors.

Optical communication products

Currently, optical communication adopts optical fibers for data transmission. The transmission is a kind of cable transmission. Optical fiber is usually known as “fiber optics”. It takes the idea of total reflection to transmit light through the fiber made from glasses or plastics. The transmitter on one end of the fiber optics is usually a LED or a beam of laser that pulse transmits the light to the fiber optics. The receiver on the other end of the fiber optics adopts the photosensitive element to detect the impulse. By turning on and off the signal flashlight, a series of flashing light image is produced, and it is called the “optical signal”. The light can form shorter impulses, giving it the ability to form the image with higher density and more information. By combining the image units, “stacks” can be formed and a large volume of information can be contained in one fiber for transmission. Fiber optics has the advantages of high speed and capacity, long transmission distance and lower signal disturbance. Fiber optics is also light; therefore, optical communication has always been the communication technology with great development. Many telecom companies adopt a large amount of optical communication devices as the backbones for network transmission.

Advantage and Disadvantage of Optical Communication

Advantage	Disadvantage
1. Great communication capacity. The bandwidth can reach above 1~2GHz and will not be disturbed by electromagnetic wave.	1. The cost of its components is higher.
2. It communicates to a long distance and this can help lower the costs.	2. Fiber optics is more fragile and easier to get damage.
3. It is light and small, which will save the space.	3. Higher construction cost.
4. It can be highly secured, allowing it to be used in the military field.	4. It requires finer cutting and connecting technology

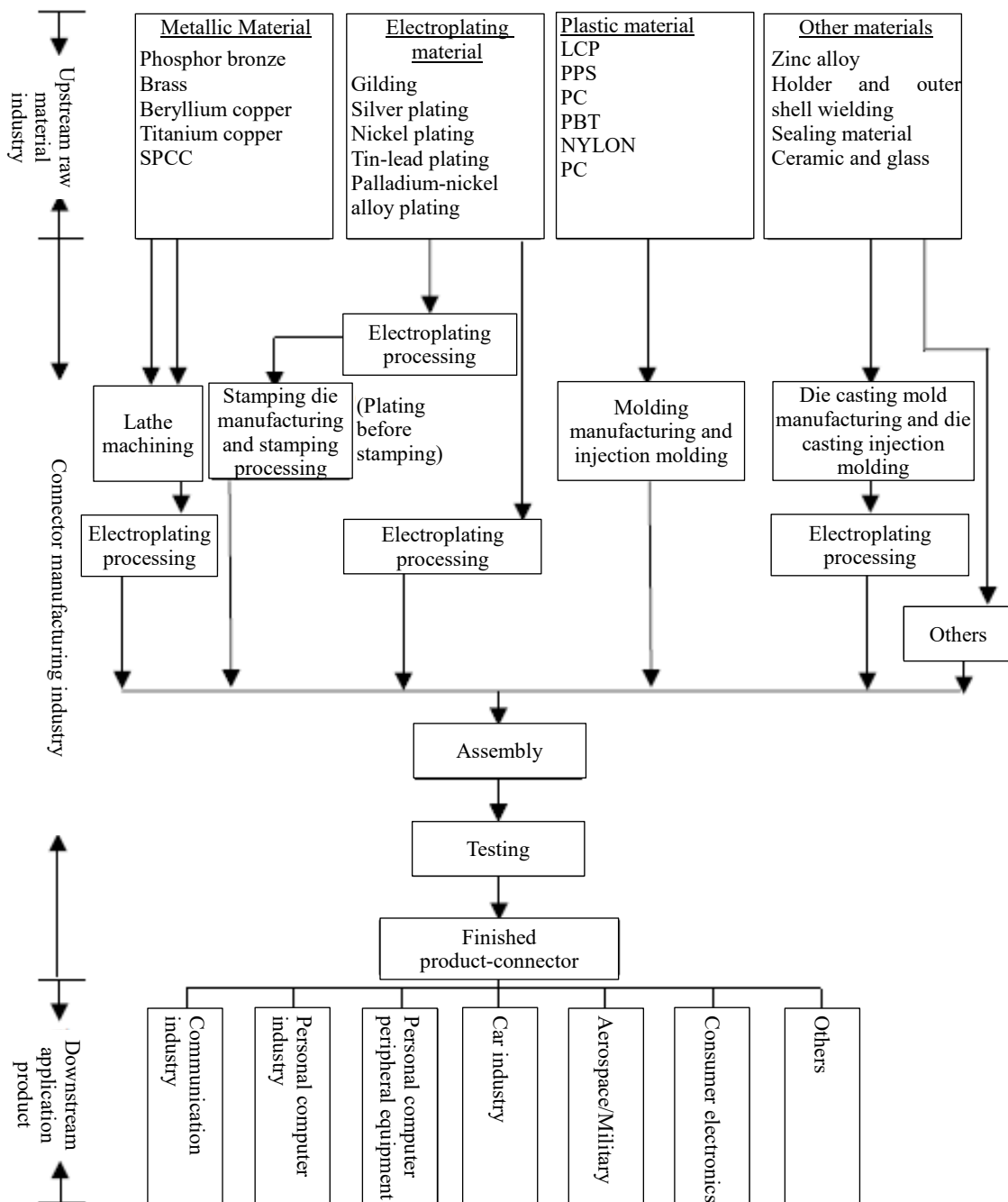
Source of information: Taiwan Institute of Economic Research

Generally, optical communication products can be divided into the following categories: Raw materials (fiber optics and optical cable), components (photoelectric active component and passive component) and optical communication devices. The increasing demand from the end market contributes to the stable growth of the optical communication industry. The opening of Facebook to the public in September 2006, represented a gradual change in the users’ habits on the Internet. The users have gradually transformed into information senders instead of just information receivers in the beginning. More and more social network platforms such as YouTube, Twitter and Weibo focus on the interactions between users. In addition, with the rise of online games, Internet users started to have higher demand on the transmission amount and speed. The first iPhone started its sale in June 2007, and this sped up the popularity of smart phones, tablets, smart TV and other intelligent devices. It deepened the customers’ dependency on the Internet as well. Customers started to have more and more demand on the Internet bandwidth. The recent rise of cloud computing, the establishment of data center and the concept of the IoT are still the trends. Companies and customers’ needs toward big data transmission and storage have increased greatly. They foster the USA, Japan, China and other countries to actively establish fiber optics network infrastructures to cope with the increasing demand for big data transmission like media video transmission.

2. The relation between the upstream, midstream and downstream companies in the industry

RF connectors

EZconn Corporation is a manufacturer that manufactures professional connectors. The raw materials needed are bronze and plastics and they come from the upstream companies in the cooper industry and plastic industry. Our end products are widely used in the electronics industry, communication industry, consumer electronics industry and transportation industry. We listed the relation between the upstream, midstream and downstream companies in the figure below:

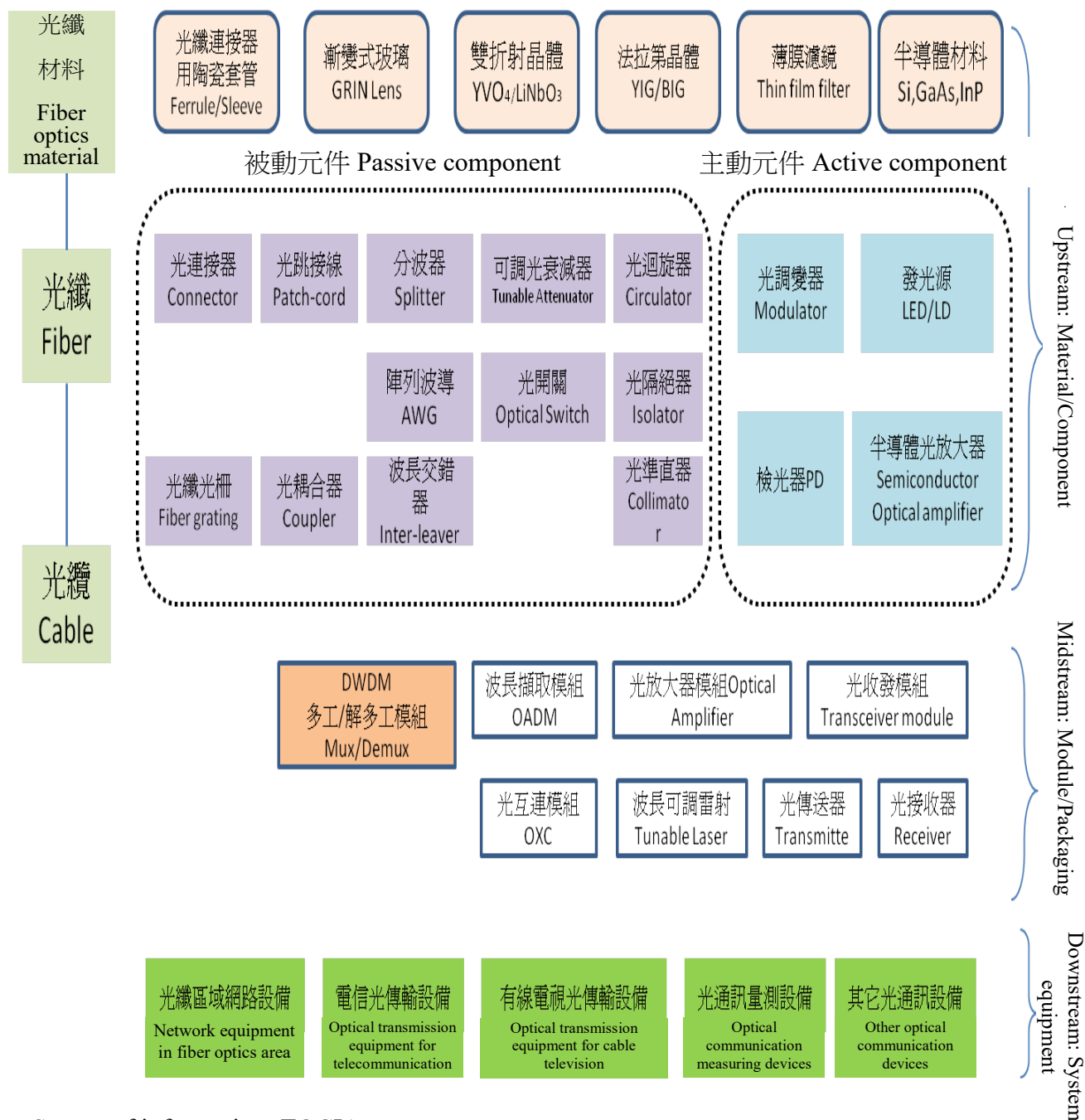


Source of information: IT IS program of the Industrial Technology Research Institute

The upstream raw material companies of the connector industry are suppliers of metals, plating plastics and other materials. The midstream companies are companies that design, assemble and manufacture connectors. The downstream companies are suppliers of all kinds of electronics. For the upstream raw materials, metal, plating and plastic materials are mainly used. Metal material is used for its mechanical strength, great conductivity and heat tolerance. Domestic connector manufacturers adopt the cooper alloy lead frames mainly made from brass and phosphor bronze. Although the international laws have no definite regulations for the “green product”, presenting the certificate stating the product does not use any forbidden material has become a trend. When unreliable materials are used in the products, customers might return the connectors. It will cause the distrust between the customers and the connector manufacturers as well. The downstream customers are trying to eliminate the connector suppliers they cooperate with. It is highly possible a supplier will be replaced. The trust we and long-term cooperation we have with the upstream suppliers are the best protection we have for the fine raw material supply. They also stand for the credibility of the certificate proving no forbidden materials are used. As for the downstream application industry in Taiwan, industry of computer and its peripheral products is the main industry that adopts connectors. Our RF connectors mainly are used in the system establishment of cable TV and the infrastructure of cable broadband.

Optical communication products

Fiber optics transmission equipment can be divided into 3 main categories: Raw materials (fiber optics and optical fiber), photoelectric active components and passive components. Photoelectric active components are the photoelectric components that need electricity for optical to electrical signal conversion or electrical to optical signal conversion and optical signal amplifying. Photoelectric passive components are the components responsible for optical signal transmission and modulation and are not related to photoelectric power conversion. The relation between the upstream, midstream and downstream companies in the industry is listed down below:



Source of information: TOCIA

3. Product development trend

RF connectors

With the development of electronic industry and technology, the RF connector type has become more and more diverse. Besides, people are pursuing the electronics to have higher speed, to become miniaturized and even to save more energy when using them. Some of the demand for the performance of the connectors is higher than it ever was and this leads to the development difficulty nowadays. Yet it is the key for manufacturers to survive in the industry as well. Each connector manufacturer has its own expertise, but it is still very important to know the general development trend of the connectors.

Connectors are widely used in the industries of car, computer and its peripheral products, communication and data application, military and aerospace, transportation, consumer electronics, healthcare, instrument, and business equipment. After our analysis, the industries that grow the most are car application, communication device and consumer electronic industries. Other industries such as the computer industry or the instrument market are almost saturated. Unless other novel application turns up, or the 3 industries growing the most should be the focus of the connector manufacturers.

The development trend of connectors is based on the trend of consumer products - higher speed, miniaturized and against harsh environment. If we observe the automobile, communication device and consumer electronic industries, we can see that they need more and more smaller components of higher speed and anti-interference functionality (including the interference resulted from high-speed transmission and the external physical and chemical damage or wear from the harsh environment to the connectors). Therefore, adopting new materials or technology to satisfy the need or resist the damage becomes the development trend for the connector manufacturers to work on.

As for making the connectors miniaturized, the trend for the main information or consumer electronic connector includes shortening the component clearance and reducing the connector itself. The former has always been the development trend in the connector industry. For example, shortening the component clearance from 0.5mm to 0.4mm or even to 0.3mm. Lowering the profile by adopting FPC or the board to board technology. Each connector manufacturer adopts its own technology to reduce the size of connectors but some variables are often ignored. For example, many consumer electronic devices require multiple connectors to meet the function of the devices. Improvement can be made in the design. Connectors used on the phones contain ground clamps, antenna, speaker and a vibrator. If too many different types of connectors are used, unbalanced elasticity, non-standard, or loose contact resistance might happen. Besides, quality inspection needs to be performed on multiple components. If the single contact connector design that can be utilized in all functions is adopted, reliability can be improved significantly, and the cost can be reduced as much as possible.

Carefully choosing the material and the material quality can achieve smaller design with less effort and obtain more benefits. Using the design to strengthen the connectors, such as the copper-beryllium alloy is often used as the material for the contacts of the connectors for it bears memory capacity and is highly conductive. Same material with a different thickness and beam column length will present different parameter changes.

Besides the adopted materials, complying with the International Protection Marking, IP66, IP67 and IP69, so that the connectors are water-proof and

impact-resisting or have the sealing that can tolerate water pressure, and the UL certification are indispensable for the reliability of the connectors. To provide higher reliability for the cell phone circuit, force fit the contact in the module of the injected glass and use ceramic composites to seal the contact.

The main process of connectors in Taiwan is highly integrated. In addition, with our mature technology of computer connectors, international companies have considerable trust on our products. Benefited from the international low price trend of the electronics, huge international companies have been releasing orders to domestic manufacturers. Yet there are still potential risks regarding the cooperation between the domestic connector manufacturers and the upstream suppliers.

If we analyze the domestic connector industry structure, we can see the domestic connector industry lacks for material supply from upstream. High-end material is mostly imported from international suppliers, leading to insufficient bargain room and the pressure on cost for domestic connector manufacturers. We should also pay attention to the international requirement for “green products”. Without considering the foreign materials existing in the recycled materials, connectors usually only contain “lead” as a raw material. However, to comply with lead free plating requirement, the trend now is to adopt tin cooper or plate thin nickel before tin is plated. Japan controls the tin/cooper plating technology and plating thin nickel before tin will lead to higher cost. High-end plastic materials of reflow are controlled by international companies. The “green product” trend will definitely affect our low price strategy. As a result, strengthening the domestic upstream material supply becomes very important for the development of the domestic connector industry in the future.

Technology trend for the domestic RF coaxial connectors

Technology Trend	Description
Multifunctional	It connects the signal and process filter, mixing, attenuation and phase modulation.
Highly stable	SMT, press-in mounting
Miniaturized	Stamping only once. The connector height is only 2-3 mm.
Modularization	Available for close packing, blind mating and surface mounting
Affordable	Adopting composite material and affordable structure

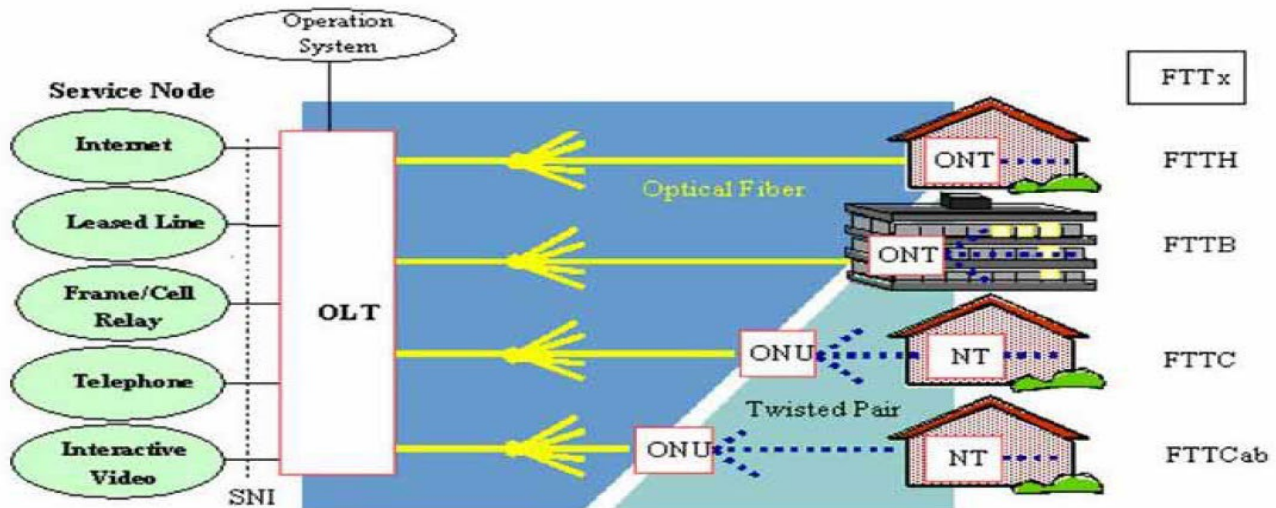
Source of information: Industrial Technology Research Institute (IEK)

Optical communication products

(1)FTTx

The digital era has led to the strong demand for network bandwidth around the globe. The diverse development of media application, including network TV, VoIP, P2P movie and music downloading, will result in the network bandwidth upgrade globally. IBTS states that since the current bandwidth is not enough to satisfy the huge data demand, the need of media application from the users now will trigger the bandwidth upgrade. The choice with the most attention is the FTTH network service. IBTS also states that with customers’ potential need for bandwidth upgrade, telecom companies will be more active to lay fiber optics and establish relative triple play application services. For the network communication device companies and optical communication component companies around the globe, this is their best chance to expand business opportunity and improve operational profits.

FTTx Diagram



Source of information: Emerson.com

To satisfy the strong need, the Company has developed several kinds of bi-directional or triplexer optical sub-assembly designs for the FTTx application. The designs include RFOG BOSA, SC/APC Receptacle BOSA, Compact BOSA (1/2 size of current BOSA), BOSA with OTDR and OLT BOSA which doesn't need isolators for the central office. Moreover, to cope with the increasingly growing need in the future 1 to 2 years, we developed 10G GPON BOSA. And multi-fibers armored optical fiber patch-cord (MPO/MTP) is developed for the bandwidth demand of data center.

(2) Optical wireless communications (OWC)

With the increase in reliance on communication worldwide, stable network connections and data centers have become crucial. Regardless of financial transactions, transportation systems, or emergency rescue, stable communication is indispensable. To avoid "network silos" due to natural disasters, wars, and other accidents, the market attaches further attention to backup high bandwidth communication systems other than traditional fixed fiber-optic systems.

Future trends of OWC: As radio wave technologies can no longer satisfy the modern requirements for high-speed data transmission, the market turned to free space optical communication (FSO) with greater bandwidth, which is particularly suitable for the following three scenarios:

- a. Ground-to-ground communication: High-speed backup networks in cities or remote areas.
- b. Ground-to-orbit communication: Ensure global high-speed data transmission.
- c. Orbit-to-orbit communication: strengthen the stability and efficiency of the global orbit network.

The Company has accumulated multiple crucial technologies in the OWC field to lay a foundation for entering the space industry, including:

Complete optical communication production technologies

High-precision tracking technologies

Miniature of optical systems

At present, we are actively cooperating with space centers and partners in relevant industries to promote the following plans:

- a. Technological cooperation: Obtain the crucial technology parameters for the system design to ensure that products comply with the specifications in space.
- b. Product verification: Ensure that the products operate steadily in the space environment.
- c. Explore the international market: Seek cooperation opportunities with the international space industry.

OWC will become a crucial technology in the future. We possess relevant core technologies and make preparations for future growth and international competitiveness through active industrial cooperations to bring long-term stable growing drivers and return to shareholders.

(3) Next-generation data center exchange networks and HPC

With the continuous development of AI business opportunities, high-speed transmission has become the focus of the next-generation data center exchange networks. The CPO of silicon photonics has become the future crucial technology for semiconductors due to its high performance, low power consumption, small sizes, and other features. The Company will focus on the following key points for the development of CPO technologies:

- a. High-performance optical components: Convey optical signals on silicon chips to improve transmission speed and efficiency.
- b. Low power consumption: The decrease in the heat generated from photon transmission reduces power consumption and heat dissipation issues.
- c. High integration: Integrating optical components with semiconductor devices to create a more compact and efficient system.
- d. Advanced procedure technologies: High-precision nano-grade procedure technologies are required.

As the passive optical devices of the Company provide stable connections, reduce signal losses, and support multi-channel connections, it has significant potential in the development of passive fiber-optic connectors, particularly in the COP systems that require high-density fiber-optic connections. In addition, our automatic optical coupling technologies can help to achieve greater benefits in the following crucial procedures:

- a. Improve production efficiency: The automatic optical coupling technologies improve assembly efficiency and reduce manual operations.
- b. Perfect alignment: Realize perfect alignment to reduce signal losses.
- c. Consistency and reliability: Ensure the consistency and stable performance of products.

The automatic optical coupling technology improves production efficiency and product quality for CPO products, reduces costs and supports complicated designs, making it more and more important in the rapidly growing photoelectric market.

4. Market Competitive Landscape

RF connectors

The development direction for the connector companies was well-separated in the early days. However, under the trend of “Market Globalization” and “Product Maturity Stage”, companies started to compete with each other in the overlapping fields. Although Japanese companies occupy almost the entire high-end market, the FPC and the Board to Board technology for connectors has reached the limit. They are now forced to satisfy the customers’ need in the low-to-mid-end market. American companies have started the price war due to the low price trend of electronics as well, threatening the place of Taiwanese companies in their main market.

In order to survive, Taiwanese companies stepped out the computer application market with little profit and started to develop network communication products, consumer products and other mid-to-high-end products, gradually orienting to total solution services. Regardless of Taiwanese connector companies’ place in the global computer connector market, the mid-to-high end product yield rate of the companies still needs to be improved. The supply of high-end FPC and Board to Board connectors still relies on production in Japan and the USA. Most Taiwanese companies still cannot provide effective total solution services.

While the technology of Taiwanese companies has improved in recent years. They will quickly gain the market share of the market dominated by the USA now. Since companies have started to compete with each other in the overlapping fields, mass-production ability, yield rate control ability, capacity for providing products on-site around the world and total solution services will all be the factors deciding whether a company stands.

Competitive landscape the domestic RF connector industry faces:

- (1) Inadequate capacity and a scale that’s too small.
- (2) Obsolete idea for market competitive landscape leads to manufactures selling products at a price lower than the cost. Other unfair competition events have occurred too.
- (3) Poor globalization consciousness. Unable to satisfy the need for the new economic era.
- (4) Less developed digital and electronic commerce management.
- (5) Lack of professions related to RF connectors in the college and university, causing the lack of professionals.
- (6) The emergence of new competitors and local production.
- (7) Less developed technology for precision connector and SMT connector.

To meet the market need, EZconn adopts low cadmium and lead materials on our products to comply with the RoHS and REACH requirements. Besides, we purchased professional detecting instruments (detecting instrument for hazardous substances) to perform control starting from the raw material stage. Relative products have gained value from the customers. The Company successfully developed the materials complied with the EU requirement (RoHS) and imported them into relative processes. In addition, we perform production control in the whole plant and ensure to use eco-friendly materials. We thus gained the trust of global renowned companies.

The development trend for the end application of our products is moving toward miniaturization. To follow the trend, EZconn has been sparing no efforts on creating the difference from other companies in the field and improve our competitive edge. We strengthen the R&D of the market and the certificates to make sure we are in the leading position in the industry.

Optical communication products

The key component technology is still controlled in the hands of large Japanese manufacturers; therefore, the vertical technology integration with the upstream optoelectronic companies is not complete yet. With our core technology that has been developed for years and the fine processing capacity, the quality of the optical transceiver sub-assemblies and fiber optic passive components we produce has great reputation and word-of-mouth publicity. We have gained the trust of large Japanese companies and have long-term cooperation with them. We not only produce products of our own brand, but also try to get business from several ODM/OEM companies and build agency business of relevant equipment. By adopting flexible diversification strategy to operate the business, we are hoping to improve our overall competitiveness. The Company is currently deploying the data center market and cooperating with international manufacturers to develop related computer room data storage equipment. Recently, the company has completed product certification and received orders, which has improved its competitiveness to a certain extent.

(III) Technology and research development status

1. The R&D expenses in the recent years

Units: NTD thousands; %

Year	2020	2021	2022	2023	2024
R&D Expenses (A)	113,189	99,405	107,090	104,354	102,458
Net Operating Revenues (B)	2,413,548	2,813,016	2,940,188	2,617,385	6,410,405
R&D Expenses Percentage (A)/(B)	5%	4%	4%	4%	2%

2. Successfully developed technology or product

(1) Successfully developed technology or product

The products manufactured by the Company and its subsidiaries can be divided into 2 categories, RF connectors and optical communication products. R&D of the 2 categories has different outcomes and benefits with different product characteristics and customers' needs. 2024 main R&D outcomes of different products are listed down below:

Category	R&D Outcome
RF connectors	New RF tool-free High-Frequency Connector series
	New RF-compressed High-Frequency Connector series
	New high-frequency 65GHzmmWave High-Frequency Connectors
	New high-frequency 50GHzmmWave transmission cable series
	New RF high-frequency hard wire connector series

Category	R&D Outcome
Optical communication products	1310nm 9GHz RFoF optical transceivers
	10G/25G Combo PON optical submodules
	High-speed polarization-maintaining (PM) fiber-optical connector designs
	High-density Mux/DeMux modules for data centers
Industrial products	OCT industry testing modules

(2) R&D patent

The research and development patent achievements of the Company and its subsidiaries are as follows: (information as of February 28, 2025)

Category	Patent Amount	Country Issuing the Patent					
		Taiwan	China	Japan	The United States	EU	Others
Issued							
RF connectors	92	25	13	6	46	1	1
Optical communication products	92	32	26	6	26	1	1
Total	184	57	39	12	72	2	2
Applying							
RF connectors	19	-	2	-	14	-	3
Optical communication products	28	3	3	1	16	5	-
Total	47	3	5	1	30	5	3

Category	Purpose of Use
RF connectors	New coaxial connector used on millimeter wave
	New tool-free coaxial connector used on CATV
	New fast-lock coaxial connector for CATV
Optical communication products	Optical components with OTDR
	Fiber-optical network sharing devices and systems
	Multiplexers
	PON network systems with OTDR

(IV) Long-term and short-term business development plans

1. Short-term development plans

RF connectors

(1) Marketing strategy

- A. We stabilize the basis of existing customers and developing new customers in the targeted industry to expand the market share.
- B. We base our foundation in Taiwan, establish the marketing center in Taiwan and manufacturing sites overseas, and keep up our competitiveness with mass production and the advantage of costs to ensure the continuous growth of business.
- C. A strategic alliance for marketing or partnerships with main customers is established to promote our core products and plan marketing project management based on the customer-oriented idea. We grasp the market trends to respond to the customer demand for diversified and timely products.
- D. The Company is dedicated to providing the complete service before and after the sale for customers with our series products and overseas business locations. This will help us gain more orders that are international and increase our market share.
- E. We pro-actively promote standardized products and increase the commonality of each product to provide convenient designs that meets the cost benefit for customers.
- F. By following the business operating goal, we search for new products and make efforts to develop different product markets to increase sales and profits.
- G. Reinforcing human resource cultivation and performance assessment.

(2) Production strategy

- A. Mass and flexible production capacity.
- B. Ensuring the product quality and promoting the service satisfaction of the customers.
- C. Improving the production efficiency in the production base in China. Reaching scale economies and forming a low-cost production system with vertical integration.
- D. Improving efficiency and product yield rate. Following the forecast from the customer's end to schedule the manufacturing for orders. This will help decrease the loss due to inactivity and increase productivity effect.

- E. After specification of products in each plant, logistics will take over to increase productivity and reduce cost.
- F. Production management means manufacturing based on plans and orders to control mode and increase production efficiency.

(3) Product strategy

- A. Increase R&D capacities and capacity of FILTER product.
- B. Improve the R&D, production verification and promotion of photoelectric integrated products.
- C. Collaborating with international companies on product development and design, launching niche products that meet the market needs rapidly.
- D. Forecasting hot products in the future market and develop them first.

(4) Finance strategy

- A. Continuing to implement the information integration for the Group. Effectively utilizing domestic and overseas plant resources.
- B. Helping subsidiaries overseas build a fine financial relationship with local banks to increase the flexibility of capital movement.
- C. Establishing close cooperation and mutually beneficial relationship with the financial institutions with which we collaborate. Grasping the financial market trends to improve the financial utilization performance.
- D. Adopting pay-as-you-go strategy to perform natural hedging and use financial products appropriately to avoid exchange risks.
- E. Strengthening the Company's financial management and risk management.

Optical communication products

(1) Marketing strategy

- A. Continuing to expand the growing XGSPON market in Europe and America to satisfy the market needs and stabilize the market share.
- B. Actively obtaining the opportunity to supply the 25GS-PON of the next generation to the main customers.
- C. Continuing the close cooperation with the equipment suppliers to develop customized products with additional value, and increasing product profits to create a win-win situation.
- D. Cooperating with certain customers to provide 25G 、 50G OSA or OEM/ODM services for modules.
- E. Importing the QSFP products that the data center needs and multi-fibers armored patch-cord (MPO/MTP) to satisfy its bandwidth need.
- F. Cooperating with clients closely to develop highly customized products so that we can stand out among other competitors.

(2) Production and purchase strategies

With the rapid growth of the communication network service demand in China, the demand for fiber optics communication parts and components will rise in the future. The trend will lead to the increase of production and the rapid decline of the price. The Company will be more active on stabilizing material acquisition and quality management, improving cost control and production efficiency. We will speed up the import of automatic machines to decrease the human resource cost.

The Company's short-term purchase strategy is based on the demand of current customers, the price and the internal inventory amount that can be managed effectively. To achieve the goal, the Company will form a reliable partnership with key component suppliers.

(3) Research strategy

The focus of the Company's short-term development strategy: Designing customized optical sub-assembly to meet the requirements of the customers in the development cost and time of optical sub-assembly components. By improving and standardizing product design and process technology, we can decrease the cost of use for our customers.

The Company will jointly develop key optical components and sub-modules needed by different academic research units and product design companies, and assist them in completing mass production requirements, so as to expand its business to products outside the optical communications area.

2. Long-term development plan

RF connectors

(1) Marketing strategy

- A. Vertical integration in the Group.
- B. Stabilizing customer relationship.
- C. Integrating core products with the strategic partners and expand the product line to gain business opportunity.
- D. Establishing the professional image for the Company to build brand authority.
- E. With the advantage of having complete product series, we integrate the channel systems between the Company and customers, establish brand marketing strategies and improve brand awareness.
- F. Complying with the international trend and the customer's demand, we promote the EICC (Electronic Industry Code of Conduct). Improving the employees' rights and welfare to catch up with the international trend. These will not only strengthen the Company's image around the globe, but also satisfy the requirements of our international customers.

(2) Production strategy

- A. Automatic production and process improvement will decrease the cost and increase our competitiveness.
- B. Strengthening the supply chain.
- C. Investing the production device and testing equipment with high accuracy to ensure the quality.
- D. Effectively integrating the suppliers to establish complete and efficient SCM (Supplier Channel Management), helping increase production value and reduce the cost.
- E. In addition to the role of a producer, the production base in China must support the development of the market to expand the market in China.

(3) Product strategy

- A. Develop products in the new field.
- B. Expanding the usage field and product specification of our current core products and continuing to develop the products with high additional value to meet the demand of the market in the future.
- C. Cooperating with international companies with the idea of Time to Market and Time to Volume and developing new products simultaneously.
- D. Developing RF and high speed transmission connectors.
- E. Developing connectors for cellphones and radio communication.
- F. Searching for technological cooperation partners to develop connectors for optical communication.

(4) Finance strategy

- A. Stay friendly with financial institutions to well manage the capital needs and make plans for mid-long term funding according to the needs of capital transfer and domestic market exploration. Raising long-term capital at a lower cost from the capital market to increase the working capital and complete the financial structure.
- B. Considering the operation scale, business performance growth and capacity expansion, the Company should not only support the financial plan with own funds and the loans from banks, but also make use of the wealth management tools on the capital market. We will rise capitals from the capital market when it's appropriate and strengthen the Company's financial structure in the hope to ensure sustainable operation and long-term growth of the Company.

Optical communication products

(1) Marketing strategy

- A. Actively integrating the upstream product line to control key components. This will not only help lower the cost of the current 10G PON product and control the market share, but also benefit the “miniaturization and integration” development of the next-generation products.
- B. Actively involving with device suppliers to work on strategy alliance. Improving the customer service level from “sub-assembly component” to “Sub-System Module”.
- C. Speeding up the product line deployment on the 25G and 50G PON optical transceiver module end and the client end to get ready for the situation when the 10G PON market is saturated.
- D. Cooperating with telecom companies to enter their supply chain and connect with the product line of EZconn.
- E. Establishing the complete marketing channels and separating customer source through exhibitions.

(2) Production and purchase strategies

The demand for fiber optics communication components production capacities is increasing, the product price is decreasing rapidly and customized product trend is rising. All of these factors will lead the Company to the severe challenge of key material acquisition costs, inventory management and production efficiency. The Company's strategies are:

- A. In the respect of manufacturing and production, the Company will continue striving for a balance between internal production and OEM service to create most profits for the Company.
- B. As for the purchase strategy, the Company will effectively manage the supply chain and the internal need of the supplier. We will continue the long-term and stable supply contract with the suppliers of key components, making them reliable partners to reduce the risk of material acquisition and inventory.

(3) Research strategy

- A. Vertical technology integration. Expanding from optical sub-module design to chip packaging and high-speed module design.
- B. Collaborating with domestic/international customers and research institutions to develop new products together and improve our product technology.
- C. Planning the optical communication products development related to data center, 5G communication and the need of IoT.
- D. Integrating the customer's demand and the manufacturing technology of the critical part suppliers and working with them to shorten the R&D time and reduce the cost at the R&D phase of new products.
- E. Developing non-optical communication application products based on the core optical communication technology.

II. Market and production and sales

(I) Market analysis

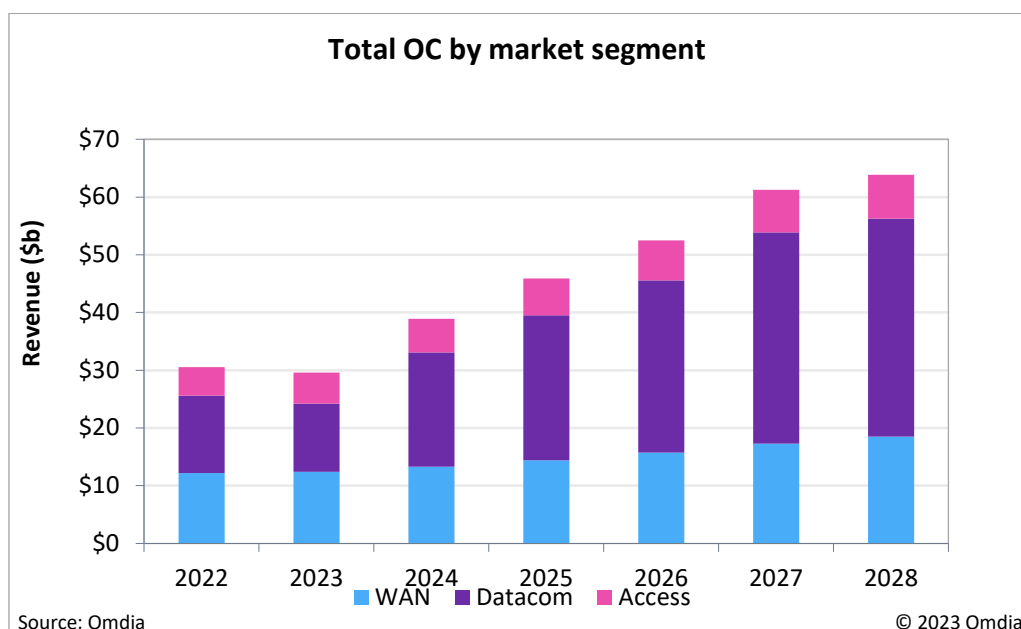
1. Revenue percentage analysis in sales area

Unit: NTD thousands

Area	2023		2024	
	Amount	%	Amount	%
Domestic sales	666,849	25%	780,436	12%
International sales	1,950,536	75%	5,629,969	88%
Total	2,617,385	100%	6,410,405	100%

2. Market share

The net revenue of the Company and its subsidiaries from High-Frequency Connectors in 2024 was NT\$508,670 thousand (approximately US\$15,840 thousand). The scale of the global connector market increased from US\$66.7 billion in 2018 to US\$84.1 billion in 2022, with a CAGR of 5.97%. The growth in the downstream terminal market and the advances in technologies will facilitate the continuous expansion of the future connector market scale. In 2023, the global connector market scale reached US\$90 billion, and the market scale will further increase to US\$95.4 billion in 2024. The global market shares of the Company and its subsidiaries' High-Frequency Connectors is 0.02%. The net revenue of the Company and its subsidiaries from optical communication products in 2024 was NT\$5,901,735 thousand (about US\$183,786 thousand). According to Omdia, the market scale of global optical communication access and datacom components in 2024 was about US\$20,466 million, and the global market share of the Company and its subsidiaries in optical communication products in that year was about 0.90%.



3. Market supply and demand status and growth in the future

RF connectors

One of the main application fields for RF connectors is the telecommunication field. With the rapid growth of technology, the communication network upgrade

around the globe becomes more and more frequent. Taking Taiwan for example, in July 2020, it officially entered the 5G era. In half a year, the scale of more than one million users has been achieved and the 5G network speed ranks fourth among the 12 countries. Looking forward to the new year, the five major telecommunications companies will continue to grow 5G users, and accelerate the construction of base stations.

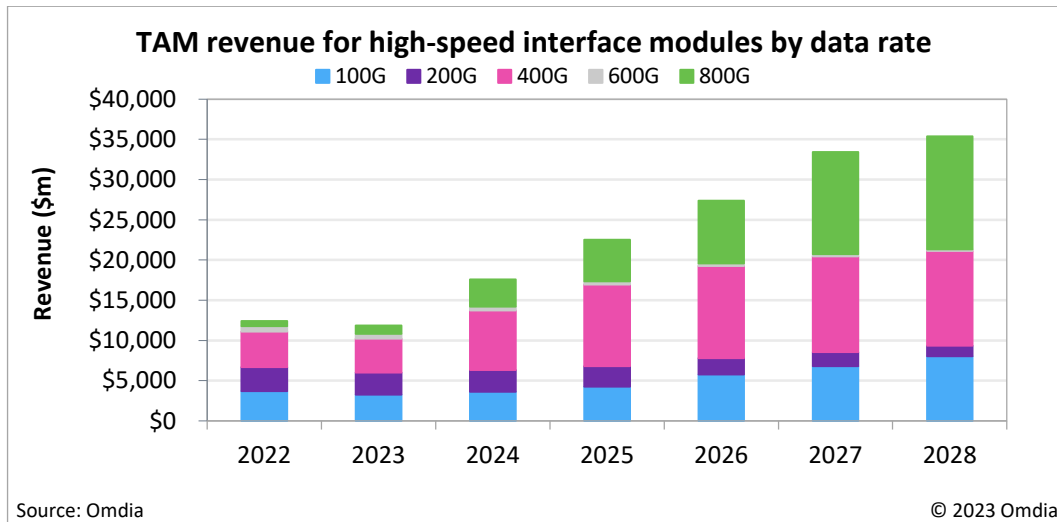
With the promotion of emerging applications such as 5G, AI, high-performance computing and Internet of things, plus the international competitive advantage of high-level processes of leading semiconductor manufacturers in Taiwan, it is expected that the production and sales of information electronics industry will maintain a stable growth.

Summing up the domestic and foreign political and economic situations, the ITRI organized the “2025 Taiwan Manufacturing Industry and Electronic Part and Component Industry Development Prospect Press Release” and published the development prospect results of the manufacturing industry and electronic part and component industry for 2025. It is estimated that the economic development will slowly recover in 2025. Assisted by the expansion in the AI terminal application business opportunities, it is estimated that the production value of the overall manufacturing industry will reach NT\$25.9 trillion, with an annual growth rate of 6.48%. The scale of production value of the electronic part and component industry in Taiwan will reach NT\$2.4 trillion in 2025, representing a growth of 7.5% from the preceding year.

With the advent of the 5G era, the demand for high-frequency signal transmission will drive the radio-frequency connector industry to achieve overall technological upgrading and value enhancement. According to the forecast of Global Information, it is estimated that the global connector market from 2024 to 2028 will grow by US\$26.67 billion, and the CAGR during the year forecasted is 6.48%.

Optical communication products

The benefit the optical communication industry gains from the end market's need is increasing. The recent rise of cloud computing, the establishment of data center and the concept of the IoT are still the trends. Companies and customers' needs toward big data transmission and storage have increased greatly. They drive the USA, Japan, China and other countries to actively establish fiber optics network infrastructures to cope with the increasing demand for big data transmission like media video transmission. As shown by Omdia data, all optical communication components have benefited from the strong demand in the terminal market with a rapid growth. Overall, the output value will grow from US\$11,401 million in 2023 to US\$36,238 million in 2029 at an annual compound growth rate of 21%.



4. Competition niches

(1) Strong R&D design and production capacity

The R&D teams of the Company and subsidiaries have been devoted to research in the fields of production process design, process simplification and automatic testing for a long time. With the experience in the R&D and mass production for many years, the Company owns outstanding optical, electrical and mechanism designs and many international design patents. We can develop and manufacture customized components according to the customers' needs, and improve the simplified process and the product quality from the design end. We also develop automatic machines, such as the laser optical coupling device and the coaxial connector automatic bounding machine. This not only effectively increases the product production stability, but also controls the material and production cost, making our product price more competitive in the market. By integrating the efficiency of different products, we can schedule the delivery to meet customer's requirements. The production mechanism adopted by the Company and subsidiaries has gained the ISO 9001 and ISO 14001 certificates, and our products has obtained the IECQ QC080000 environmental certificate.

(2) Joined the 25GS-PON MSA Group to participate in the promotion of 25GS-PON network technical specifications.

The Company and subsidiaries have been working with downstream international companies on collaborated projects for years; thus, comparing with our competitors, we are more likely to be able to provide customized production or the total solution service for our customers. And by working with customers on collaborated development, we will have more chances to be more involved in the development of the industry trend than our competitors.

The Multi Source Agreement (MSA) is an agreement established for the communication interface development. It establishes a standard for the components used in the communication system and provides the index value and other specific parameters, and the device suppliers can design systems in accordance with MSA to ensure the interoperability and interchangeability between interfaces and modules. Taking optical communication module as an example, MSA defines the standards for the light and electrical characteristics, external size of the mechanism, transmission and receiving of pin. If an optical

transceiver module complies with MSA, it is the product with a certain degree of market recognition.

The goal of the 25GS-PON MSA Group is to drive and accelerate the development of the 25Gbs Symmetric Passive Optical Network technology. The 25GS-PON MSA specification is currently regarded as a key technology by many of the world's top operators and suppliers. Therefore, the company joined this association to jointly assist in promoting the development of related technologies to meet the massive information transmission needs of the mobile 5G era and large enterprises.

(3) Advanced technologies and products in the industry

A. 25G PON ONU Stick

25G PON ONU Stick is an ONU SFP Module that integrates with the PON MAC (media access control) layer, which can replace 10G PON/25G PON ONU BOX. It is small, hot-swappable, and requires no external power supply. The module is able to rapidly upgrade the home gateway with SFP ports and connect to 10G PON or 25G PON network services without replacing the entire home gateway, satisfying customers' requirements in a flexible manner and reducing operating and maintenance costs. IEEE-1588v2 and SyncE functions may be added to the module to support the network connection to xHaul of LTE/5G base stations. As compared to general optical module companies, the company and its subsidiaries technical team possesses the hardware and software development capacity for network system layers and the ability to provide support to customers.

B. 25G-PON/10G-PON compound optical fiber submodule

25G optical communications speed is replacing 10G to become the mainstream of the optical network. 10G-PON/25G-PON compound optical fiber sub-module is thus generated during the transition, which is an optical device with the integration of the former generation mainstream and the new generation mainstream communication systems. Utilizing wavelength division technologies, optical designs and structure design capacity as the design foundation, the company and its subsidiaries combined the foundation with its years of coupler experience to complete the design of high-yield processes to solve the difficulties of low-yield and low output of other companies when combining two sub-modules. At present, the company and its subsidiaries has a leading position within the industry by solving the yield issue through product and process designs.

C. PIC

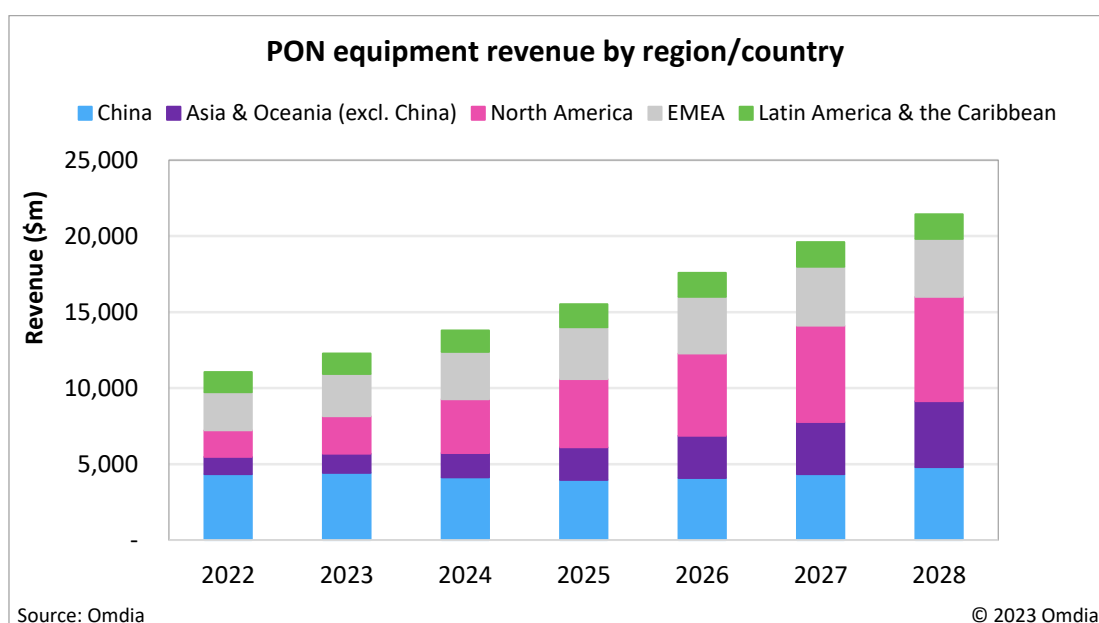
Due to the maturity and popularization of PIC with silicon photonics and InP, apart from high-end and high-speed (i.e., coherent optics, 800G, 1.6T and above) products that adopt the PIC technologies at present, the new generation BOSA also attempted to introduce the PIC technologies to obtain integrated WDM, microlens, and crucial PIC elements through the cooperation between silicon photonics design companies and silicon photonics foundry companies to allow the assembly of BOSA to use the PIC technologies to reach the target of micronization, lower costs, and production automation.

5. Favorable and unfavorable factors of development and countermeasures

(1) Favorable factors

A. Countries around the globe actively promote plans to improve information and communication transmission systems

In recent years, with the obvious improvement of the global economy, and the increasing demand for massive data transmission and storage by the government, enterprises and consumers, major telecom operators and cable TV system operators around the world have actively rushed to share this In the first market, in order to make the old transmission system meet the target of faster, larger and more stable transmission, the replacement and upgrade of the original transmission system and the laying of the new transmission system are in full swing, which further promotes the development of various communication systems. Requirements for transmission equipment, devices and components (as shown in the figure below). The 2 types of products the Company and subsidiaries produce are used in the RF transmission system and fiber optics transmission system. Therefore, both systems can obtain benefits from the trend. Fiber optics networks in most countries are mostly newly established transmission system; thus, they have higher demand for optical communication components and devices.



B. The rise of IoT and smart family

The concept of IoT (Internet of Things) is that all people and things can connect to the Internet through sensor components, information technology and wireless network are all getting more mature. Relative application includes car driving, security monitoring, logistics, medical care, entertainment and energy. The connection range can be small or large, from smart vehicles, smart families, smart buildings to smart cities. Its impact on people's lives is also increasing. Comparing to smart buildings and cities and other larger connection range applications, the development and application of smart family is becoming more common now. With the technology upgrade of the microprocessor, the data amount the smart family devices can process has greatly increased, and the manufacturing cost of smart appliances

has dropped considerably as well. These lead to the popularization of smart family. Besides being applied to family entertainment, IoT is applied to automatic chore assistance, safety monitoring and energy management. In addition, the trend of aging society makes the application of smart family to home care of elderly people become more important. It is common for an ordinary family to have TV in the life. With the large screen and connecting cables, TV is like a stepping stone and key item to the development of smart family.

The RF connector produced by the Company and subsidiaries is mainly used in cable TV transmission system. With the development of smart family in the future, we can expect the demand for wireless transmission from each terminal will increase in the aspect of home beautification and having a convenient life.

(2) Unfavorable factors and countermeasures

A. The price in the field is becoming more competitive

With the expansion of market scale, many competitors have emerged. Some of the companies in the field adopt a low price strategy to get more business in order to take up a place in the market. This results in a more competitive market price, and it might further reduces the product profit.

Countermeasures:

Some companies in the field choose to utilize cheaper materials and adopt standard production technology to perform mass production and manufacture products with the same function but poor quality, so that they may become more competitive at a lower price. However, the Company and subsidiaries choose to provide high-quality and customized products and services to distinguish ourselves from the low-end products. This can help us effectively raise the product price. The Company and subsidiaries have been working with downstream international companies on projects for years. Comparing with our competitors, we are more likely to be able to provide customized products or total solution services for our customers. We can also assist customers and develop business products that can be put into mass production. Besides, we help customers improve their product performance index such as reducing return loss and insertion loss of the coaxial cables. The Company and subsidiaries not only strengthen the competitiveness of product price but also work hard on reducing production cost. With the long experience in the field, extraordinary R&D and production capacity, the Company and subsidiaries can simplify the process from design and maintain the quality of products. We further upgrade the automatic level of the production line by developing automatic machines on our own, such as the automatic laser optical coupling device and the coaxial connector automatic bounding machine.

This way, the human resource cost can be reduced and the process efficiency can increase effectively as well.

B. Risks of concentrated sales of goods

We strive to obtain business orders from the first-rank companies in Europe and America for our RF connectors. The main end users for RF connectors are cable television companies. The development of the industry is mature and the company with more resources will only get bigger. Therefore, we mainly sell our products to large cable television companies in Europe and America, which is a kind of concentrated sale of goods. Our optical communication products are mainly sold to renowned equipment companies in the world. With the product integration in recent years, companies with more resources tend to grow bigger. Downstream optical communication equipment companies usually have stable cooperation with system suppliers and the upstream supplier chain. Unless major event regarding product quality or delivery occurs, they won't change the certificated suppliers easily. The sales ratio of the Company and its subsidiaries from 2022 to 2024 to the top ten major sales targets were 68.30%, 77.74%, and 88.25%, respectively, and there is a situation of concentrated sales.

Countermeasures:

(A) RF connectors

We strive to obtain business orders from the first-rank companies in Europe and America for our RF connectors. In addition, our business partners are mainly large companies in Europe and America. The development of the industry is mature; thus, most companies in the industry are large companies, and this lead to a situation of concentrated sale of goods. With our outstanding module and jig manufacturing ability, we obtain long-term and stable cooperation relationship with customers for our exceptional delivery time and terms. Despite the sales increase and reduction among the end customers, we still manage to decrease the risk of losing business by obtaining business from other customers.

(B) Optical communication products

The Company and subsidiaries shall spare no efforts to improve our product quality and strengthen the manufacturing capacity. We have become the main supplier of many large companies for our exceptional product quality and service. To cope with the situation of concentrated sales of goods, we are working hard on vertical integration with equipment suppliers. Besides providing complete product line and service, we actively acquire customers such as communication companies in Europe and America to increase our core customer number. Meanwhile, we continue the development of new products and technology in order to satisfy the demand for quality, cost and delivery from the customer's end. Furthermore, our outstanding technology allows us to meet the customer's special manufacturing need, and this will reduce the risk of concentrated sales of goods.

Overall, for the stable operation of the Company, we endeavor to upgrade our technology and improve the process continuously. We also satisfy the customer's need with flexible manufacturing methods. Besides having a good cooperation relationship with the original customers, we

acquire new customers to expand our sales and reduce the risk of concentrated sale of goods by doing so.

C. Risks of concentrated procurement of goods

The main materials for our optical communication products are laser diode (LD), since there are multiple sources to supply the materials and the Company is actively developing substitute materials such as APD, the concentration risk of purchase is not expected.

D. Profits affected by the floating exchange rate

We sell most of our products in dollars. Moreover, we use dollars to make purchase to be our natural hedging method. However, the sales amount is higher than the purchase amount, so the floating exchange rate will still affect profits to a certain degree.

Countermeasures:

To cope with the risk of exchange gains and losses, our Finance Dept. collects international financial information from the market so we can learn about the market capital movement trend and know the measures and attitude of the competent authorities toward exchange rate change. Moreover, we stay in close touch with the banks we work with to learn the exchange rate trend as use the rate as the reference for foreign exchange settlement. The Sales Dept. takes the impact of floating exchange rate on the sales price into consideration when it offers quotation. It will take future exchange rate into account and adjust the product price to ensure the profits. In addition, the Company and subsidiaries conduct purchase with the same currency to obtain natural hedging effect. We will adjust our foreign currency assets and debt positions as appropriate to reduce the risk of exchange rate fluctuation.

(II) Important uses and production processes of our main products

1. Important uses of the main products

RF connectors

The function of connectors is to provide an interface that can be separated to connect the 2 sub-systems within the electric system and transfer signals or electricity successfully. A RF connector is an electromechanical component that connects the wires of electronics. It enables electrical connection or disconnection of cables and it is a kind of mechatronic product with a more complicated failure mechanism.

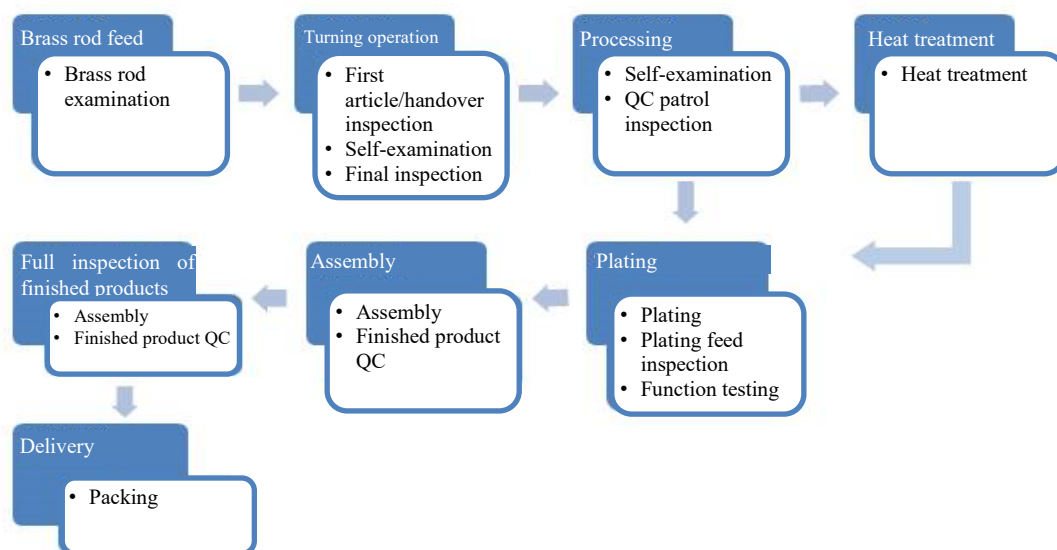
It is usually deemed as a component installed in the cable or instrument, used to enable the electrical connection or disconnection of cables. Its main application field includes the cable TV system, wideband network, antenna and cell site.

Optical communication products

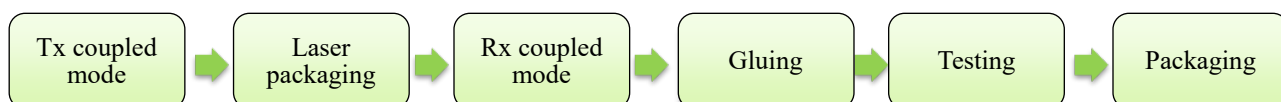
Main Product	Application Range
Transceiver module	Fiber optics communication transceiver module is mainly used for network and communication devices, data transmission devices and cable TV network devices.
Fiber optics transceiver component (sub-assembly)	Fiber optics communication transceiver module is mainly used for network and communication devices, data transmission devices and cable TV network devices.
Optical patch-cord, optical connector	Relative components for optical communication devices.

2. Production and manufacture process of products

RF connector



Optical communication products



(III) Main raw material supply status

Main raw material	Suppliers	Supply situation
Fiber-optic	Furukawa 、Sumitomo	Great and stable
Brass rod	Kuon Chen Hardware, Ho Zia Enterprise Co., Ltd,	Great and stable

(IV) The name of the top 10 purchase/sales customers and the purchase/sales amount and percentage in the recent 2 years

1. List of suppliers accounting for more than 10% of the total procurement amount in either of the last two years

Unit: NTD thousands

Item	2023				2024			
	Name	Amount	Annual net procurement ratio [%]	Relationship with the issuer	Name	Amount	Annual net procurement ratio [%]	Relationship with the issuer
1	Company A	145,059	19.17%	None	Company A	1,019,593	42.59%	None
2	Company B	89,838	11.87%	None	Company B	356,034	14.87%	None
	Others	521,789	68.96%	—	Others	1,018,554	42.54%	—
	Net purchase	756,686	100.00%	—	Net purchase	2,394,181	100.00%	—

Increase/decrease reason:

Mainly due to the Company's adjustment of sales policy in consideration of industry conditions and competitive advantages.

2. List of customers accounting for more than 10% of total sales amount in either of the last two years

Unit: NTD thousands

Item	2023				2024			
	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer
1	Customer A	804,362	30.73%	None	Customer A	3,971,850	61.96%	None
2	Customer B	545,803	20.85%	None	Customer B	—	—	None
	Others	1,267,220	48.42%	—	Others	2,438,555	38.04%	—
	Net Sales	2,617,385	100.00%	—	Net Sales	6,410,405	100.00%	—

Increase/decrease reason:

Mainly due to the Company's consideration of industrial conditions and competitive advantages, which led to an adjustment of sales policies.

III. Employee information in the recent 2 years and to the date on which the annual report was printed

March 30, 2025

Year		2023	2024	Current year as of February, 2025
Number of employees	Direct employee	764	859	1,023
	Indirect employee	242	237	234
	Total	1,006	1,096	1,257
Average age		34	33	33
Average years of service		7.4	6.9	6.0
Degree distribution ratio	Doctoral degree	3	3	3
	Master's degree	29	29	29
	College	318	328	370
	Senior high school	425	508	576
	Below senior high school	231	228	279

IV. Information on environmental protection expenditure

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions) and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has not suffered from loss due to pollution in recent years and to the date on which the annual report was printed.

V. Labor relations

(I) Employee welfare measures:

1. Welfare measures provided by the Company: Employee stock ownership, restricted stocks, employees' bonuses, employee options, flexible working hours, group insurance, annual health inspections, travel safety insurance for business trips, year-end dinner, prizes for all at the year-end dinner, year-end bonuses, public welfare leave, employee indemnity, recommendation bonuses, nursery rooms, infirmaries, health inspection expenses subsidies for positions, subsidies for deductibles of labor and health insurance, internal lecturer subsidies, subsidies for private cars used for official

business, subsidies for mobile phones for work, QQC bonuses, LEAN bonuses, patent bonuses, improvement proposal bonuses, false alert report bonuses, Mid-autumn Festival bonuses, bonuses for work commencement, parking lots, book borrowing, leave without pay more favorable than the law, discounts for salary transfer accounts, catering service subsidies, and plant decorations.

- Flexible working hours: The Company offers a flexible working hours system to allow employees to adjust the time reporting to and leave work based on their conditions. Employees shall enter the plants at the latest by 9:00 a.m., and they may leave work once the working hours reach eight hours.
- 2. Welfare measures provided by the Employee Welfare Committee: Annual company trips, gift money/vouchers for CNY, birthday gift money, subsidies for marriage, funerals, and celebrations, subsidies for gatherings, contracted merchants, scholarships, emergency subsidies, club subsidies, family days, and exclusive t-shirts.

(II) Staff education and training and their implementation:

The Company provides diverse training courses and in-service education and training, including new employee training, in-service training, professional courses, and internal training or external training courses related to duties to improve employees' skills and allow their continuous growth of competency at work. It also formulated the regulations for in-service continuing education to subsidize the tuition, provide official leave, and encourage employees' continuing education to study specialized knowledge and obtain higher degrees.

The Company establishes regulations regarding education and training, in-service training, and internal lecturer, and provides diverse training courses and in-service training, including the following:

Orientations for new employees (company introduction, occupational health and safety, quality, information, and departmental job training), professional trainings by job, management trainings, self-development trainings, re-training for reinstatement, internal lecturer training, specific trainings (required by law or audit), common trainings (hazardous substance, emergency response, sexual harassment, ethical management, improper benefits, counter-terrorism trainings, training for illegal infringement at workplace, and occupational health and safety), to train all employees to improve their knowledge and skills.

To actively cultivate the core talent, improve the talent quality, and cope with the future development of the Company, employees are made to receive continuing education in academic institutions for systematic learning of professional knowledge and skills related to specific theme, and employees are also encouraged to study for the degrees other than their original majors or higher degree with tuition and expenses subsidized, as the incentive of continuing education.

(III) Retirement system and implementation:

To stabilize the retirement lives of employees, the Company established the retirement management regulations and the Supervisory Committee of Labor Retirement Reserve to regularly appropriate the pension reserve based on the ratio of 3.5% of the total salary expenses each month to deposit in the account with the Bank of Taiwan, regularly have meetings each year, and supervise and manage the receipt and expenses of the labor pension reserve to safeguard the rights and interests of laborers.

An employee with any of the following circumstances may apply for voluntary retirement:

- (1) An employee who has worked for the Company for over 15 consecutive years and reached 55 years old.

- (2) An employee who has worked for the Company for over 25 consecutive years.
- (3) An employee who has worked for the Company for over 10 consecutive years and reached 60 years old.

The Company may force an employee to retire when he/she has any of the following circumstances:

- (1) An employee who is 65 years old.
- (2) An employee who is not competent at work due to insanity or physical disabilities.

In addition, before the end of each year, the Company engages an actuary to estimate the balance in the abovementioned labor retirement reserve account. If the balance is not sufficient to pay the retirement amount for those who are estimated to fulfill the retirement conditions in the following year, the differences will be appropriated in a lump sum before the end of March in the following year.

1. Old labor retirement system: For those who assumed positions before July 1, 2005, the Company makes arrangements according to the Labor Standard Act. For those who select the new labor pension system as their pension system, the seniority in the old labor pension system is preserved for claims when fulfilling the retirement requirements. For employees who apply for voluntary retirement or forced retirement, two base points are provided each year based on their seniority. For those with a seniority over 15 years, one base point is provided each year, and the maximum shall be 45 base points. For a period less than half-year shall be calculated as half-year, and for a period more than half-year shall be calculated as one year. For the forced retirement of employees, if the insanity or physical disabilities are caused by the implementation of duties, an additional 20% will be offered based on the preceding subparagraph.
2. New labor pension system: The Labor Pension Act was implemented on July 1, 2005, and the applicable targets are personnel who assume their starting from July 1, 2005, personnel who assume their positions before July 1, 2005, and those who selected the new labor pension system as the pension system. For employees subject to the pension requirements in the Labor Pension Act, the Company appropriates 6% of their wages to the personal pension account of laborers each month. In addition, it withholds the amount from the monthly salaries based on the voluntary appropriation rate and appropriates the amount to the personal pension with the Bureau of Labor Insurance.
3. Preferential retirement: We formulated the retirement management regulations with reference to Letter (1986) Tai-Nei-Lao-Zi No. 465547 of the Ministry of the Interior dated December 16, 1986 and the regulations were archived by the competent authority of laborers. If the age of an employee plus his/her work seniority is at least 60 and his/her evaluation for the two years before the application year is above B (inclusive), he/she may apply for early retirement.

The pension payment standards for preferential retirement are as follows:

- (1) Seniority subject to the pension of the Labor Standards Act: Two base points are provided each year with an additional 20%.

- (2) Seniority subject to the Labor Pension Act: 0.5 base points are provided each year.
 - (3) For a period less than half-year shall be calculated as half-year, and for a period more than half-year shall be calculated as one year.
4. Stock ownership: To improve the protection of post-retirement lives of employees, in terms of the labor retirement system, the Company regularly appropriates the reserve to the statutory pension accounts and otherwise established the Employee Welfare Retirement Trust Committee. After a full-time employee works for the Company for half-year, he/she may decide whether to join the committee and appropriate amounts each month to purchase the Company's stocks regularly at a fixed amount. In addition, based on the monthly appropriation amount of employees, an additional 50% of bonuses are appropriated for the purchase of stocks, and such amounts can be retrieved upon retirement.

(IV) Agreements between labor and management:

The Company established the Employee Welfare Committee, management-labor meetings, Workers' Retirement Reserve Fund Supervision Committee, Infocomm Security and Personal Information Protection Committee, Occupational Safety & Health Committee, Audit Committee, Remuneration Committee, Ethical Management Committee, and Enterprise Sustainable Development Committee.

The Ethical Management Task Force, Enterprise Sustainable Development Task Force, Human Resource Deliberation Committee, and Quality and Existence of Hazardous Substance Committee are also established.

Regarding the management-labor meeting, the Company establishes the Regulations for Managing the Management-Labor Meetings to be implemented by each factory pursuant to laws. The interests and working condition of employees may be complained pursuant to the Company's internal regulations, and the fair and reasonable treatment will be obtained through the channel. Since the establishment up to now, the Company enjoys the harmonious management-labor relationship.

Regarding the Occupational Safety & Health Committee, the Company establishes the Occupational Safety & Health Committee Charter. The representatives of the laborers take up more than 1/3 of all members from the election in the management-labor meeting, to implement the Company's occupational safety and health policies to prevent occupational disaster from happening and establish a fine and healthy working environment, for securing the safety and health of employees.

(V) Protection of employees' rights and interests:

The Company has established its document management system that sets out various management regulations and stipulates employees' rights and interests, obligations, and welfare, and it examines and amends the content from time to time to protect employees' rights and interests.

The Company has established, including but not limited to, the following management regulations:

The Work Rule (approved by the competent authority for reference), Working Standards of Health and Safety (approved by the competent authority for reference), and the Regulations for Countering and Handling the Sexual Harassment in Workplace, Regulations for Implementation of Employees' Appeals, Regulations for Managing Ethical Conducts, Regulations for Managing the Free Association and Collective Bargaining, Regulations for

Managing Employee Bonus Distribution, Regulations for Managing Relief Payment, Regulations for Managing the Incentives for Employees' Patents and Innovations, Regulations for Managing Quality Control Circle Promotion, Instruction for Recommendation Bonus Operation, Instruction of In-Service Continuing Education, and Instruction of Internal Lecturers, to fully protect and safeguard the related employees' rights and interests.

The Employee Welfare Committee established, including but not limited to, the following management rules:

The Company established the Articles of Organization, regulations for employees' subsidies, regulations for company trips, regulations for material emergency relief, regulations for club activity subsidies, regulations for scholarships, and others so as to fully safeguard and maintain the rights and interests of employees.

- (VI) List any losses suffered by the company in the and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

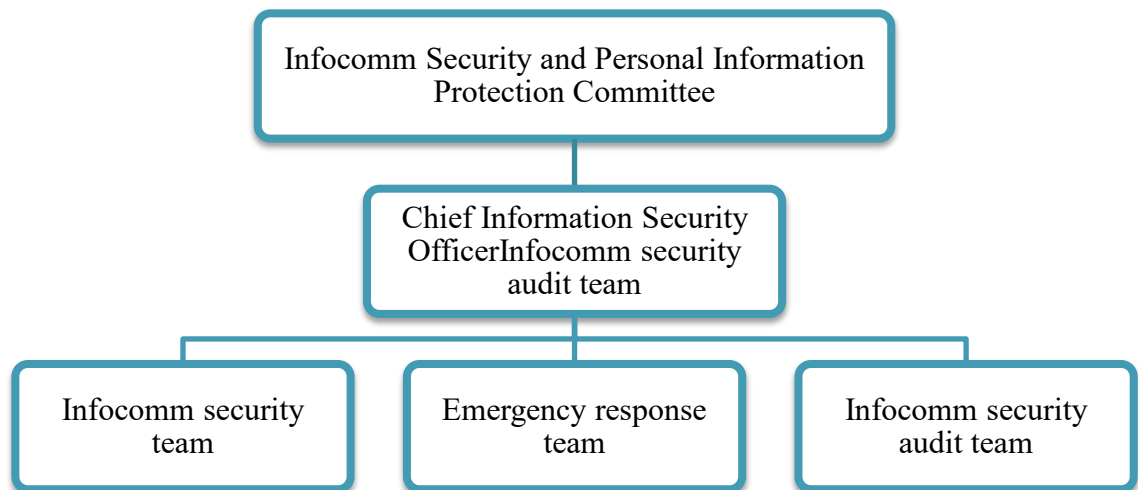
The Company and subsidiaries have not suffered from loss event due to labor-management dispute in recent years and to the date on which the annual report was printed.

VI. Cyber Security Management

- (I) The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. The cyber security risk management framework

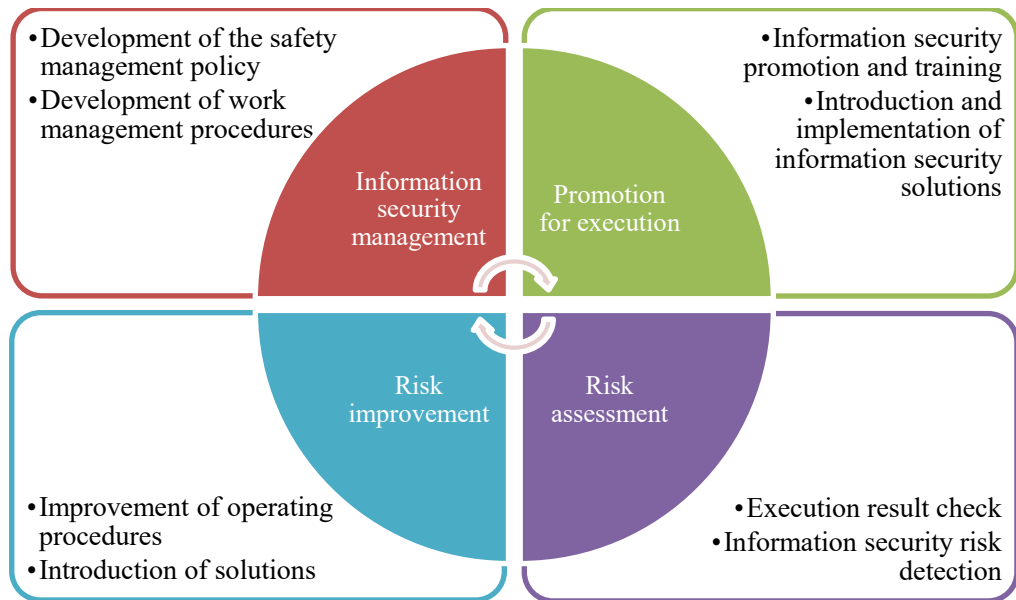
The Infocomm Security and Personal Information Protection Committee is established in order to strengthen the Company's Infocomm security management and ensure the security of data, systems, communication and network. The President is the convener of the committee, and the Infocomm Security Officer is responsible for implementation and reports to the board meeting once a year. The organization team includes the Infocomm security team, emergency response team, and the Infocomm security audit team.



The responsible unit of the Infocomm security team is the Information Department, which has one information manager, one full-time Infocomm security administrator and several professional information personnel. It is responsible for the construction of the Infocomm security system, including network management and system management. At the same time, it continuously reviews and evaluates the trend of changes in the information environment, and evaluates information security risks and protections to ensure the continuous and effective operation of the internal information security management mechanism.

The emergency response team is a task-based team, responsible to coordinate with each person in charge for key business during and after disasters, while implementing the rescuing, evidence investigation, cleanup, and recovery. Every year, the team convene the related personnel for disaster drills, seeking to reduce the damage from disaster, and have the disaster site to resume the basic operation in the shortest time when incidents incur.

The Infocomm security audit team is responsible for supervising the implementation of internal Infocomm security. If there is any deficiency found in the audit, the team will require the inspected unit to propose relevant improvement plans and specific measures, and regularly and continuously track the improvement results to reduce internal Infocomm security risks.



2. Cyber security policies

(1) Cyber security goals

Establish a safe and reliable computerized operating environment to ensure the confidentiality, integrity and availability of the Company's information assets (software, hardware, computer data, information environment and personnel), and prevent them from being damaged by various internal and external threats, so as to enable the Company's information system to operate continuously. In addition, we provide support and commitment to the management in terms of protecting personal data according to the law based on the Personal Data Protection Act and its implementation rules.

(2) Cyber security scope

- A. Personnel management and information security training.
- B. Security management of computer information systems.
- C. Network security management.
- D. System access control.
- E. System development and maintenance of security management.
- F. Information asset security management.
- G. Physical and environmental security management.
- H. Information system sustainable operation management.
- I. Information security audit.
- J. Personal information protection and security safeguard.

(3) Principles and standards of cyber security

- A. Regularly conduct infocomm security training and publicity, including the infocomm security policy, laws and regulations, infocomm security operating procedures and how to properly use information technology facilities. Encourage employees to understand the importance of infocomm security and various security related risks, and improve

employees' awareness of infocomm security to abide by information security regulations.

- B. In order to prevent information systems and files from being infected by computer viruses, and establish active virus detection, active intrusion detection and preventive measures against computer viruses, intrusions and malicious attacks to ensure the security of computer data.
- C. In order to prevent the interruption of important information assets, key businesses or communication systems caused by natural disasters or major man-made events, a policy of sustainable operation planning of information systems should be established.
- D. Cybersecurity and personal data protection are included as the audit items for the annual audit plan of the Company.
- E. The Company shall collect, process, and use personal data according to the law to protect the rights and interests of parties involved and improve the reasonable use of personal data.

(4) Relevant regulations that employees should abide by

- A. The Information Department creates a "user ID" based on the account application form.
- B. Computer data and equipment shall not be arbitrarily destroyed, taken out, lent or improperly modified so as to maintain the integrity of the data.
- C. Prohibit the use of non-copyright software and software from unknown sources.
- D. When the operation is over or the machine is not used for a long time, the machine should be exited to avoid leakage of confidential information or destruction by others.
- E. The place for computer equipment should be away from tea, coffee, sunlight or humidity, and the equipment should be kept clean and the wiring sorted to prolong its life.
- F. At employee resignation or the handover of responsibilities, the information unit shall measure the relevance of data and authority for appropriate disposal.
- G. When the computer equipment fails to work normally, the user should immediately notify the information unit for inspection and maintenance.

(5) Amendment to the Infocomm security policy

- A. Re-examine the information security policy when there are major changes and trend changes in the information environment.
- B. Regularly review the information security policy every year to confirm whether the relevant specifications meet the requirements.

3. Concrete management programs

The Company's Infocomm security related management plans are as follows:

Item	Management plans
Firewall protection	(1) Set the connection rules for the firewall. (2) Additional applications are required for special connection requirements. (3) Backup system logs and connection records and keep them for more than one year.
Antivirus software	Use antivirus software and automatically update the virus codes to reduce the chance of virus infection.
Email security control	(1) Use automatic email scanning threat protection to prevent unsafe attachment files, phishing emails and spam emails in advance, and expand the scope of protection against malicious links. (2) After receiving emails on the personal computer, use antivirus software to scan the contents and unsafe attachments. (3) Automatically back up every outgoing and incoming email.
Data backup mechanism	(1) Set daily backup on important information systems, databases and file servers. (2) In addition to local backup, the data must be backed up off-site.
Human resource security management	(1) Regularly conduct information security training. (2) Build a two-factor confirmation mechanism and feedback channel.
Environmental security management	(1) External equipment and new equipment must be inspected and registered by information security personnel. (2) The external storage media used must be checked and registered by information security personnel.
Network management	(1) The protection system automatically controls the user's online behavior. (2) Automatically filter malicious websites on which users may link to Trojans, ransomware, etc.
Third-party vendor management	(1) Evaluate and review third-party vendors. (2) The third party vendor shall sign a confidentiality agreement.
Information security incident notification	(1) Report any incident to the supervisory unit in order of the incident level. (2) Record the incident process and data in detail, and review and improve it later.
File upload to server	All important files of users are to be stored on the server, and the Information Department shall back up and save them centrally.
Personal data protection	(1) Promote the personal data protection policy of the Company and provide education and training. (2) Regularly examine the personal data risks of the operational process of departments.
Cybersecurity audit	(1) Regularly perform audits on the overall information safety management system. (2) Regularly carry out self-evaluations and audits for cybersecurity management.
Information security	The Company's major customers are corporate customers, and there is no risk of consumer personal data custody. After evaluating the

insurance	types of information security insurance on the market, insurance coverage and applicable industries, the Company does not purchase information security insurance for the time being. In response to information security challenges, the Company has introduced relevant software and hardware, such as firewalls, anti-virus software, intrusion prevention systems, etc., and will also continue to pay attention to the changing trends of the information environment, and strengthen employees' awareness of information security risk and the ability of information security personnel to respond to crisis.
United protection organization of information security	(1) The Company official joined TWCERT/CC in December 2023. (2) Continue to keep abreast of the latest information safety information in Taiwan so as to engage in relevant information safety protection of the Company.

4. Resources invested in cybersecurity management

The Company continues to invest resources into Infocomm security related matters, increases the budget every year to update and strengthen hardware and software equipment, including firewalls, anti-virus, anti-hack, and invasion detection, while actively investing in endpoint protection and intelligence monitoring and analysis. At the same time, the Company has set up one dedicated officer, one dedicated employee and several information security professional personnel, to plan and improve the information security management system, regularly performed disaster recovery drills, and conducted multiple off-site backup, storage and testing of important system data every week.

In addition, in terms of enhancing information security awareness, the overall comprehensive infocomm and personal information protection courses and seminars have been conducted, with the monthly information security publicity. When suspicious emails and behaviors are found, all employees will be immediately notified to pay extra attention. In addition, promotion and training are held from time to time according to the latest situation of internal and external threats. Under the trend of the macro environment of information security, the Company has joined the information security organization, TWCERT/CC, to take the necessary protection mechanism for the Company's infocomm security affairs focusing on the latest infocomm risk in Taiwan.

Cybersecurity management matters and resources invested by the Company are as follows:

- A. Dedicated personnel: A dedicated department, Cybersecurity and Personal Data Protection Committee, is in place to be responsible for information safety planning and audit matters and continuing to reinforce cybersecurity.
- B. Customer satisfaction: There was no material cybersecurity event or complaint related to the loss of customer data.
- C. Education and training: All new employees have completed the information safety education and training courses before assuming office; one cybersecurity safety and education was completed during the year.
- D. Information safety test: We performed one penetration test and two vulnerability screening during the year and implemented two social engineering phishing e-mail tests during the year, three test emails per person each time.

- E. System backup: Material information is backed up at three places, and the distance of the data for remote backup is over 40km. One disaster recovery drill was performed during the year.
- F. Information safety announcement: We product over 12 information announcements and promotions each year to convey the important requirements and matters of notice related to cybersecurity protection.
- G. Report to the Board: The latest report was at the Board meeting in 2024 Q1.
- H. Cybersecurity notice: An exclusive information security reporting channel, “soc@ezconn.com” is made available for employees, customers, and suppliers for information security reporting.

(II) For the most recent fiscal year and up to the annual report publication date, losses suffered by the company, possible impacts and corresponding measures due to significant cyber security incidents. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company and subsidiaries have not suffered from any loss events due to cyber security incidents in recent years and up to the date on which the annual report was printed.

VII. Important contracts

Nature of contract	Parties	Contract date	Main content	Restrictive covenants
Credit extension loan	Chang Hwa Commercial Bank	November 30, 2024 to November 30, 2025	Credit loan	None
Credit extension loan	Taishin International Bank	January 31, 2025 to January 31, 2026	Credit/secured loans	None
Credit extension loan	Hwatai Bank	March 20, 2025 to March 20, 2026	Credit loan	None
Credit extension loan	CTBC Bank	May 31, 2024 to May 31, 2025	Credit loan	None
Credit extension loan	Bank SinoPac	September 10, 2024 to September 30, 2025	Credit loan	None
Credit extension loan	Cathay United Bank	October 29, 2024 to October 29, 2025	Credit loan	None
Lease contract	Lin Ching-Xiang (natural person)	November 1, 2024 to October 31, 2029	Lease for the Hongshulin Plant	None
Lease contract	Fukun Construction	August 1, 2023 to July 31, 2026	Lease for the Hou-Zhou-Zhi Plant	None

Five. Review and analysis of the financial status and performance and risk issues

I. Financial status

Unit: NTD thousands

Year Item	End of 2024	End of 2023	Difference	
			Amount	%
Current assets	5,046,558	2,209,238	2,837,320	128.43
Property, plant and equipment	1,106,253	556,492	549,761	98.79
Intangible assets	20,096	7,591	12,505	164.73
Other assets	858,302	574,496	283,806	49.40
Total assets	7,031,209	3,347,817	3,683,392	110.02
Current liabilities	2,180,400	1,034,271	1,146,129	110.82
Non-current liabilities	1,152,827	262,820	890,007	338.64
Total liabilities	3,333,227	1,297,091	2,036,136	156.98
Share capital	760,000	663,000	97,000	14.63
Capital surplus	917,698	225,635	692,063	306.72
Retained Earnings	2,151,617	1,243,547	908,070	73.02
Other interests	(133,240)	(81,456)	(51,784)	(63.57)
Non-controlling interests	1,907	0	1,907	100.00
Total interests	3,697,982	2,050,726	1,647,256	80.33
(I) Analysis and description of the changes of the increase/decrease ratio that reached 20% in the most recent 2 years: Increase in current assets: Primarily due to the increase in cash, accounts receivable, and inventory. Increase in property, plant and equipment: Primarily due to the leased plant being reclassified as a purchased plant. Increase in intangible assets: Primarily due to the increase in computer software. Increase in other assets: Primarily due to the increase in financial assets at fair value through other comprehensive income. Increase in current liabilities: Primarily due to the increase in accounts payable. Increase in non-current liabilities: Primarily due to the increase in corporate bonds payable. Increase in the capital reserve: Primarily due to the capital increase in cash and the issuance of restricted stock awards. Increase in retained earnings: Primarily due to the increase in net profit after tax. Decrease in other equity: Primarily due to the issuance of restricted stock awards. Increase in non-controlling interest: Primarily due to a non-wholly-owned subsidiary in the U.S..				
(II) Future countermeasure plans: To adapt to the expansion of the business scale and the changes of the market environment, we prepare and plan the capital expenditure budget and the control of the operational funds.				

II. Financial performance

Unit: NTD thousands

	2024	2023	Increase (decrease)	Changes (%)
Net Operating Revenue	6,410,405	2,617,385	3,793,020	144.92
Operating cost	2,845,229	1,686,998	1,158,231	68.66
Gross profit	3,565,176	930,387	2,634,789	283.19
Operating expenses	2,270,568	704,454	1,566,114	222.32
Net operating profit	1,294,608	225,933	1,068,675	473.01
Non-operating income and expenses	127,678	21,820	105,858	485.14
Net profit (loss) before tax	1,422,286	247,753	1,174,533	474.07
Tax benefit (expense)	(366,831)	(79,711)	287,120	360.20
Net profit (loss) after tax	1,055,455	168,042	887,413	528.09

- (I) Main reason of changes that reached above 20%:
1. Increase in operating income, operating costs, gross profit, operating net profit, net profit before tax, and net profit after tax: Primarily due to the increase in the overall profits resulting from the increase in the market, the growth in operating income.
 2. Increase in operating expenses: Primarily due to the increase in relevant expenses resulting from the growth in operating income.
 3. Decrease in non-operating income and expenses: primarily due to a smaller increase in foreign exchange gains.
 4. Increase in income tax expense: Primarily due to an increase in profit.
- (II) Possible impact on the company's future financial operations: The operation of EZconn is normal without any change in the operation.
- (III) Countermeasure:
- EZconn continues to adhere to the management philosophy of "innovation, professional, incorruptibility and integrity". In the face of the changeable business environment of the market, all our employees will continue our self-requirement and growth and be committed to product development and quality enhancement to create profits and growth.

III. Cash Flow

(I) Analysis of changes in cash flow in the most recent year

Unit: NTD thousands

Cash balance at beginning of period	Net cash flow from year-round operating activities	Net cash flow from year-round investment and financing activities (including the effect of the exchange rate changes)	Retained (insufficient) amount of cash	Remedy for estimated cash shortage	
				Investment Plan	Financial Plan
1,000,415	1,570,089	103,254	2,673,758	—	
Analysis of changes in cash flow:					
(1) Operating activities: mainly the net cash outflow accumulated from operating activities during the current period.					
(2) Investment activities: mainly used in the purchase of property, plant and equipment, the acquisition (disposal) of financial assets measured at amortized cost, and the acquisition of financial assets at fair value through other comprehensive income.					
(3) Fundraising Activities: Mainly due to cash capital increase, issuance of corporate bonds, distribution of cash dividends and borrowing (repayment) of bank loans.					

(II) Improvement plan for lack of liquidity: None.

(III) Cash flow analysis for the coming year

Unit: NTD thousands

Cash balance at beginning of period	Estimated net cash flow from year-round operating activities	Estimated net cash flow from year-round investment and financing activities	Estimated retained (insufficient) amount of cash	Remedy for estimated cash shortage	
				Investment Plan	Financial Plan
2,673,758	2,050,293	(1,748,785)	2,975,266	—	
The expected net cash outflow from operating activities in the next year is 2,050,293 thousand; the expected net cash outflow from investment activities is 95,185 thousand, primarily resulting from the acquisition of real estate, etc.; the expected net cash inflow from financing activities is 1,653,600 thousand, primarily resulting from the distribution of cash dividends and a reduction in financing activities. There is no expected cash shortage.					

IV. Impacts on financial operations from major capital expenditures in the most recent year: None.

V. The reinvestment policy of the most recent year, reasons for profits or losses, the improvement and investment plans for the coming year:

1. The Company's reinvestment policy

EZconn implements the reinvestment in consideration of the business needs or future development. As for the invested business, we always have control over the state of operation and analyze the effectiveness of the investment so that the management can make follow-up assessment after the investment.

We have established the "Procedures for Investment Cycle" and the "Regulations Governing the Supervision and Management of Subsidiaries" for the management of the invested businesses to control the finance and operation status and establish the risk management systems for the invested businesses.

2. Profit or loss and improvement plans for the invested businesses in 2024:

December 31, 2024 Unit: NTD thousands

Invested businesses	Invested amount	Book value	Recognized profits (losses)
EC-Link Technology Inc.	679,543	1,045,535	327,371
EZconn Europe GmbH	185,143	70,461	2,015
EZConn USA Inc.	19,535	7,630	(8,582)
EZconn Technology Corporation	96,579	95,603	(2,285)

Up to the moment, the operations of the businesses of the Company's re-invested companies are still stable; they are all related to the Company's core business or are related holding companies. In the future, the Company will continue to focus on the operations of its core business to create maximum benefits for the Company and all shareholders.

3. Investment plans for the coming year:

In response to the overall development and the requirements for business expansion, the Board resolved to approve the establishment of a subsidiary in the U.S. within the limit of US\$1.5 million on November 7, 2023. As of the publication date of the annual report, the Company has invested US\$600 thousand. In addition, the Board resolved to approve the establishment of a new subsidiary in the Philippines within the limit of US\$3.5 million on May 8, 2024. As of the publication date of the annual report, the Company has invested US\$3,000 thousand.

VI. The risk analysis and assessment in recent years and as of the date on which the annual report is printed

(I) The effects of interest and exchange rate fluctuations and inflation on the profit and loss of the Company as well as future countermeasures:

1. The effects of interest and exchange rate fluctuations on the profit and loss of the Company as well as future countermeasures

The interest expense of the Company and its subsidiaries in 2023 and 2024 were NT\$12,738 thousand and NT\$14,753 thousand respectively, accounting for 0.49% and 0.23% of the current year's revenue respectively, mainly due to the interest expense arising from loans to various financial institutions. Since the proportion of operating income is very small, the impact of interest rate changes on the Company and its subsidiaries is not significant. Our subsidiaries and we will always pay attention to the interest rate fluctuations and strive to negotiate a better interest rate with the banks we are working with to reduce the interest cost.

2. The effects of exchange rate fluctuations on the profit and loss of the Company as well as future countermeasures

The product sales of EZconn and our subsidiaries mainly rely on export and the sales revenue are mainly in U.S. Dollar. We purchase raw materials from domestic and overseas suppliers. The receivable in USD is higher than the payables in USD, therefore the exchange rate fluctuations has a potential impact on the profit and loss of the Company. We use the natural hedging method to offset the foreign currency receivables and the payables and always pay attention to the information of exchange rate fluctuations and the demand for foreign currency funds to timely adjust the holding position and the exchange time. We will select appropriate financial products as hedging instrument to reduce the risk of exchange rate

fluctuations when necessary.

3. The effects of inflation on the profit and loss of the Company as well as future countermeasures

The main raw materials to produce our RF connectors is the brass rod. We timely adjust the product cost and selling price as a response to the price change in the international raw materials, therefore causing insignificant impact on the Company and the subsidiaries. As for other main raw materials, we pay close attention to the price fluctuations and the inflation status to reflect the cost price variation timely on the selling price to avoid significant impact on the profits of the Company. We continue to optimize the production process to increase the production efficiency and reduce the cost. In this case, we still maintain good competitiveness when facing the price competition in the market.

- (II) Policies on high-risk, high-leverage investments, capital lending to third-party, endorsements, guarantees, and derivatives transactions, and the main reasons for profits or losses generated thereby and future countermeasures:

1. Engagement in high-risk, high-leverage investments:

We behold the principle of stable operation to focus on the core business of assembling, processing, manufacturing and selling without participating in any high-risk, high-leverage investments.

2. Lending of capital, endorsements and guarantees:

We have “Procedures for Acquisition or Disposal of Assets,” “Procedures for Loaning Funds to Others” and “Procedures for Endorsements/Guarantees” and all of which have been approved by the Board of Directors. Subsidiaries of the Company have also complied in formulating their relevant procedures. As of the publication date of the annual report, none of them have external endorsements/guarantees.

Due to the working capital requirements, subsidiary of the Company EZconn Technology Corporation applied for a credit limit of US\$5 million with the Manila Branch of Cathay United Bank and the branch has approved the loan. The Company pledged a certificate deposit of US\$5 million as the collateral. The proposal for the endorsement and guarantee was approved by the Board on January 16, 2025.

In addition, the Company and its subsidiaries have no loans to others in the most recent year and up to the publication date of the annual report.

No funds are loaned to others in recent years and to the date on which the annual report is printed.

3. Derivative commodity transactions:

We have established the “Procedures for Acquisition or Disposal of Assets” as a reference for the derivative commodity transactions. The procedure also specified that the purpose of the derivative financial commodity is for hedging instead of profits. Therefore, we have hedging operations aiming at the changes of the foreign currency depending on our demand and select forward exchange as the hedging instrument without performing any other derivative financial commodity transactions. The above hedging operations may cause losses in trading because of fluctuation of the market rate. Our subsidiaries and we timely announce all trading information in accordance with the laws.

- (III) Future R&D projects and expected R&D expenses:

RF connectors and optical communication products are the two main products of EZconn and the subsidiaries. We concentrate on the development and improvement of various products to receive the certifications of the safety standard units and the customers in each country. To correspond to the product demand of the global customers, we have development units responsible for the design, production and the introduction of mass production for precision molds and automatic assembly equipment.

In response to the growth of the next-generation passive optical network (NG-PON) and the demand for high-speed optical transceiver modules in the early stage of 5G deployment, the short-term R&D plan will include optical sub-modules that can be used for the development of the 25G-OLT adjustable-wavelength cooling TO-CAN packaging technology, 50G BOSA (5G Mobile Xhaul), and COMBO OLT transceiver that realizes the coexistence of 10G PON and 25G PON services. We also develop and design the high-density fiber optics connector in relation to the photoelectric passive components.

Due to the trend of the market and various technical standards, the next-generation (50G PON/100G PON) technology of 25G-PON has now entered the standard planning stage. It is expected that the current 400G mainstream components will gradually shift to higher-speed 1.6T components. In addition, 5G has started commercial operation in 2020, and the integration of various network services and the required fiber infrastructure will drive the need for 100G/400G/800G/1.6T and 50G/100G-PON high-speed optical transceivers. The future optical communication applications will focus on the integration technology using components with higher speed and density. Thus, for the middle term R&D plan, we plan to invest in the development of 1.6T products and provide more R&D resources to develop technologies for the integration of packaging and testing of high precision, speed and density. As for the present optical sub-assembly design using the COB, we expect to have diversified designs by the automatic integration of advanced customized components in the future. By the trend of products with high density, we continue to develop high speed products via new product technology platforms and expand our product line from the current 100G to 1.6T or even higher in relation to the application of high-speed products in the future. Besides applications for optical communication in our long-term development plan, we also seek for cross-industry partners to assist potential customers to apply the technology of photovoltaic integration to different markets such as the photoelectric sensors, industrial control and consumer products.

We remain to invest 4% of the net operating revenue as the R&D expenses in the development of RF connectors and optical communication products.

(IV) Changes in important policies and laws at home and abroad impacting our financial operations, and countermeasures:

The operation and management of EZconn and our subsidiaries complied with related laws and regulations at home and abroad. We always take notice of the changes in related policies and laws no matter in Taiwan or abroad and collect related information as reference for our management to make operational decisions and take measures in response to the financial operations of the Company. Thus, there is no significant impact of changes in important policies and laws at home and abroad on our financial operations.

(V) Impacts of developments on technology (cyber security risk included) and industrial change on the company's financial operations and response measures:

The Company continues to invest resources into Infocomm security related matters, increases the budget every year to update and strengthen hardware and software equipment, including firewalls, anti-virus, anti-hack, and invasion detection, while

actively investing in endpoint protection and intelligence monitoring and analysis. At the same time, the Company has set up one dedicated officer, one dedicated employee and several information security professional personnel, to plan and improve the information security management system, regularly performed disaster recovery drills, and conducted multiple off-site backup, storage and testing of important system data every week.

In addition, in terms of enhancing information security awareness, the overall comprehensive infocomm and personal information protection courses and seminars have been conducted, with the monthly information security publicity. When suspicious emails and behaviors are found, all employees will be immediately notified to pay extra attention. In addition, promotion and training are held from time to time according to the latest situation of internal and external threats. Under the trend of the macro environment of information security, the Company has joined the information security organization, TWCERT/CC, to take the necessary protection mechanism for the Company's infocomm security affairs focusing on the latest infocomm risk in Taiwan. As the Company is committed in investments for cyber security, currently, the finance business of the Company and subsidiary have not been affected due to any cyber security breach incidents.

(VI) Impacts of changes in corporate image on the corporate crisis management, and response measures:

Since the foundation of EZconn in 1996, we run the Company by a stable and practical way to enhance the internal management and actively promote product quality to meet the quality demand of the customers. There is no such event that damages the corporate image or result in corporate crisis.

(VII) Expected benefits and potential risks from a merger or acquisition, and response measures:

We do not have plans of merger and acquisition in the current year to the date of the print of the report. If we have plans in the future, we will carefully access and consider the synergy of the mergers and acquisitions to ensure the existing equity of the shareholders.

(VIII) Expected benefits and potential risks from plant expansion, and response measures:

Currently, we do not have plans for plant expansion. We will access possible risks carefully in case we have plans to increase equipment and expand our plants due to the promotion of capacity.

(IX) Risks associated with any concentration of sales or procurement, and response measures:

1. Purchase of goods: Most of the purchasers of the Company and its subsidiaries are companies that have long-term relationship with the Company. Some of the purchasers of special raw materials have a good cooperative relationship with the Company and its subsidiaries and can provide a stable source of raw materials. In addition to paying close attention to the changes in supply and demand of the raw material supply market, the Company and its subsidiaries are actively developing new suppliers to decentralize the risk of purchase concentration.
2. Sales: We mainly strive for the RF connectors orders from the first-class manufactures in Europe and America. This is due to the end customers of our RF

connectors are mainly cable television system integrators. The mature development of such industry resulted in companies with more resources will only get bigger. Therefore, we mainly sell our products to large cable television system integrators in the West, causing the concentrated sales. With excellent manufacturing capacity of molds and jigs, we maintain long-term and stable cooperation with the customers via outstanding delivery and conditions. We also strive to acquire orders from other customers to reduce the risk of business loss even if the sales to end customer increases or decreases at times. The optical communication products are mainly sold to world-renowned equipment manufacturers. With the consolidation of the optical communication industry in recent years, there is also a trend of the big getting bigger. The downstream equipment manufacturers of optical communication are all maintaining a stable cooperative relationship with system manufacturers, and at the same time have a fixed partnership with the upstream supply chain; once the certification and recognition are obtained, unless there are major doubts about quality or delivery, they will not easily replace the suppliers. We aggressively enhance the vertical integration of equipment suppliers and provide comprehensive product line service. In the meantime, we actively develop Europe and America customers of the telecommunication system to increase the number of our core customers. We will continue to work hard in developing new products and technologies to satisfy customer's demand on quality, cost and delivery. Meanwhile, we're able to accept customer's specific manufacturing needs and lower the risk of overly concentrated sales with our excellent technological capability.

- (X) Impacts and risks from large transfers of shares held by our company's directors, supervisors, or large shareholders holding more than 10% of shares, and response measures:

There are no large transfers of shares held by the Company's directors, supervisors, or large shareholders holding more than 10% of shares.

- (XI) Impacts and risks from changes in management rights, and response measures: None.

- (XII) Litigation and non-litigious events

1. In previous years, the Company had recognized full impairment losses regarding the debt of PCT International Inc. (PCT). PCT filed for bankruptcy proceedings under Chapter 11 of the United States Bankruptcy Code in November 2019, and also filed for a debt reorganization plan in June 2020. In March 2021, the Company, PCT, the Official Committee of Unsecured Creditors ("Committee"), and certain other parties entered into a settlement agreement. The bankruptcy court approved the debt reorganization plan associated with the settlement in November 2021. PCT made the first payment in December 2021, agreeing to pay the balance of the Company's claims in full within a 10-year schedule with options for early payments. In April 2024, the Group and PCT began conducting settlement discussions and recovered US\$1,955 thousand, which is based on the reversal of allowance losses on accounts receivable. The remaining US\$1,176 thousand was fully written off by offsetting the loss allowance of trade receivables.

2. Outcomes of major litigious, non-litigious, or administrative disputes that have been resolved or are still proceeding involving our company's directors, supervisors, president, the responsible person, large shareholders holding more than 10% of shares and the affiliated companies, and that may have serious impact on shareholders' equity or the prices of the securities in the recent 2 years and to the date on which the annual report is printed: None.
3. Company's directors, supervisors, managerial officers and large shareholders holding more than 10% of shares involved in the event listed in Article 157 of the Securities and Exchange Act and the management of the company: None.

(XIII) Other major risks and response measures:

Management of intellectual properties:

The Company actively encourage the innovations of employees and in-house R&D to create the Company's values and competitiveness via the intellectual property rights. To protect the R&D resources, maintain the innovation capacity, strengthen the competitive edges, improve the corporate profit, achieve the operational goals, secure the leading position, and ensure the sustainable operation, the Company continues the promotion of the intellectual property management, to maintain the maximum value and interests for the Company the shareholders.

The Company and its subsidiaries adopt the measures of infringement avoidance and right protection regarding the acquisition, protection, maintenance and application of intellectual properties. Meanwhile, the concept of no secrets to be leaked is enhanced for employees, and non-disclosure agreements are signed with all partners, to protect the Company's rights and interests.

1. Patent Management

The R&D unit conducts the technological development, and the external patent agencies are commissioned from time to time to apply and plan patents to the domestic and foreign intellectual property competent authorities, while maintaining the valid procedures and paying fees pursuant to the requirements of patent competent authorities of various countries. With the patent education and trainings from time to time, as well as the external resources introduced, the updated new knowledge is introduced to improve the quality of patent application. The Company's incentive system is integrated to drive the R&D and innovation of the Company's products and technologies, for the effective and positive cycle.

2. Trademark Management

Trademarks establishes the brand image among customers, and solidify the market advantages. The key point of the Company's trademark management is to maintain the identity of each product in the market, and to seek to fully exert the economic benefits brought by trademarks to the Company.

3. Trade Secrete Management

- (1) Via the classification and label of secret information, including but not limited to the records and documents related to R&D, financial information, HR information, and procurement information, to take proper and reasonable confidentiality measures.
- (2) Various access management, permission controls, non-disclosure agreements, and information device controls are taken to prevent the secret information from theft, alteration, destruction, loss, or leak, for ensuring the internal competitive edges such as technologies and trusts from customers.
- (3) Employees of the Company shall execute relevant legal documents for confidentiality before assuming the positions. Necessary measures shall be taken to keep the confidentiality of the trade secrets known to, or in possession of employees during the employment. Other than the normal use for the job or with the Company's written consent in advance, such secrets may not be leaked, informed, delivered, or transferred to any third party, or released to outsiders, or used or utilized by employees or any third party. After the resignation, they shall not directly or indirectly leak such business secrets.

4. Implementation

- (1) At least once per year, the implementation of the intellectual properties is reported to the Board of Directors and propose the improvement measures based on the directors' advice The latest report to the Board of Directors took place on November 07, 2025.
- (2) The Company has been committed to the management plan of intellectual properties. The major results of implementation are as follows (Information available until December 31, 2024):

	Total valid patent	Current applications
RF Products	89	20
Optical Products	90	31

- (1) The Company conducts the related education and trainings or seminars when required, to promote the related laws and regulations to employees.

VII. Other important issues: None.

Six. Special matters to be recorded:

I. Related information of the affiliates

- (I) Consolidated Business Report of the Affiliates: "Please visit the Market Observation Post System (MOPS) of the Taiwan Stock Exchange for more information."
- (II) Affiliation Report: "Please visit the Market Observation Post System (MOPS) of the Taiwan Stock Exchange for more information."
- (III) Affiliation Report: "Please visit the Market Observation Post System (MOPS) of the Taiwan Stock Exchange for more information."
https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=6442&year=&mtype=K&isnew=true

II. Private equity securities transactions in recent years and to the publication date of the annual report: None.

III. Holding or disposal of the company's shares by the subsidiaries in the most recent year and to the publication date of the annual report: None.

IV. Other necessary additional statements: None.

Seven. Matters that have a significant impact on shareholders' equity or securities prices as set forth in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act in the most recent year and to the publication date of the annual report: None.

EZconn Corporation

Declaration on the Internal Control System

Date: March 07, 2025

Based on the result of self-inspection of EZconn's internal control system in 2024, we hereby declare the following:

- I. We acknowledge that the BoD and managers are responsible for the establishment, implementation and maintenance of the internal control system. We have established such a system, with the aim to provide reasonable assurance concerning the effectiveness and efficiency of operations (including profits, performance and protection of asset safety), reports with reliability, promptness, and transparency and compliance with relevant laws and regulations.
- II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism. Once a defect has been identified, corrective actions are immediately taken.
- III. We determine the effectiveness of the design and implementation of our internal control system using the criteria of judgment of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment criteria of internal control systems specified in the "Regulations" contain five components for the internal control system based on the processes of management and control: a. control environment, b. risk assessment, c. control activities, d. information and communication, and e. monitoring activities. Each component includes several elements. Please see the Regulations for the aforementioned criteria.
- IV. We have used the aforementioned criteria to assess the effectiveness of the design and implementation of our internal control system.
- V. Based on the result of the assessment, we finally determined that until December 31, 2024, the design and implementation of our internal control system (including supervision and management of subsidiaries) have worked well regarding the effectiveness and efficiency of operations, the reliability, promptness, and transparency of reports and compliance with relevant laws and regulations, providing reasonable assurance that the above objectives have been achieved.
- VI. This Declaration is to be part of the main contents of our annual reports and prospectuses, and released to the public. In the event the above public contents have included false information or concealed certain information, the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall apply.
- VII. This Declaration was adopted at the BoD meeting on March 07, 2025. All the 7 Directors present approved the contents of this Declaration, and none of them expressed any dissenting opinion. This information is declared as an addition.

EZconn Corporation

Chairman: CHEN STEVE

Signature

President: Chang Ying-Hua

Signature

Appendix 1

Regulations for the Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds

I. Name of bonds:

The first domestic unsecured convertible corporate bonds (the “convertible corporate bonds”) of EZconn Corporation (the “Company”).

II. Issuance date:

November 11, 2024 (the “issuance date”).

III. Total issuance amount:

The par value of the convertible corporate bonds is NT\$100,000. The total issuance number of bonds is 10,000 bonds. The total issuance par value is NT\$1,000,000,000, and the bonds are issued at 100.5% of the par value. The issuance amount is NT\$1,005,000,000.

IV. Issuance period

The issuance period is three years. The issuance commences on November 11, 2024 and expires on November 11, 2027 (the “expiry date”).

V. Coupon rate of bonds:

The annual coupon rate of the convertible corporate bonds is 0%.

VI. Principal repayment date and method:

Except for holders of the convertible corporate bonds converting the bonds into the ordinary shares of the Company according to Article 10 of the Regulations or exercising the put option according to Article 19 of the Regulations, or the Company redeeming early according to Article 18 of the Regulations, or the Company repurchasing from the stock exchange for cancelation, the holders of the convertible corporate bonds of the Company shall be repaid in cash in a lump sum based on the par value of bonds within 10 business days from the expiry date of the convertible corporate bonds. If the abovementioned date encounters a non-business day of TPEx, it will be postponed to the following business day.

VII. Security

Convertible corporate bonds are unsecured bonds. However, if the Company otherwise issues or has a private placement of other secured corporate bonds with attached warrant or secured convertible corporate bonds after the issuance of the convertible corporate bonds, the convertible corporate bonds will also set the creditors’ rights of the same level of collateral of the same sequence according to the secured corporate bonds with attached warrant or secured convertible corporate bonds.

VIII. Conversion target:

The ordinary shares of the Company. The conversion obligations are fulfilled by issuing new shares, and the new shares issued under the conversion are delivered through book entry without printing physical share certificates.

IX. Conversion period:

A bond holder may request the stock affairs agency of the Company to convert the convertible corporate bonds that he/she held into ordinary shares in stock of the Company

through his/her securities dealer by notifying the Taiwan Depository & Clearing Corporation (the “TDCC”) at any time from the day (February 12, 2025) following the three months after the issuance date of the convertible corporate bonds up to the expiry date (November 11, 2027), except for (I) lock-up period of ordinary shares according to the law, (II) the period from 15 days before the transfer suspension day for stock grants, the transfer suspension day for cash dividends, or the transfer suspension day for a capital increase in cash through share subscription to the base day for rights distribution, (III) the period from the capital decrease base day for a capital decrease to the day before the trading commencement day of stocks converted and issued under the capital decrease, and (IV) the period from the starting day of conversion (subscription suspension for the changes in the par value of stocks to the day before the trading commencement day of stocks converted and issued for new shares, and arrangements shall be made according to Article 10, Article 11, Article 13, and Article 15.

The starting day of conversion (subscription suspension for the changes in the par value of stocks in the preceding paragraph refers to one business day before the alteration registration application to the Ministry of Economic Affairs. The Company shall announce the conversion suspension period four business days before the starting day.

X. Conversion requires procedures:

- (I) A bondholder shall visit the original securities dealer and complete the “convertible corporate bond book entry/redemption/sell back application (with conversion specified) for the securities dealer to submit the application to the TDCC/ After accepting the application, TDCC will notify the stock affairs agency of the Company via electronic means, and the conversion becomes effective once the notice is served, and the bondholder may not apply for cancelation. The conversion procedures will be completed within business days from the service of the notice, and ordinary shares in stocks will be appropriated to the TDCC account of the bondholders.
- (II) When an overseas Chinese of the R.O.C. or a foreigner who is not with the nationality of the R.O.C. applies to convert the convertible corporate bonds that he/she holds into ordinary shares of the Company, the distribution shall be may by the TDCC through book entry.

XI. Conversion price and its adjustments:

(I) Establishment method of the conversion price

For the establishment of the conversion price of the convertible corporate bonds, November 1, 2024 is the base day for conversion price establishment, the simple average closing price of the ordinary shares of the Company for either the 1, 3, or 5 business days before the base day is used as the standard price, and the standard price multiplied by 105.01% to 115% shall be the calculation and is the conversion price of the convertible corporate bonds (rounded to NT\$0.1). If there is any ex-right or ex-dividend before the pricing base day, the closing price adopted for the calculation of the conversion price shall be calculated as the price after the ex-right or ex-dividend. From the determination of the conversion price to the issuance date, if there is any ex-dividend or ex-right, adjustments shall be made based on the adjustment formula for the conversion price in (II) of this article. According to the abovementioned method, November 1, 2024 is the base day for the establishment of the conversion price, the convertible premium rate is 1105.1, and the conversion price of the convertible corporate bonds upon issuance is NT\$491.3 per share.

(II) Adjustments to the conversion price

1. After the issuance of the convertible corporate bonds, except for the conversion and issuance of ordinary shares due to securities with conversion rights or subscription rights issued (or privately placed) by the Company or the issuance of new shares as the remuneration of employees, if the ordinary shares issued (or privately placed) by the Company increase (including but not limited to capital increase in cash through offering or private placements, capital increase from earnings, capital increase from the capital reserve, business consolidation or the receipt of new shares issued by other companies, splits of stocks, capital increases in cash for the participation in overseas depository receipts (GDRs), and the changes in the par value of stocks), the Company shall adjust the conversion price based on the following formula (rounded to NT\$0.1, only downward adjustments shall be made instead of upward adjustments), send a request letter to the Taipei Stock Exchange (the "TPEX") for announcement, and adjust the conversion price on the base day for the ex-right of new share issuance (Note 1). If physical payments are made, the conversion price shall be adjusted on the day on which share payments are paid. If the increase in ordinary shares is due to the changes in the par value of stocks, the adjustment shall be made on the base day for the conversion and issuance of new shares.

$$\begin{array}{lcl} \text{Conversion price after adjustments} & = & \text{Conversion price before adjustments} \times \frac{\text{Number of issued shares (Note 2)} + \frac{\text{Payment amount per share (Note 3)} \times \text{number of new shares issued or privately placed}}{\text{Current price per share (Note 4)}}}{\text{Number of issued shares (Note 2)} + \text{Number of new shares issued or privately placed}} \end{array}$$

For changes in the par value of stocks

$$\begin{array}{lcl} \text{Conversion price after adjustments} & = & \text{Conversion price before adjustments} \times \frac{\text{Number of ordinary shares before the changes in the par value of stocks (Note 2)}}{\text{Number of ordinary shares after the changes in the par value of stocks}} \end{array}$$

Note 1: For stock splits, adjust on the base day for splits; for consolidations or receipts for capital increases, adjust on the base day for consolidation or receipt; for capital increases in cash through book building or capital increases in cash for the participation in GDRs, adjust on the day on which the share payments are paid up; for capital increases in cash through private placements, adjust on the delivery date of the privately placed securities. If the issuance price of new shares is changed after the base day for ex-right for capital increases in cash through the issuance of new shares, the adjustments shall be made according to the abovementioned formula based on the updated issuance price for new shares and the current price per share (the updated base day for the establishment of the issuance price of new shares determined by the Company shall be the updated base day for the establishment of the current price per share). If the conversion price after the adjustment calculation is lower than the adjusted conversion price announced before the initial base day for ex-right, send a request letter to TPEX to re-announce the adjustments.

Note 2: The number of issued shares refers to the total number of issued ordinary shares (including offered or privately placed shares) less the number of treasury shares repurchased by the Company but not yet canceled or transferred.

Note 3: If the payment amount per share is for stock grants or stock splits, the payment amount is 0. Regarding consolidation for capital increases through the issuance of new shares, the payment amount per share shall be the net worth per share calculated based on the latest financial statements certified or reviewed by CPAs of the Company multiplied by the share conversion ratio. In terms of the receipt of new shares issued by other companies, the payment amount per share shall be the net worth per share calculated based on the latest financial statements certified or reviewed by CPAs of the company for the receipt multiplied by the share conversion ratio.

Note 4: The establishment of the current price per share shall be the simple average closing price of ordinary shares for either the 1, 3, or 5 business days before the base day for ex-right, pricing base day, base day for the receipt of new shares issued by other companies and stock consolidation or splits, or the delivery date of privately placed securities.

2. After the issuance of the convertible corporate bonds, if the Company distributes cash dividends of ordinary shares, it shall make a downward adjustment to the conversion price (rounded to NT\$0.1; only downward adjustments shall be made instead of upward adjustments) on the base day for ex-right based on the following formula and send a request letter to TPEx to announce the adjusted conversion price on the base day for ex-right. The requirements for the downward adjustments to the conversion price are not applicable to those who request the conversion before the base day for ex-right (exclusive). The adjustment formula is as follows: |

Conversion price after downward adjustments = conversion price before downward adjustments x (1 – ratio of cash dividends for ordinary shares issued to the current price per share (Note))

Note: The current price per share shall be the simple average closing price of ordinary shares for either the 1, 3, or 5 business days before the announcement day for ex-dividend due to the suspension of stock transfers for cash dividends.

3. After the issuance of the convertible corporate bonds, if the Company offers (or privately places) various securities with conversion rights or subscription rights of ordinary shares at a price lower than the current price per share (Note 1), the Company shall adjust the conversion price (rounded to NT\$0.1, only downward adjustments shall be made instead of upward adjustments) of the convertible corporate bonds according to the following formula and send a request letter to TPEx for the announcement. The adjustment shall be made on the issuance date of the abovementioned securities or subscription rights or the delivery date of the privately placed securities:

$$\begin{array}{c}
 \text{Conversion} \\ \text{price after} \\ \text{adjustments}
 \end{array}
 =
 \begin{array}{c}
 \text{Conversion} \\ \text{price before} \\ \text{adjustments}
 \end{array}
 \times
 \begin{array}{c}
 \text{Number of} \\ \text{issued shares} \\ \text{(Note 2)}
 \end{array}
 +
 \frac{
 \begin{array}{c}
 \text{Conversion or subscription price} \\ \text{of newly issued (or privately} \\ \text{placed) securities with the} \\ \text{conversion rights or subscription} \\ \text{rights of ordinary shares}
 \end{array}
 \times
 \begin{array}{c}
 \text{Number of shares to be converted or} \\ \text{subscribed under the newly issued (or} \\ \text{privately placed) securities with the} \\ \text{conversion rights or subscription} \\ \text{rights of ordinary shares}
 \end{array}
 }{
 \begin{array}{c}
 \text{Current price per share (Note 1)}
 \end{array}
 }$$

Number of issued shares (Note 2) Number of shares to be converted or subscribed under the newly issued (or privately placed) securities with the conversion rights or subscription rights of ordinary shares

Note 1: The current price per share shall be the simple average closing price of ordinary shares for either the 1, 3, or 5 business days before the pricing base day for the issuance (or private placement of various securities with conversion rights or subscription rights of ordinary shares. If there is any ex-right or ex-dividend before the pricing base day, the closing price adopted for the calculation of the conversion price shall be calculated as the price after the ex-right or ex-dividend.

Note 2: The number of issued shares refers to the total number of issued ordinary shares (including offered and privately placed shares) less the number of treasury shares repurchased by the Company but not yet canceled or transferred. If treasury shares are used to offset the issuance (or private placement) of various securities with conversion rights or subscription rights of ordinary shares, adjust the number of issued shares in the formula by reducing the number of shares to be converted or subscribed under the newly issued (or privately placed) securities.

4. After the issuance of the convertible corporate bonds, if the ordinary shares of the Company decrease due to capital decrease not resulting from the cancelation of treasury shares, calculate the adjusted conversion price (rounded to NT\$0.1) according to the following formula and send a request letter to TPEx for announcement. The adjustment shall be made on the base day for capital decrease. If ordinary shares decrease due to changes in the par value of stocks, adjust on the base day for the conversion and issuance of new shares.

- (1) For capital decreases to compensate for losses:

Conversion price after adjustments = Conversion price before adjustments x (Number of issued ordinary shares before capital decrease (Note)/Number of issued ordinary shares after capital decrease)

- (2) For capital decreases in cash:

Conversion price after adjustments = [Conversion price before adjustments x (1 – Ratio of cash returned per share to the closing price of the last trading day of the newly converted and issued stocks)] x (Number of ordinary shares before capital decrease (Note)/Number of ordinary shares after capital decrease)

- (3) For changes in the par value of stocks:

Conversion price after adjustments = Conversion price before adjustments x (Number of issued ordinary shares before the changes in the par value of stocks (Note)/Number of issued ordinary shares after the changes in the par value of stocks)

Note: The number of issued shares refers to the total number of issued ordinary shares (including offered and privately placed shares) less the number of treasury shares repurchased by the Company but not yet canceled or transferred.

XII. Listing and the termination of listing of the convertible corporate bonds:

The Company applies for the listing of the convertible corporate bonds for trading with TPEx before the issuance date, and the listing is terminated when the convertible corporate bonds are fully converted to ordinary shares or are fully repurchased or repaid by the Company. The abovementioned matters are announced after receiving consent from TPEx.

XIII. Listing of converted new shares:

Regarding the ordinary shares converted and issued after the conversion of the convertible corporate bonds, the converted ordinary shares are listed on the Taiwan Stock Exchange (TWSE) for trading on the delivery date. The abovementioned matters are announced after receiving consent from TWSE. Scriptless issuance is adopted for the ordinary shares of the Company, and the converted ordinary shares are listed on TWSE for trading on the delivery date in a scriptless mode.

IV. Alteration registration of share capital:

The Company shall announce the amount of stocks delivered due to the exercise of conversion of the convertible corporate bonds in the preceding quarter within 15 days from the end of each quarter and apply for the alteration registration of the capital with the competent authority of corporate registration at least once each quarter.

XV. Treatment for amounts less than one share during share conversion:

When converting to the Company's ordinary shares, if there are amounts less than one share, the Company will make cash repayments (rounded to NT\$1).

XVI. Attribution of annual cash dividends and stock dividends of conversion:

(I) Cash dividends

1. A holder of the convertible corporate bonds who requests the conversion from January 1 of the year to 15 business days (exclusive) before the Company contracts TWSE for the suspension of stock transfers for cash dividends of the year may participate in the cash dividends of the preceding year issued under the resolution of the shareholders' meeting of the year.
2. From 15 business days (inclusive) before the Company contacts TWSE for the suspension of stock transfers for cash dividends of the year to the base day for cash dividends (inclusive), the conversion of the convertible corporate bonds is suspended.
3. A holder of the convertible corporate bonds who requests the conversion from the day following the base day for cash dividends of the year to December 31 (inclusive) is not entitled to the cash dividends of the preceding year issued under the resolution of the shareholders' meeting of the year; however, he/she may participate in the cash dividends of the year issued under the resolution of the shareholders' meeting in the following year.

(II) Stock dividends

1. A holder of the convertible corporate bonds who requests the conversion from January 1 of the year to 15 business days (exclusive) before the Company contracts TWSE for the suspension of stock transfers for cash dividends of the year may participate in the stock dividends of the preceding year issued under the resolution of the shareholders' meeting of the year.
2. From 15 business days (inclusive) before the Company contacts TWSE for the suspension of stock transfers for stock grants of the year to the base day ex-right of stock grants, the conversion of the convertible corporate bonds is suspended.
3. A holder of the convertible corporate bonds who requests the conversion from the day following the base day for ex-right of stock grants of the year to December 31 (inclusive) is not entitled to the stock dividends of the preceding year issued under the resolution of the shareholders' meeting of the year; however, he/she may participate in the stock dividends of the year issued under the resolution of the shareholders' meeting in the following year.

XVII. Rights and obligations after conversion:

The rights and obligations of ordinary shares in stock obtained by a holder of the convertible corporate bonds after the conversion request becomes effective are equivalent to the initially issued ordinary shares of the Company.

XIII. Redemption rights off the Company:

- (I) From the day following three months from the issuance of the convertible corporate bonds (February 12, 2025) to 40 days before the expiry of the issuance period (October 2, 2027), if the closing price of the Company's ordinary shares exceeds 30% (inclusive) of the then conversion price for 30 consecutive business days, the Company may dispatch a "bond recovery notice with an expiry period of 30 days (the abovementioned period is calculated starting from the dispatch day of the Company, and the expiry date of the period is the base day for bond recovery notice; the abovementioned period shall not be in the conversion

suspension period in Article 9) by registered mail to bondholders (subject to bondholders set out in the bondholder register five business days before the dispatch day of the “bond recovery notice”; for holders who obtained the convertible corporate bonds subsequently due to trading or other reasons, an announcement will be made) within 30 days from the occurrence. The redemption price is the par value of the bonds, and the Company will recover all its bonds in cash and send a request letter to TPEx for announcement. The implementation of the recovery request by the Company shall be within five business days from the base day for bond recovery, and it shall redeem its outstanding convertible corporate bonds in cash based on the par value of the bonds.

- (II) From the day following three months from the issuance of the convertible corporate bonds (February 12, 2025) to 40 days before the expiry of the issuance period (October 2, 2027), if the balance of outstanding convertible corporate bonds is less than 10% of the total par value issued initially, the Company may dispatch a “bond recovery notice with an expiry period of 30 days (the abovementioned period is calculated starting from the dispatch day of the Company, and the expiry date of the period is the base day for bond recovery notice; the abovementioned period shall not be in the conversion suspension period in Article 9) by registered mail to bondholders (subject to bondholders set out in the bondholder register five business days before the dispatch day of the “bond recovery notice”; for holders who obtained the convertible corporate bonds subsequently due to trading or other reasons, an announcement will be made) at any time subsequent to the occurrence. The redemption price is the par value of the bonds, and the Company will recover all its bonds in cash and send a request letter to TPEx for the exercise of the Company’s redemption rights. The implementation of the recovery request by the Company shall be within five business days from the base day for bond recovery, and it shall redeem its outstanding convertible corporate bonds in cash based on the par value of the bonds.
- (III) If a bondholder fails to respond to the Company’s stock affairs agency in writing before the base day for bond recovery set out in the “bond recovery notice,” the Company will redeem the convertible corporate bonds that he/she holds in cash based on the par value of the bonds within five business days from the base day for bond recovery
- (IV) If the Company implements the recovery request, the final deadline for creditors and holders to request the conversion shall be the second business day after the termination of trading of the convertible corporate bonds on TPEx.

XIX. Put options of bondholders:

Two years after the issuance of the convertible corporate bonds (November 11, 2026) is the base day for sell-back for holders of the convertible corporate bonds to sell back the convertible corporate bonds early. The Company shall dispatch a “put option exercise notice” by registered mail to bondholders (subject to bondholders set out in the bondholder register five business days before the dispatch day of the put option exercise notice”; for holders who obtained the convertible corporate bonds subsequently due to trading or other reasons, an announcement will be made) and send a request letter to TPEx for announcing the exercise of put options of holders of the convertible corporate bonds. Holders of the convertible corporate bonds may notify the stock affairs agency of the Company in writing (effective once the notice is served, and subject to the postmark for those being posted) within 40 days from the base day for sell-back to require the Company to redeem the bonds they held in cash based on the par value of the bonds [after two years, the par value of the bond is 100% (the return on put options is 0%)]. After the Company accepts the sell-back request, it shall redeem the convertible corporate bonds in cash

within 5 business days from the base day for sell-back. If the abovementioned date encounters a non-business day of TPEx, it will be postponed to the following business day.

- XX. All the recovered (including those repurchased from the stock exchange), repaid, or converted convertible corporate bonds will be canceled, and may not be sold or issued subsequently, and the conversion rights attached are also eliminated.
- XXI. The convertible corporate bonds and ordinary shares converted and issued are registered. The transfer, alteration registration, pledge, and less shall be subject to relevant requirements in the “Regulations Governing the Administration of Shareholder Services of Public Companies” and the Company Act. In addition, tax matters shall be subject to the prevailing tax laws.
- XXII. Taishin International Bank Co., Ltd. is the trustee of bondholders for the convertible corporate bonds to exercise the powers to audit and supervise the performance of the issuance matters of the convertible corporate bonds by the Company for the benefit of bondholders. Any bondholder who holds the convertible corporate bonds, regardless of subscription upon the issuance or purchasing midway, agrees with the requirements of the consignment contract entered into between the Company and the trustee, the rights and obligations of the trustee, and the conversion regulations and authorizes the trustee for the consigned matter in its full discretion; the authorization may not be canceled halfway, and the service period of the trustee is the day on which the convertible corporate bonds are fully settled. As for the content of the consignment contract, a bondholder may visit the Company or the operating site of the trustee during business hours at any time for browsing.
- XXIII. The stock affairs agency of the Company is consigned for the principal repayment and conversion of the convertible corporate bonds.
- XXIV. Regarding the issuance of the convertible corporate bonds, no physical bond is printed according to Article 8 of the Securities and Exchange Act.
- XXV. Unaddressed matters of the regulations for the issuance and conversion of convertible corporate bonds shall be subject to relevant laws and regulations.

EZconn Corporation

Responsible person: Chen, Steve